## **BREXIT** - some thoughts on TBP government/coalition

#### FIRST TEN DAYS

1. On any view TBP would have to guarantee Brexit on WTO terms (aka hard Brexit or no-deal Brexit) whether as a majority government or as an irreducible condition of coalition.

#### WTO - tariffs

- 2. As an initial WTO position, always subject to review and future adjustment, UK can consider having universal zero tariffs. In anticipation of Brexit the UK already has trade agreements in principle with other nations which could be given immediate effect.
- 3. JRM (Jacob Rees-Mogg) has argued against zero tariffs on the basis that some UK manufacturers need the protection of some tariffs (an argument for limited and specific protectionism). A different argument is that the UK, as a net importer, gains more from zero tariffs than it loses cheaper goods for consumers, cheaper raw materials or components for manufacturers. The attitudes/tariffs of trading partners will require constant attention. UK adjustments (imposition of tariffs) can be made where opportunities for reciprocal zero tariffs are not taken.
- 4. Where zero tariffs cause internal commercial problems (struggling sectors), HMG must intervene to flatten bumps in the road. This will be possible given that EU restrictions on subsidies/intervention will no longer apply (meaning greater flexibility in economic management).

## **International fisheries policy**

5. UK must assert sovereignty over British territorial waters and Exclusive Economic Zone (EEZ). This means no foreign exploitation (in reality mainly fishing) of UK waters. The Royal Navy and Royal Air Force should be invited to state their operational requirements on the basis of permanent enforcement of UK territorial waters and EEZ.

#### Fisheries policy within the UK

6. One must recognise that Brexit is not as popular in Scotland as it is in England. The repatriation of fisheries policy is an excellent opportunity to demonstrate that Brexit works for the entire UK. At the moment, devolution operates to devolve UK competence re agriculture and fisheries to the Scottish Parliament.

EU membership means that these devolved UK competencies have been dead letters because the operatives policies are EU policies (CFP, CAP). For devolution and Brexit to be more effective, and therefore more popular, the Scottish Parliament should make its own policies (and this is the default position upon Brexit).

- 7. This means that Scotland could have fisheries and agricultural policies different from England and Wales. This is on top of the repatriation to the UK of basic rights to territorial waters and EEZ. In itself these developments would be the end of Scottish nationalism. Once these significant developments become clear to the Scottish electorate, it would be perverse for the SNP (Scottish National Party) to argue that Scotland should be independent from the UK and part of the EU in circumstances where Scotland would have to return to the CFP and prospective CEP (Common Energy Policy).
- 8. It would be a distinct error for London politicians to try to reverse the devolved competencies for the minimal benefit (if any) of a single fisheries policy and single agricultural policy for the UK. This line would be a needless provocation and invite further Scottish separatism.

# Other ten-day questions

- 9. Many other issues could be resolved within ten days.
- 10. For example, HMG could end the prosecution of soldier F. The necessary decision can be taken by the Attorney-General. There is no need for legislation. One could also begin a review to consider pardons for British personnel already convicted in controversial cases.
- 11. An immediate example is that HMG could decide to subsidize or nationalize British Steel (the enforceability of EU rules against public subsidy is a distant and unimportant point).

#### FIRST HUNDRED DAYS

#### **Commonwealth Realms**

- 12. The UK should offer (and if accepted implement by bilateral treaties and legislation) full reciprocal freedom of movement to Commonwealth Realms (CRs). In this context freedom of movement refers to all four components namely:
  - (1) goods;

- (2) services;
- (3) capital;
- (4) people.
- 13. The characteristic of CRs is that HMQ is the head of state whereas ordinary members of the Commonwealth have an elected head of state and recognise HMQ as head of the Commonwealth. The offer should be made to all CRs on an equal, friendly and discrete basis meaning it would be entirely a matter for their own politics whether they accept or not, and no conditionality whether one or some or all accept (which is why the offers are discrete and to be implemented by bilateral treaties). One could expect a slow and incremental process as the different CRs decide how to proceed.

