<u>A 3 option referendum would not work</u>

The latest call for a referendum between leave, the White Paper terms and Remain is a non starter. We made our decision in the original referendum and need to get on with implementing it.

The EU will not accept the government's opening bid in the White Paper so it is not a real option.

It is by no means clear we could get back into the EU on current terms once we have left in March 2019 were people and Parliament to change their minds. The EU would probably want us to sacrifice our veto on the Euro and Schengen, and lose the contributions rebate for starters. It would need to be negotiated, with uncertain outcome, so that too is not a fixed and available option.

There is no point in voting on two options the EU does not accept. The real referendum was about two straightforward options — stay in on current terms, or leave. The EU agreed to both under their Treaty. We voted to leave. We were told by Parliament and government voters were making the decision.

Getting the Russian relationship right

This week Mr Trump meets Mr Putin. I want the President to be realistic about Russian behaviour and how we need to respond. It would be good if relations improve rather than a further deterioration with threats on both sides, without compromising important principles. Mr Trump may well wish to announce new practical working approaches despite the differences.

The current UK government has been at the tough end of western attitudes towards Russia, in part owing to the poisonings in Salisbury. Of course killing people with nerve agents must be condemned strongly and my heart goes out to the families affected. Our relationship with Russia is, however, a complex one. The government and NATO work in close contact with the Russian authorities when acting militarily against Isis. That makes sense, but reminds us how there are few absolutes in relations between important countries. Germany, part of NATO, has made herself very dependent on Russian gas, as Mr Trump pointed out. Events and circumstances can change, and diplomacy needs to respond. A country has a range of interests. These can require agreements with countries that have very different values and behaviours and may need to reshape old alliances. We do have friendly working relations with a number of countries with whom we have profound disagreements on human rights and government behaviours.

Russia is a dominant power in the Middle East. President Obama's decision to

limit US force in the region and to stay out of much of the Syrian war has ensured growing Russian influence. President Trump has not changed this policy, though he has taken specific action over chemical weapons use. Given this development the USA, UK and other NATO allies co-operate closely with the Russian military where Russia does hold sway. and need to do so to avoid inadvertent clashes.

Russia upset the EU through its actions in Crimea. This led to sanctions and tough words. The western allies however are not going to try to prize Crimea apart from Russia by force, so at some stage there needs to be discussions about how to proceed despite this dispute. Russia would say the bulk of the people of Crimea want to be Russian, so under the doctrine of self determination it makes sense. The West says there was no internationally approved referendum to test opinion and make this decision. The EU needs to watch to see what if anything the President says on this matter, as we need to avoid a major split on the subject between the USA and the European NATO members.

<u>Ministers decide, civil servants</u> <u>advise</u>

David Davis's letter raised important issues about the process of government. We learned from the background to it that the Secretary of State for Brexit who should be the principal adviser of the PM on these matters, and the main negotiator under the PM, was often sidelined by the official civil service. Of course this could only happen if No 10 let it happen, whether by design or by misunderstanding. It nonetheless raises crucial issues about how democratic government is functioning at an important time for our country.

There appears to have been a tough approach taken towards much of the Cabinet over the production of the White Paper. Apparently many Ministers saw the draft late, and were given little time to respond. On a major policy document like this, published two years after the first demand for it, you would expect all relevant Ministers to be fully engaged through correspondence, sharing drafts, and through Cabinet committees where necessary. At its best UK government is very good at this, with several drafts refining views as Ministers seek improvement, attend to detail, or find compromises.

There needs to be trust between all Ministers and senior officials. They need to share their work in private with each other. Officials are welcome to their views and to put in suggestions, but in the end Ministers have to decide, to approve the lines and sign off the final text. Clearly this did not happen with the Chequers Statement and White Paper, which is why it triggered several resignations of Cabinet Ministers, junior Ministers, and Parliamentary Private secretaries. It also led to the resignation of two Vice Chairmen of the Conservative party who would of course be outside the formation of a collective view on this or any other government matter, but need to sell the policy. Their refusal to do so reflects the fact that the more politically minded members of the Cabinet did not have enough chance or enough support to get the strategy amended to one which could gain more popularity.

