Letter to the Attorney General about the legal impact of signing the wrongly named Withdrawal Treaty

Dear Geoffrey

Let me have another go at getting a reply from you concerning the way the Withdrawal Agreement stops us leaving the EU. Would you kindly confirm

1. If we sign this Treaty we will be locked into the EU and have to obey all its rules and pay all the bills it sends us for a period of at least 21 months, and probably for 45 months if we have not surrendered further to reach an exit agreement at the 21 month stage. This would mean remaining in the EU for at least 5 years from the decision to leave and probably for 7 years. The EU would be able to legislate and spend against UK interests during this period, whilst we would have no vote or voice in the matter.

2. In order to "leave" in your terms at the 5 to 7 year stage the UK will need to stay in the customs union and accept all single market rules and laws, unless the EU relented over the alleged Irish border issue. 3 years on and the EU has given no ground on the made up border issue, so why would they over the next two years? Isn't the most likely outcome we would remain in the single market and customs union contrary to the government promise leaving meant leaving them in its referendum literature ?

3. After the 45 month period fully in the EU, the UK still would face financial obligations under the Withdrawal Treaty. The bills will be decided by the EU and we will have to pay them. Any attempt to query them would be adjudicated by the EU's own court! The longer we stay in the more the future bills are likely to be. The £39 bn figure is likely to be a considerable underestimate.

4 The Treaty creates a category of super citizen in the UK. EU nationals living in the UK when we "leave" the EU will have their access to benefits guaranteed in a way the rest of us do not for their entire lifetimes. So we will not be taking back control of our benefit system.

I am also concerned about a number of Articles in the draft Treaty that expressly extend EU powers and jurisdiction for a further 4 to 8 years beyond our departure date after the 21 to 45 month delay.

Article 5 reintroduces the powers of the European Court and enforces "sincere co-operation " on us as they do not want us impeding their plans for economic, monetary and political union.
Article 31 imposes social security co-ordination on us.
Article 39 gives special protection to EU citizens currently living in the UK from changes to social security for the whole of their lives, protection which the rest of us do not enjoy.

Article 51 applies parts of the VAT regime for an additional 5 years after the long transition envisaged in the Treaty
Articles 92-3 imposes the EU state aids regime on the UK for 4 years beyond transition
Article 95 imposes binding decisions by EU quangos and bodies for 4 years beyond transition
Article 99 requires us to pay for access to records to handle issues over indirect tax where the EU keeps powers for 4 years beyond transition
Article 127 applies the whole panoply of EU law throughout transition, including the right to legislate any way they wish against our interests and enforce it on us via the ECJ
Article 130 prevents us taking back control of our fish any time soon. Doubtless more of our fishing rights would be given away trying to get an exit deal.
Article 135 allows them to send extra bills up to the end of 2028
Article 140 imposes on us financial liabilities up to December 2020 and carry over into 2021
Articles 144 and 150 prevent us getting back accumulated reserves and profits from our European Investment Fund and EIB shareholdings
Article 143 imposes adverse conditions on us over pension and loan liabilities of the Union
Article 155 requires to make continuing payments to Turkey under an EU programme after we have left
Article 158 gives the European Court continuing power for 8 years after transition
Article 164 makes a Joint Committee an effective legislator and government over us
Article 174 requires any arbitration to be governed by ECJ judgements on the application of law in disputes
The Protocol on Northern Ireland will require us to stay in the Customs Union with regulatory and legal alignment with the single market, or split off a separate place called UK (NI) which will be governed differently to the rest of the UK on an island of Ireland basis.
There is much more I could object to. This is no Treaty to take back control, no Treaty for a newly independent nation. It does not quantify the financial liabilities, which are open ended and could be much larger than the low field £39bn Treasury estimate. We have little power to abate the bills and no power to abort the bills. It would probably result even in failure to take back control of our fishing grounds.
Mrs May needs to go back to the EU and explain why the UK people and Parliament have opposed this Treaty, and ask them to think again if they want an agreement before we leave. She needs to make it clear we now intend to leave without signing the Withdrawal Agreement prior to the European Parliamentary elections.
Yours
John Redwood

The puppet Parliament becomes more pathetic

This Parliament is determined to thwart the will of the voters who decided to leave the EU. It is equally determined to show it does not want to take back control. MPs queue up in debates to tell us EU laws and rules are best, and try to find ways of extending or protecting them. They have no faith in our collective ability to choose wise and good laws for ourselves. They doubt Leave MPs when we assure them we will keep the good laws from the EU, as they will all be incorporated into UK law. What I want to change are some of the VAT laws that make us impose tax on green products and domestic fuel,the corporation tax decisions that cut the tax we imposed, the fishing laws and the others that have done economic damage to us.

