

## Transport of live animals

I attended a meeting to hear reports of problems for animal welfare through long distance lorry journeys. I am keen that Mr Gove should look into this and see what can be done to improve our law for animal welfare and ensure there is proper enforcement.

---

## There is no evidence joining the single market boosted UK growth

If you look at the ONS figures for UK growth you discover that the UK grew by around two thirds in the two decades before we joined the EEC, but grew by only around a half in the two decades that followed. The growth rate then declined a little more for the two decades from 1992 when they “completed” the single market.

Those who seem to think leaving the single market will cause growth to slow need to explain why there was no visible boost to growth when we joined. Indeed, the completion of the single market included the worst period of the Exchange Rate Mechanism, a crucial part then of their construction of a single market, which pushed us into a nasty recession.

The latest leaked reports about slower future growth have all the reliability of those Treasury forecasts of a recession in the winter of 2016-17 which proved to be so wrong.

---

## Mr Trump's economics

I am neither a US voter nor a Trump supporter, as I adhere to the view that it is best to stay out of other democratic country's elections. His visit to Davos was a surprise to many, given his previous views about such gatherings. His visit transformed the event into a highly newsworthy occasion. We read that the many members of the global elite and the media meeting there, mainly people who regularly express anti Trump views, were reduced to following him, seeking audience with him, trying to listen to him, and above all reporting him. So how did he do?

The President took the gathering seriously and led a large US delegation. He stuck to his mission, to make America great again. He stuck to his definition

of that mission, which is to boost output, jobs and prosperity in the USA. He told the world the USA is open for business, and turned it into a global message by saying America first does not mean America alone.

Mr Trump made this trip now he has something to show for his first year in office. His economic policy has achieved a major simplification and reduction of taxes in the USA. Already a number of large companies have announced they will step up investments in the USA and pay their employees there more as a result.

His relaxation of some banking rules will help extend more credit to those wanting to invest or to bring forward major purchases which they can afford with a loan. His energy policy is boosting US output of oil and gas. The USA should overtake Saudi Arabia soon as the largest producer in the world. It looks as if US growth will accelerate this year to above 3%.

He repeated that he wants fair as well as free trade. The USA under Obama used to impose penal tariffs on imports that they thought undercut through subsidy or cheating. Mr Trump announced similar action against solar panels and some washing machines. He is not about to wreck world trade or to seek to tear up unilaterally and illegally the trade treaties the USA has entered. He showed a continuing willingness to talk about a Free Trade Agreement with the UK. The UK government should press on with the detailed work to bring that about.

---

## The Darkest hour

I saw this film on Saturday. It was a moving reminder of how dire the UK position was in 1940, and how brave were the people and their new Prime Minister in deciding to fight on against the odds.

The film portrayed a very human Churchill. They saw him as a man who drank too much, was often tough and thoughtless towards his staff, and who was capable of bad misjudgements. They also captured the strength of mind and character which grasped both how bad the position was, and how despite that knew ultimate victory was possible. He had consistently warned of the dangers from Germany during the 1930's and understood instinctively that you could not reach a friendly agreement with an evil dictator.

The UK establishment had once again let the country down. It had plunged it into a war with a small and insufficiently equipped army which they put at risk on the continent, just as they had done in 1914. As Churchill assumed office they told him the whole army was likely to be killed or forced to surrender. Having accomplished this dreadful feat, they switched to thinking facing defeat would be a good time to sue for peace. They thought Hitler might offer an enfeebled UK with no army a good deal, when the history of the previous few years showed you could not trust his word and should expect

him to continue conquering and occupying countries including our own.

Churchill agonised over the pressures on him to seek a negotiated peace, before he realised that the public would back his belief that the only course was to fight for our freedom. Many of us are so grateful that Churchill and our parents and grandparents decided to sacrifice six years of their lives and to risk untimely death to driving the hatred and violence out of the world by defeating its authors. The film got across so well the common sense and determination of the people, in contrast to the rash stupidity of some of the establishment. It used Churchill's own wonderful words to show he spoke for the majority in a way which defeated or disarmed his many critics amongst the senior politicians and officials.

---

## Trade again

I am amazed at how many people want to talk about trade and little else. Many of them have never sold an export in their lives, have never managed complex supply chains, and clearly have not read how the WTO works.

I have led large industrial companies in the past and never experienced difficulties with importing materials and components from non EU as well as from EU countries. I found it easier to sell the final products into non EU countries than into France and Germany. I was always using a mixed complex supply chain from non EU as well as EU sources.

I also handled Minister of Trade matters in the Commons when the Minister of State for Trade was in the Lords and I was a DTI Minister. I worked closely with Peter Lilley for a bit, who was the last UK Secretary of State to help negotiate a trade round before the EU took it fully over from us.

So let me just clarify a few points.

The first is the only worthwhile discussions to be had on trade with the EU will be those the UK holds with the EU itself. It would of course be easy if both sides were willing to design a trade system for UK/EU trade which was better than WTO most favoured nation status which is what we will have without agreement. Most of this debate about trade is a negotiation with ourselves, which gets us nowhere. The EU has deliberately wasted a year and a half since the vote by refusing to discuss trade.

The second is we know exactly how to trade under mfn status at WTO because it is what we do today in a number of cases. You do not need a bespoke trade agreement with another country before you can trade!

The third is whatever happens trade will continue. There are strict limits to how much damage government including the EU government can do when there are willing buyers and sellers of each other's goods. As a WTO member the EU

has to obey their rules against tariffs and barriers other than those permitted. International law and the law of contract are also there to protect buyers and sellers to provide a framework that stops governments as well as others from impeding trade.

Most now accept that outside agriculture where we have a massive deficit with the EU most products have low or no tariffs and services are tariff free under the WTO scheme. Cars at 10% are relatively high but again we have a huge deficit in cars. Non tariff barriers are also limited by law and rules. We will benefit from the Facilitation of Trade Agreement which the WTO brought in last year , and from the important WTO rule that the EU cannot impose something against UK trade that it does not also impose against US and Chinese trade as well. In certain cases like aviation you also need other agreements – e.g. reciprocal landing rights. The good news is France and Germany, and of course Spain that owns our national airline , have no wish to get their planes banned from London.