

# There will be no economic blockade of the UK when we leave the EU

Those who most want us to stay in the EU think the EU is a dreadful organisation. They wrongly say the continent will mount an economic blockade of the UK, stopping us importing medicines and food, to starve us back into membership.

There are many reasons why they cannot do this. It would mean breaking international contracts to supply. It would mean overturning World Trade rules. It would mean contradicting the EU Treaties which require the EU to have friendly relations with neighbouring states and to promote free trade with them. It would mean the EU acquiring new powers to prevent private companies and individuals doing business with UK customers and suppliers.

Let's take the case of food imports. Food coming through a UK port will be checked and charged customs by UK authorities. They can do so away from the border, and can ensure smooth passage through our ports. Why would they want to suddenly hold up goods that we are importing just fine today through those same ports the day after we leave? Why wouldn't they levy customs as they levy VAT and Excise today, electronically.

Or let's take the case of medicines. A continental drug supplier will have the same contract to supply the same drugs on March 30 2019 as on March 29th 2019. The NHS has tested and approved the drugs for us. The company has factory based test facilities with inspection systems that satisfy the NHS today. They will still satisfy the NHS on March 30th 2019.

So why would the supplying company wish to withhold supplies and face a legal challenge from the NHS? Why would a continental port wish to hold up the export of goods for further checks, when these goods have all been produced to EU standards and checked in situ?

Some say the port of Calais will delay our exports going to the continent, demanding more checks at the frontier. If they do then the ports of Rotterdam, Antwerp, Zeebrugge, Ostend and Amsterdam would love to take the business and will not wish to hold them up. Many of the lorries going back to Calais are continental lorries running empty and wanting to pick up a new revenue earning load as soon as possible. Why would the continental port wish to get in their way?

The EU has many powers, but it does not have the power to impose an economic blockade on a friendly European state that happens not to be a member of the EU. The private companies involved all want to keep the business.

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## Stamp Duty revenues fall with higher rates

I see others are now writing that Stamp Duty revenues have been adversely hit by the imposition of much higher rates, as predicted here. Official figures show Q2 2018 housing Stamp duty revenues down on a year ago, with sharp falls in transaction volumes for dearer homes following the higher tax rates. So why doesn't the Treasury set rates that increase the revenues instead of hitting them?

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## Why we will get an economic boost from leaving the EU on 29 March 2019

Many commentators wrongly assume the EU will impose some kind of economic blockade on the UK once we leave the EU. They are not making any legal provision so to do, and it is difficult to see how they would do it. They cannot break the many outstanding contracts to supply or to import. Were Calais to work a go slow the Belgian and Dutch ports would willingly divert the business and gain market share. The planes will fly on March 30th, and Airbus will still be buying UK made wings in order to meet its customer contracts. The EU has many powers over the UK government, but it has limited powers over importers, exporters and multinational companies when it comes to stopping them doing business. National governments employ the border and customs staffs.

What most commentators then ignore is the big gains we will be able to achieve from repatriating our money. The balance of payments will immediately improve by £12 bn a year as we stop sending net contributions to the EU. We will be able to spend more money on our essential public services, and have some tax cuts. If we spent the full £39bn they are proposing to spend on so called transition on the UK economy over a two year period, that would provide an immediate 2% boost to incomes and output over that time period, all other things being equal.

There is also the question of how much stimulus to the economy we could achieve by setting a different tariff schedule from the EU one that met our own needs. Imposing some tariffs on EU exports to us where we have capacity to make at home could provide a boost on a net basis, given that we import more than we export. Cutting tariffs on products from outside the EU that we cannot make or grow for ourselves would boost our real spending power. I am not going to put a number on this, as it would not be nearly as great as the impact of spending our own money, but it could also be a positive figure.

I am still awaiting a formal reply to my letter proposing the government now publish our tariff schedule for next March. They have told me informally they agree, so will they get on and do it.

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## Universal Credit

I attended the debate on Wednesday 17 October. I have lobbied the government to ensure people in need do not lose out from the transition to Universal Credit, and to encourage them to be more generous with benefits for the disabled. As the Secretary of State made clear in the House, and as the government statements which I published on Wednesday confirms, they are improving the scheme. It will pay more to most disabled people than the old scheme. They will roll it out gradually, making improvements as they go if new issues arise.

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## The government has to understand there is no deal on offer from the EU

The government says it wants a deal. It means by this it wants an all embracing agreement on the future relationship including a free trade deal within it. The Opposition says the government must have an agreement, whilst making it clear it will seek to vote down the kind of agreement the PM has in mind. All this is an irrelevance. The EU has been clear and consistent throughout. All it is offering is a one sided surrender Agreement or Withdrawal Treaty. Its main aim is to sign the UK up to this to take £39bn off us which they are not entitled to unless the UK is foolish enough to sign such an Agreement. Only if the UK signs up to such a damaging idea will they then discuss the details of a Future Partnership Agreement.

There are several good reasons why the UK must not sign any Withdrawal Agreement before we leave on March 29th 2019. We will leave in accordance with the two laws Parliament has passed to do so, unless Parliament repeals or amends those laws which this government assures us it will not do.

First, the UK will have no bargaining clout at all once we have signed the Withdrawal Agreement. The main thing they want is the money. If we also throw in accepting all their rules and regulations for another 21 months or longer, they have no incentive to move on or to make a decent offer.

Second, we need to spend that money at home on our priorities. That was one

of the main reasons many of us voted for Brexit. A government which promised in its Manifesto to implement Brexit and take back control must not give the money away again.

Third, the UK needs to get on with implementing a fishing and farming policy that is good for home production and for our environment. We cannot stay another 21 months or longer in the CAP and CFP, as they are very damaging to us.

Fourth, the UK needs to put in place its own migration and benefits policies, as promised by the government following the Referendum

Fifth, we need to respond positively to the many offers of Free Trade Agreements from other countries, which we could not do if stay locked in the Customs Union.

Those who think there is an Agreement to be had need to come clean and accept that as far as the EU is concerned the only thing on offer before we leave is a penal Withdrawal Agreement. There is nothing in the draft of that Agreement that guarantees something better in a possible Future Partnership Agreement.

As the government has failed to table a free trade agreement during the 2 years 4 months they have so far been negotiating, accepting the EU false sequencing of the talks, there will not be one on offer before March 2019. We must therefore just leave, and then table one the day we leave and see what happens. The reality of us leaving without signing a Withdrawal Agreement is the best way to a Free Trade Agreement in reasonable time. Otherwise the EU will continue delaying and they will be laughing all the way to the bank to pay our large contributions in. There is no cliff edge, and trade will continue after March 29th. It's more imports than exports, and the UK will not stop the food and medicines coming in to our ports which will by then be completely under our control.