

My Speech during the Second Reading of the Advanced Research and Invention Agency Bill, 23 March 2021

Of course I welcome the idea that we should do everything we can to promote greater science and better technology. Our country has a fine history and tradition of scientific breakthroughs and scientific excellence in our universities and our scientific societies. We also have a fine tradition in technology, with entrepreneurs developing new industrial processes and new products and making great breakthroughs that have benefited humanity widely, and of course we should do everything we can to support that. There may well also be a gap that this body can fill between all the methods we have of backing science and technology, and I wish it every success.

In his introductory remarks, the Minister pointed to the recent great success of universities, companies, medics, scientists and Government in coming together—here and elsewhere, but particularly here—on the AstraZeneca-Oxford vaccine. Why did that work? Because there was a very clear, defined task. There was great excellence and expertise already in companies and university science, and the Government helped to bring that together, to pump-prime the process and then to provide very large orders, as did other Governments and health services around the world, to make it worthwhile and to defeat the virus.

Now, we hope that do not have too many of those concentrated needs, but that model worked without ARIA, so this body has to define something a bit different from that. I notice that MPs are already discussing the adequacy or inadequacy of its resources, by which they usually mean money. I do not think it is possible to have any idea of what would be a good and realistic budget for it until talented people have been appointed to run it and have set out what it is trying to do. The first thing the Government need to do, therefore, following the success of this legislation—I am sure it will pass quite easily—is to appoint really great people to lead this organisation who just have that feel, that touch and that intelligence to judge risk, to sense opportunity, to see where the niches are and to define the unique breakthroughs and areas where this body can make a serious contribution. As some have said, a scattergun approach is probably not going to work; trying to do too much across too broad a spread would require a lot of good fortune. This body will need some targeting.

ARIA then has to work out how it commercialises whatever it produces. The UK has had a century or more of plenty of breakthroughs and technical innovations, but in quite a lot of cases we did not go on to commercialise and exploit opportunities, and we allowed others around the world to adapt patents or take the underlying principles and develop their own products, making many more jobs and much more commercial success out of these things than we did. The leaders of this body therefore need to ask how they will commercialise the ideas, how big a role that will play, and at what point

they will work with commercial companies that could come in and take advantage.

That leads on to the issue of security. I do not think British taxpayers want to spend more money on blue-sky research and interesting technical ideas only to see them taken away, perhaps resulting in many more products for the Chinese to export back to the United Kingdom. What we want is that integrated approach, where the ideas that the Government have helped to pay for through this body, working with universities and perhaps with companies, can go on to be commercialised and add to the stock of wealth and jobs and make a wider contribution to the human position.

I suggest that the Government link the development of this body to the work that they have started to do, and they need to do much more widely, on national resilience. I am an admirer of what President Biden has set out to do in the United States of America on supply chains. He has a very ambitious programme—a 100-day programme for targeted sectors and a one-year programme for all the sectors of the US economy. It is looking at what America can do better, at where America needs to fill in gaps in her knowledge and understanding of patent, designs and specifications, at where America needs to put in new capacity to avoid shortages or more hostile powers interrupting her production processes by withholding import, and at where the Government machine can use intelligent procurement, appropriate grants and interventions to work with the private sector to have a much better supply chain, creating more jobs and providing national resilience.

I hope that the agency will look at what we can do to ensure that we make our weapons and defence requirements, as the new policy suggests that we will do more often. It should look at how we can grow more food and make sure that we have more of our own fish so that we have fewer food miles and more national resilience in the food chain. It should look at a series of industrial areas where we have in the past been very successful to see where we can improve the technology and add to the UK capacity to produce.

My suggestion to Ministers is that the first task is to get really excellent people; the second is to work with them on defining realistic and achievable objectives; and the third is to ensure that the agency is properly resourced—£800 million might be the right amount, but if the agency comes up with really worthwhile things that look as though they will work, we will want to back it with more money. If it was not getting very far, I think a number of MPs who say that they do not mind failure would become rather more critical. This will need quite a lot of ministerial and parliamentary supervision. I wish the agency every success, and I look forward to hearing to more detail about what it is trying to do.

My Question during the Statement on Defence and Security Industrial Strategy, 23 March 2021

Sir John Redwood (Wokingham) (Con): I strongly welcome the emphasis of the statement on making more in Britain, because we cannot be properly defended if we rely on imports for crucial things. Is the UK undertaking a full audit of the designs, intellectual property and rare materials we would need to manufacture all our crucial defence equipment here, were we to face a blockade or other hostile action against our imports? President Biden is currently carrying out such a supply chain analysis for his country.

The Minister for Defence Procurement (Mr Jeremy Quin): As my right hon. Friend will know, the supply chains in defence are vast, but it is an analysis that we are undertaking. We are doing it project by project, making certain that the most crucial are investigated first, but we are doing an analysis of our supply chains, and that is being elevated to the Defence Board, to make certain that we have greater oversight of what goes into our crucial defence kit and equipment.

The virus and the third wave

The European continent remains the centre of the pandemic storm. As Italy, Germany and France extend their lockdowns and discourage movement outside the home at Easter it is time to set out some of the facts and figures on what has happened so far.

