

Accepting EU ways brings down Conservative leaders

Yesterday Mrs May received plenty of friendly Conservative advice to be firmer in her negotiations with the EU. Conservative leaders who love the EU more than their party have in the past lost their jobs. John Major, David Cameron and to some extent Edward Heath all lost their jobs by being too enthusiastic about the EEC/EU. The overwhelming majority of Conservative members today expect their Leader to stand up to the EU and to get on with leaving the EU as we have agreed to do. Mrs May seems to understand where her party is and acknowledges that we want to take back control of our money, our borders and our laws. She has made a clear red line over a border in the Irish Sea, but needs to dig in behind other red lines as well. She is in danger of being dragged into potential concessions that compromise such a result.

John Major is the best example of a leader whose complete tenure of office as PM was dominated by a bad policy decision which came from the EU. The UK's membership of the European Exchange Rate Mechanism which he had championed with his friends at the CBI did substantial economic damage. It first led to an inflationary credit expansion, then led to a sharp monetary contraction, a big fall in the pound and penal rates of interest which brought on a predictable and damaging recession. It did not just cost John Major his job, but meant the Conservative party was out of office for 13 years and failed to win a majority in the Commons for 18 years. The CBI leadership sought to ignore the damage their recommended policy did to many businesses.

David Cameron too lost his job directly by being too pro EU. He failed to negotiate firmly with them. He then wrongly decided to recommend a so called deal which amounted to very little, only to discover the UK voters wanted to take a much firmer line with an EU that had treated him badly. He rightly saw that his position was untenable when he lost a referendum on the issue of continued membership on his renegotiated terms, having been fully behind staying in. He too trusted the CBI advice, and saw similar advice coupled to wildly inaccurate short term forecasts from the Bank and Treasury look absurd in the year after the vote.

Edward Heath took the Conservatives down to defeat in a General Election mainly owing to the economic problems of the time, part national and part more global. The fact that the UK had just joined the EEC was however a contributory factor to his demise. There was no improvement in output, incomes and living standards when we joined in the way Mr Heath had promised, and many UK manufacturing businesses were hit badly by the tariff free competition EEC membership unleashed in steel, cars, ships and others. Mr Heath had also upset a significant minority in his party, lost friends over the EEC, and diverted enormous amounts of government time and attention to putting us under EEC rules and taxes to try to conform. He did not see the economic disaster coming and when it hit he had few political friends left.