#### 14. The Commonwealth Realms are:

Antigua and Barbuda

Australia

The Bahamas

Barbados

Belize

Canada

Grenada

Jamaica

New Zealand

Papua New Guinea

Saint Kitts and Nevis

Saint Lucia

Saint Vincent and the Grenadines

Solomon Islands

Tuvalu

- 15. This policy would have numerous practical and political advantages:
  - (1) it will demonstrate to the world generally that Brexit is a liberation and opportunity for the Anglosphere generally;
  - (2) it will immediately raise the prestige and value of being a Commonwealth Realm;
  - (3) it will dispel any suggestion that TBP is racist.

# Incorporation of UK overseas territories (UKOTs) as part of UK

- 16. In the history of imperial decline and decolonization one can observe that French policy was better than British. France fully incorporated its distant holdings as part of France whereas Britain adopted the structure of overseas territories, which are not part of the UK. The remaining exotic islands of the Netherlands are also fully integrated as in the French model.
- 17. The most notable example of the success of incorporation is French Guiana (in French it is called Guyane), which is an important territory on the north coast of South America which borders Brazil and Suriname. Because of its proximity to the equator French Guiana is host to important components of the European Space Agency (ESA). In political terms French Guiana is an integral part of France in all respects including membership of the EU. This creates numerous notable results including the fact that the EU has a long external border in the Western hemisphere which can (incidentally) be compared with the idea that an external border between Northern Ireland and the Republic of Ireland carries any special novelty or difficulty.
- 18. In contrast, what was British Guyana is now simply Guyana. It became independent from the UK on 26 May 1966, is now a republic and remains a member of the Commonwealth albeit distant and almost forgotten in modern Britain. Guyana has an longstanding and important border dispute with Venezuela, which is not going to be resolved in the foreseeable future whatever may happen in Venezuela. The example of French Guiana demonstrates that we could have done things differently; indeed an important opportunity was lost.
- 19. That is the past. At present UKOTs excluding military bases and Antarctica are as follows:

Anguilla
British Virgin Islands
Bermuda
Cayman Islands
Falkland Islands
Gibraltar
Montserrat
Pitcairn Islands
Saint Helena, Ascension and Tristan de Cunha
South Georgia and the South Sandwich Islands
Turks and Caicos Islands

- 20. The UK can offer incorporation into the UK in a similar way to the proposed offer of freedom of movement to CRs each territory to make its own decision in its own time. There is no need for any territory which already has executive and/or legislative structures to change or abandon those structures and indeed it would be difficult and counter-productive to seek to change the various legal systems.
- 21. It follows that incorporation would not affect autonomy already exercised in these territories. There is no particular point to homogenize the various laws the better argument would be the opposite, to preserve their distinct jurisdictions and in particular because we already have devolved assemblies within the UK. Rather the idea would be to incorporate territories which are already fully devolved, or with minimal change to existing political structures.
- 22. It should be clear that the freedom of movement proposed for CRs would be full and automatic in relation to incorporated territories. The only new question would be whether an incorporated territory would wish to be represented by a seat in the House of Commons (which should be given if asked for). For example, Gibraltar could retain all of its existing autonomous political structures and gain an MP for Gibraltar in the House of Commons. There could be one MP for the South Atlantic, however many parts of the South Atlantic wanted to be incorporated (it is predictable that the Falklands at least would accept the offer).
- 23. There are particular political benefits to incorporation, remembering always that it will be local people and structures making the decision to accept the offer from the UK:
  - (1) Incorporation ends interminable relitigation of historic claims for example by Spain to Gibraltar or by Argentina to the Falklands. In matters of war, a hostile nation would have to consider that any aggressive action would be treated as a direct attack against the UK.
  - (2) Incorporation permanently affirms the historic connexion between the territory and the UK and reduces the appeal of any local nationalism or separatism.
  - (3) With the benefit of new constituencies the UK Parliament would have better knowledge of our people and national interests overseas.