The behaviour is worrying and bizarre. Why get yourself elected to a body designed to make laws and to influence government policy if you want our laws to be made across the Channel instead? Why draw a salary if you think you cannot improve on what the EU does?

Parliament usually wants the government to spend more on the favoured causes of MPs and some of their constituents. Yet when it comes to finding a big pot of money to spend at home by stopping sending large sums to the EU, most MPs flip over and tell us we must keep on sending as much money to Brussels as possible, even after we have left.

Many MPs have torn up their promises to their electors from 2017 when all Conservative and Labour candidates fought on a ticket of implementing the referendum. They have done so knowing they will alienate the Leave majority in the country, and will not impress the many Remain voters who want Brexit finished with and who accept the majority verdict. It is difficult to grasp why so many only want the votes of the minority who reject the verdict of the referendum who presumably voted Lib Dem in 2017.

If you want to talk about Brexit

Respond to this post.

I have not changed my view on how we should leave and want us to get on with it. I am currently planning a letter to the Attorney General to explain again how the Withdrawal Agreement stops us taking back control to implement Brexit.

The need for a rethink by the Central Banks

The Fed, the Bank of England and some other leading Central Banks set interest rates based on the idea that if unemployment falls too far there will be inflationary pressures on wages. This requires them to put up interest rates and deter more credit being advanced, to reduce the pressure of excess demand in the economy.

In the last century it was the case that the USA, UK and other leading economies were prone to wage inflation when potential demanded exceeded potential supply and when unemployment fell to a low level. The so called Phillips curve illustrated this trade off. Whilst there were monetarist economists who preferred a money based explanation of inflation, and other economists who pointed to the role of external shocks and commodity price trends in inflation, the mainstream view based on capacity and employment was bedded into the forecasts and intellectual framework for rate setting.

I have long queried the idea of national capacity linked only to employment in an increasingly global market. We have seen how economies capable of creating many jobs and expanding capacity invite in large amounts of migrant labour, as in the USA, UK and Germany, reducing the upwards pressures on wages. We have seen how the US and UK simply import a lot more goods and services when their domestic capacity is insufficient to meet demand, tapping into vast numbers of unemployed and underemployed people elsewhere in the world capable of doing the work. There is also the option of putting more capital to work with labour saving investment.

The Governor of the Bank of England has acknowledged this in a speech which said the Phillips curve is now very flat – in other words there is not much of an inflation threat from low official unemployment figures. The Fed has recently announced a major rethink of its approach, and has stated that in the USA now the curve is also fairly flat. In the USA employment rates are still low at a stated 60.6% of the working age population, and as the economy improves more people find work who were not registered as unemployed. There are also strong migrant flows into the country to take up new jobs. Low unemployment is not a good guide to wage growth.

So what is a better guide for a Central Bank seeking to set rates? I prefer them to consider money figures more, where the figures show too much tightness in the UK and a modest rate of expansion in the USA that should not lead to an unsustainable rise in inflation. Of course they need to listen to markets and watch the trends in output and prices generally as important guides as well. The markets saved us from too much tightening in the USA late last year. What will it take for the UK authorities to follow a more pro growth policy? Given the strict fiscal squeeze, there is an even better case for a looser money policy in the UK. The US is lightening up the money supply even though the government has embarked on a big fiscal relaxation as well.

UK law to delay our exit

The government is seeking to delay our exit until October 31 by a negative resolution Statutory Instrument. This is a law which they can make without needing Parliamentary approval first, subject only to a vote in Parliament after the event if Parliament insists on one. I have put my name to the list of those wanting this to be debated and voted on.