

“No Deal”, the WTO global trading option, is the benchmark to beat for leaving the EU

The one good thing to come out of the Chequers meeting was confirmation that the government will speed and complete its preparations for leaving the EU without a deal. The government says it does not want to have to do that, but it needs to do it in case that it is the outcome to the slow and unhelpful talks. It is also important to put some weight behind the UK's bargaining position. Only if the government is prepared to exercise the No Deal option does the UK have clout. We should expect to see and hear more of the successful preparations in the days ahead.

No Deal delivers most of what Brexit voters want. It means we leave the EU on 29 March 2019 as promised. We leave without paying any extra money to the EU as a leaving present. We regain control of our laws, our borders and our trade policy. The only thing it does not give us is a free trade deal with the EU. I suspect if we look as if we mean to leave without a deal the EU would want to extend its current offer of a free trade deal for Great Britain into an offer for the UK, as we will of course not accept one which leaves out Northern Ireland.

The biggest win from no deal is the opportunity to spend £39 billion at home on our own priorities that we would otherwise give away to the EU. £39 billion spent at home would be a big boost of 2% of GDP. It would cut our balance of payments deficit by the same amount. Depending on the mixture of tax cuts and extra spending we chose, there would be additional gains from the stimulus effect of the money. The right tax cuts could power faster growth and more business success. Well deployed spending on education and training could help more people into better paid jobs.

We should also use all the £13bn we collect in tariffs on EU imports to give as tax cuts to UK consumers so we are no worse off from the tariffs. Doubtless we will also buy more UK goods when EU ones are dearer so we will be better off.

The next win from just leaving will be the right to control our own borders and settle our own migration policy. I expect the government to make it easy for tourists, students, investors and people with good qualifications to come to the UK. What the public wants is a decent control on people coming to the UK to take low paid employment, when we need to up the wages and recruit more local people to do the jobs, whilst investing in labour saving automation where the jobs are unattractive. We need to alleviate some of the stresses on housing and infrastructure which high migration rates in recent years have exacerbated. We want a fair policy, which does not give priority to people from continental countries over people from the Commonwealth.

The third win will be in global trade. Australia, New Zealand, Singapore,

Canada and the USA are keen to sign trade deals with us. We could join the Trans Pacific Partnership. To do such deals we need to be free to make our own calls on regulation, tariffs and non tariff barriers. Through our membership of the WTO we can create relatively friction free trade, as we enjoy today on non EU trade, with the added advantages that trade deals can bring.

The fourth and biggest win of all is we will re establish our home democracy. Our laws will be made in the UK, and can be repealed or improved by Parliaments we elect and influence. The UK will regain her vote and voice in a number of world bodies, including the World Trade Organisation and various standards bodies, so we can have direct influence on world regulation.

Any deal worth accepting has to be better than this. It would need to be a very good offer indeed to be worthwhile paying them £39bn more.