# GENERAL COMMENTS (long term aspirations and ambitions beyond hundred days)

## **Economics**

- 24. UK public debt is £1.8 trillion (1,800,000,000,000 or 1.8 million million pounds). This has grown from £1 trillion since 2010 (all during the tenure of the present government): <a href="https://fullfact.org/economy/public-debt/">https://fullfact.org/economy/public-debt/</a>. Interest payments are a line in the national budget of £43 billion (43,000,000,000 or forty three thousand million pounds) per annum (projected for 2019-2020): <a href="https://assets.publishing.service.gov.uk/government/uploads/system/uploads/att\_achment\_data/file/752202/Budget\_2018\_red\_web.pdf#page=8">https://assets.publishing.service.gov.uk/government/uploads/system/uploads/att\_achment\_data/file/752202/Budget\_2018\_red\_web.pdf#page=8</a>. This is about 2.4% [43 / 1800] interest per annum which is normal for AAA nations.
- 25. The sum of £1.8 trillion is about 83% of GDP, which is high: <a href="https://fullfact.org/news/theresa-mays-resignation-speech-factchecked/">https://fullfact.org/news/theresa-mays-resignation-speech-factchecked/</a>. Some economists justify a high debt to GDP ration with reference to the Net International Investment Position (NIIP). In the case of our foreign assets, the argument is that UK foreign assets exceed external debt therefore external debt is not a problem. This is the same as arguing that a yearly operating loss is tolerable provided one has a strong balance sheet.
- 26. Nonetheless, an operating loss every single year for ever is not the best policy. For a recent discussion see Nassim Nicholas Taleb, 14 May 2019 'public debt does not go away': <a href="https://www.youtube.com/watch?v=40fnsOT1ys8">https://www.youtube.com/watch?v=40fnsOT1ys8</a>
- 27. The reasons for structural borrowing are well known and not related to any sort of economic policy namely:
  - (1) all democracies run spending deficits see Roubini, Sachs 'Government Spending and Budget Deficits in the Industrial Economies', April 1989: <a href="https://www.nber.org/papers/w2919">https://www.nber.org/papers/w2919</a>
  - (2) public choice theory agrees with Oscar Wilde that the bureaucracy is expanding to meet the needs of the expanding bureaucracy: 1986 Nobel Laureate James M. Buchanan Jr.
- 28. On any view, £43 billion per annum is meaningful comparable for example with the military budget (about £52 billion) and approaching half of the education budget (£103 billion). The sum of £43 billion can be seen as a waste of money albeit unavoidable. There should be an intention to: (1) balance public expenditure (no deficit public spending does not exceed receipts) and;

(2) reduce public debt as a long-term policy. (This amounts to a continuation of existing policy.)

#### **Fisheries**

- 29. Recovery of the UK territorial waters and EEZ is the main economic benefit of Brexit. HMG and devolved assemblies will have the legal and budgetary freedom to rebuild and promote the related sectors of the UK economy. In the long term this will lead to significant and permanent economic benefits.
- 30. One analysis was presented by Fishing for Leave, published by Fishing News on 16 January 2017: <a href="https://fishingnews.co.uk/news/brexit-benefit-uk-economy/">https://fishingnews.co.uk/news/brexit-benefit-uk-economy/</a>

# Housing

31. The headline figure for housing benefit is £25 billion being 5 million claimants at an average of 5K each. The following text is extracted from the OBR (see List of References at 15 May 2018 - OBR: 'welfare spending: housing benefit':

'We expect overall housing benefit spending in 2018-19 to total £23.4 billion, with 4.6 million recipients paid an average of £5,035 each. That would represent 2.9 per cent of total public spending and 1.1 per cent of national income.'