The lack of trust by some Ministers is part of a much wider distrust between public and officials on the mighty topic of the EU. Viewed from the outside to many members of the public it looks as if a large number of officials voted remain, think the voters were wrong to vote Leave, and are doing their best to re run Project Fear in various guises. I of course appreciate there are many good officials who do not let their personal political views influence their work, and some officials who did vote Leave who therefore support the government policy of leaving willingly. What is undeniable is the civil service as a whole have taken to the task of trying to find as many difficulties as possible that they think might delay or impede Brexit, and have been very shy about finding and tackling all the opportunities that a clean Brexit brings.

Of course where something needs fixing by March 2019 to make sure things work as planned, the civil service are right to flag that up. They should also flag up the remedies as well as the problems. They also need to help Ministers knock back the self serving and factually incorrect fears that some Remain oriented groups and businesses are putting forward.

I trust now Cabinet has reaffirmed its wish to get on with the WTO Global UK option there will be strong co-operation to do so. I would also like to see good news policies covering a new migration policy, a new farming policy, ways of spending the money we will free if we simply leave in March 2019, and what we should do with all the customs revenue if we end up on WTO terms. The civil service at its best is balanced in its judgement of risks and opportunities, and keen to implement the government's policy. The government's policy as specified in 2017 was to leave the EU. The civil service have helped talk the remaining Ministers into a policy which does not amount to leaving the EU. The Ministers who relied on this bad advice have now placed themselves in a difficult position, where they need to change their policy as soon as possible so we can conduct good and strong negotiations for the UK.

<u>We published a plan to get us out of</u> <u>the EU in January 2017</u>

I keep hearing the falsehood that the Brexiteers have no alternative plan to the government's White Paper. I point out we have proposed a comprehensive free trade deal, or the WTO Global UK options.

Then I am told wrongly we have no worked out White Paper to match the government's. We published a 108 page document entitled "The Road to Brexit" based on the all day experts seminars we held on October 16 2016 and 27 January 2017. This document set out how to send the Article 50 letter and how to handle the UK legal issues in a single Bill which became the EU Withdrawal Bill. It went on to discuss how to negotiate a free trade agreement, and how to put in place winning policies on fishing, farming, the budget, taxation, migration, borders and much else where there are gains to be had from leaving.

Some of this was summarised on this site in the form of the Minutes of the first seminar on October 3 2016. The document is still good advice today.

<u>The car industry was badly wounded by</u> joining the EEC/EU

One of the most deceitful arguments some Remain advocates use is that the car industry depends on the EU for its success and would be adversely affected if we leave. They need to explain the damage membership of the EEC/EU did to it.

In 1972, our last year as a free and independent country, the UK made 1.92 million cars. After just ten years in the EEC/EU that had crashed to just 888,000. Our membership was devastating to us, removing more than 50 % in a decade.

We have never made as many cars in any year during the whole 45 years of membership as we did the year before we joined. Why did this happen?

Before we joined UK people mainly bought UK built cars. On joining we had to remove all tariffs and some other barriers on goods like cars where the Germans and French were more competitive. They did not remove barriers on services where we were more competitive. When the tariffs came off more UK people chose continental cars and our industry faced savage cuts in jobs and output.

In later years we rebuilt some capacity thanks to Japanese and Indian investment, whilst losing much of the US capacity in the UK. Some manufacturers chose to switch production to cheaper EU locations in Spain and Eastern Europe.

We were told by some manufacturers that they woukd stop investing here if we failed to join the Euro. That turned out to be a lie. In recent years leading foreign carmakers have praised UK workforces and increased their investment.

The story of the car industry is a cameo of industry generally. EEC/EU membership wiped out a lot of industry in the 1970s when tariffs came off, with too few offsets given the one sided liberalisation of trade. The UK has run a huge balance of payments deficit with the EU for most of our membership as a result.

Were the EU to insist on WTO tariffs the extra cost of German and French cars in the UK would doubtless lead to more UK buyers buying home produced vehicles.