Official figures are produced and updated daily for the worldometer site. They are the best we have, though they are of course influenced by how much testing is carried out in each country to identify the disease, and how doctors fill in death certificates for people suffering from a variety of conditions as well as CV 19. These figures show that the five worst countries for numbers of cases and the five worst countries for acknowledged CV 19 deaths are all continental European. The best countries with fewest deaths and case numbers are likely to be in Asia.

Deaths per million

Gibraltar 2791
Czechia (EU) 2336
San Marino 2325
Belgium (EU) 1955
Hungary (EU) 1940

Cases per million

Andorra 149249

Montenegro 139523

Czechia (EU) 137600

San Marino 129123

Gibraltar 126766

The figures reveal a number of divergencies. Amongst these countries with the worst case and death numbers the death rate measured as deaths in proportion to reported cases varies from as high as nearly 3.2% in Hungary to a little under 1% in Andorra. Does this tell us anything about different treatments, or about death certificate definitions or about the ages of the people catching the virus? Most of these badly affected countries did introduce lockdowns and test and trace systems but still suffered greatly.

The Panorama programme on Monday sought to show that Korea got it right with a strong test and trace system, whilst arguing the Sweden got it wrong by being too relaxed in the first wave of the disease. The Swedish numbers are not out of line with other large EU countries that did go in for longer and earlier lockdowns. Korea's performance is good but so is the performance of many other Asian countries. We need to study a range of possibilities before leaping to policy conclusions. Could it be that past Asian flu varieties gave Asians more natural immunity or ability to fight the virus? Is it that those Asian countries which did go for test, trace and isolate got more compliance from their populations than Europe did? Do diet and vitamins C and D play any part?

There are lots of facts and figures in circulation, but they need careful study to understand them and their defects before rushing to conclusions about what worked. High urban concentrations of people makes virus passage more likely, and elderly populations suffered the more serious versions of the disease in much larger numbers than younger populations. The latest news from the USA showing in their tests that the Astra Zeneca vaccine is highly effective at stopping serious case and deaths means the UK hospital admission and death rates should continue to fall as they have been doing as most of the at risk people have now been vaccinated.

A new framework for our economy

The UK economy has been steered for twenty years by the Maastricht requirements. The UK has sought to keep state debt down to 60% or to get it moving towards that total, and to keep the budget deficit down to below 3% of GDP. The inherited targets are to record state borrowing below 2% of GDP this year and to see net debt declining as a percentage of GDP. Overall borrowing should be at or below zero by 2025-6. These targets of course were blown away by the measures to tackle the pandemic.

The government needs to consider new rules. Of course it needs to control public spending and taxation to affordable levels. Maybe it should go over to a target of not normally allowing borrowing for current spending, but allow borrowing for capital spending. That capital spending should continue to need a value for money and rate of return test, preferably better estimated and policed than prior capital projects have often been.

I dislike the Maastricht rules for a variety of reasons. Now most advanced countries are borrowing around 100% of GDP the idea that anytime soon can see them back to 60% is silly. The usually automatic 3% running deficit control can cause austerity or undesirable tax rises and cuts. I have no wish to advise the EU on what to do about their rules, and understand that they are trying to avoid the free rider problem. When countries share a currency with a common official interest rate a country which had borrowed too much could seek to take advantage of the better credit rating of leading members of the zone and carry on borrowing excessively. The fact that the criteria are recorded in the Treaties makes changing them very problematic.

For the UK we now need rules which keep our finances in good order and take advantage of a good credit rating and low rates to allow productive investment. The Maastricht figures do not adjust the state debt figures for all that debt now owned by the Bank of England as agents of the Treasury which also seems strange.

Use of a flag

One of the big visual differences when I was a visiting Minister in foreign lands was the usual universal presence of their national flags in the Ministerial offices and meeting rooms, with nothing similar at home. Here we had the odd battle about where and when the EU flag would be shown, and we had the relentless use of the EU flag on every project which had received however modest a sum of our money routed back to us via the EU. When Ministers asked that the display should also have the Union flag on it with acknowledgement of the usually larger sums of UK direct taxpayer money they were told that was against EU rules or given some other reason why the UK flag could not be shown.

The decision of today's Ministers to show the flag for their presentations and in their offices is merely bringing the UK into line with most other countries of the world. It also brings them into line with EU practice with universal use of the EU flag. It is curious that some in the BBC and their friends think it cause for merriment that government should be proud of our country and wish to display one of its known symbols. It is one thing to see a joke on twitter showing a picture of a man in a Union flag suit, with Union flag glasses and hat with the caption "Interview with a government Minister" but another to see mainstream BBC news programmes trying to become comedy

shows at the expense of normal government practice to fly the flag. I have never heard them make fun of the many foreign interviewees who sit with their flag in their office, from US senators to Prime Ministers and Presidents of many countries.

It is all part of the strange mood of some in this country that seeks to denigrate who we are, what we stand for and what our ancestors did. Like all great countries that have contributed to human development there have been bad chapters to our story. There have been many more fine chapters, from saving Europe from dictators on several occasions to abolishing the slave trade to pioneering the industrial revolution. The fact that so many people wish to come to live and work in our country shows many abroad rate us highly. One of the most touching moments when I was a Minister came when I made an early visit to what had been Soviet eastern Europe. A lady stepped out when the official car with a small Union flag was stopped at lights to pay her respects to the flag. To her it symbolised freedom. She remembered the UK's role in liberating Europe from tyranny.