- 32. Costs of one new build house is £200,000: BBC item 19 July 2011. One can treat this figure as including the cost of land, where the average cost in UK for agricultural land of £7K per acre: Farmers Weekly, 16 February 2019 (in List of References).
- 33. Therefore HMG should buy the cheapest agricultural land, of any size and wherever it may be, for the purposes of housing (on whatever local scale according to what land-bank emerges). The policy could be limited to England & Wales. One can build 5,000 houses for £1b. One could have a modest policy to build 5,000 houses per annum, or 25,000 per fixed term parliament. This policy could be more ambitious, subject to availability of land, the ability of British industry to deliver and the willingness of HM Treasury to fund.
- 34. Public housing should embody the best modern design and urban planning. All property would be owned and managed by HMG (operating through the Ministry of Housing, Communities and Local Government) and, irrespective of income from tenants or savings in reduced housing benefit, would be balance-sheet neutral or (more probably) positive.

35. The economics work because HMG can buy agricultural land and use it for residential development. There is no need at all to interfere with the present Green Belt [see <a href="https://en.wikipedia.org/wiki/Green\_belt\_(United\_Kingdom)">https://en.wikipedia.org/wiki/Green\_belt\_(United\_Kingdom)</a>] - the further away the better. It would a genuine long-term progressive investment.

### **Energy**

Coal

- 36. The UK imports about 9m tonnes of coal per annum. Average price of wholesale coal (which means what power stations pay) is about £60 per tonne. Therefore the UK imports about £500,000,000 (half a billion or five hundred million pounds) worth of coal per annum.
- 37. If the UK produced this coal our native industry would be four times as big (UK production is about 3m tonnes per year and self-sufficiency would be 12m tonnes per year).
- 38. Coal is unfashionable and the economics of coal are a small part of the UK economy. Nonetheless there is a certain perversity in importing 9m tonnes of coal per year, and exporting £500m to foreign miners, when the UK could rebuild its native industry to meet this need. [UK coal reserves are 3,560 million tonnes, 80 million are economically recoverable: <a href="https://euracoal.eu/info/country-profiles/united-kingdom/">https://euracoal.eu/info/country-profiles/united-kingdom/</a>]
- 39. This policy would be as much political as economic with the following points:
  - (1) to demonstrate that TBP is not a class-based party and cares about the traditional working class (many of whom are TBP voters and former Labour voters);
  - (2) to demonstrate commitment to British industry (which would reinforce the repatriated competencies re fisheries and agriculture);
  - (3) to create a space between TBP and Thatcherism (if one were needed).

#### Referenda

40. Recent history has demonstrated the great value of the referendum in maintaining the connexion between the electorate and politicians. It is a mechanism of corrective democratic power where representative democracy

- has failed to be representative. David Starkey spoke on this point in his New Culture Forum interview of 11 May 2019 (in List of References at 11.05.19).
- 41. In relation to the Brexit referendum of 2016, we have seen the substantial power of what was in fact a non-binding or advisory referendum: <a href="https://fullfact.org/europe/was-eu-referendum-advisory/">https://fullfact.org/europe/was-eu-referendum-advisory/</a>
- 42. TBP should offer one referendum per parliament on the same advisory model as 2016. This could be done towards the end of a parliament and would shape the following General Election.
- 43. Without suggesting artificial or binding rules, one principle of referenda could be that there should be an interval of ten years between questions on the same subject (the PR referendum was 5 May 2011, the Scottish referendum was 18 September 2014). As examples, the electorate could be asked:
  - (1) if it wanted to abolish or retain the TV licence fee (if not already an explicit item in TBP agenda);
  - (2) to revisit the question of PR (at a date after 5 May 2021);
  - (3) if it wanted constitutional freedom of speech;
  - (4) if it wanted to broaden private ownership of firearms.
- 44. If a Scottish referendum were to happen after 18 September 2024, by then the political and economic benefits of Brexit should have made Scottish independence a distant and marginal question.

#### LIBERAL IDEAS

45. The following thoughts do not touch upon fundamental economic, constitutional or international issues though they could be the subject of tenday or hundred-day promises.

## Repeals / legalization

- 46. Cannabis could be legalized and treated like alcohol and tobacco. In the short term legalization could be immediate, within ten days (by declassification from Class B of the Misuse of Drugs Act 1971). Regulation and taxation could be done within one hundred days. The models for tobacco and alcohol are established and easy to extend to other substances.
- 47. The following legislation could simply be repealed (within ten days):
  - 47.1 Hunting Act 2004 (to reverse fox-hunting ban);

- 47.2 Chapter 1 of the Health Act 2006 (to reverse smoking ban).
- 48. The basis of repeals would be England and Wales only with an option for Scotland and Northern Ireland to adopt by Statutory Instrument (as their respective assemblies may choose).
- 49. A declassification of cannabis combined with the two proposed repeals would have wide appeal including to young people.

## Freedom of speech, freedom of the press

- 50. A general consideration could be given whether the TBP should advance ideas of freedom of speech and freedom of the press as (for example) embodied in the First Amendment (USA). This section is written in that context and with the idea that such ideas could be the subject of a referendum.
- 51. The recent laws on controversial speech (starting with the Criminal Justice and Public Order Act 1994 through to the Criminal Justice and Immigration Act 2008) are a number of statutes which amend the Public Order Act 1986. It would take some thought to examine and unpick these measures.
- 52. In practical terms, the (very small number) of prosecutions under these provisions could (in the short term) be described as political and could also be managed by political means. In other words there is no particular legislative urgency where Crown Prosecution Service (CPS) policy and practice determine decisions to prosecute, or not to prosecute (similar to the case of Soldier F). In economic terms, such prosecutions are in general a total waste of public resources.
- 53. The basic point would remain for political attention, or a referendum, that laws against controversial speech are in conflict with freedom of expression.
- 54. OFCOM places a dead hand on broadcasting by its requirement of political impartiality: see List of References under January 2019 Ofcom Broadcasting Code, section 5. This is not enforced and may not even by capable of enforcement. It also causes editorial homogeneity, often resulting in superficial coverage within a narrow range of discussion. As a policy, political impartiality has no support anywhere (in particular within the industry) and is explained by reference to the BBC as a public broadcaster. Freedom of the press would mean that OFCOM would simply have no function in this area.

# Closing comments on electoral contract

- 55. TBP will need policies for a General Election (NF has referred to a contract with the electorate rather than a manifesto). This could be a detailed document which specifies, for example, and on the basis of a TBP majority government:
  - (1) specific enforceable promises to be implemented within ten days;
  - (2) specific enforceable promises to be implemented within one hundred days;
  - (3) longer terms aspirations or ambitions.
- 56. Even the ten-day and hundred-day points would amount to significant progress in the interaction between politicians and the electorate and mark a clear distinction between TBP and the old parties it seeks to marginalize.
- 57. The author wrote about a contractual manifesto in June 2008, in the context of the Stuart Wheeler litigation and the Lisbon Treaty: <a href="http://www.amg.london/wheeler.htm">http://www.amg.london/wheeler.htm</a>
- 58. As a point of language, the specific promises could be called "clauses" and the longer term points could be called "ambitions". The word "promises" has simply been abused and devalued by the old parties. Where TBP politicians are talking about clauses and ambitions as different things, the electorate will understand that a clause is a binding promise. There are presentational advantages in using different language given that, in modern political language, it is difficult or impossible to discern what is meant by "commitment", "manifesto pledge", "promise" *etc.* What we do know is that as a matter of constitutional law such words are meaningless they do not create legitimate expectations.
- 59. In terms of TBP deciding what can definitely be done within a certain period, there is no particular difficulty in knowing what HMG with a working majority in the House of Commons can or cannot deliver. TBP has the advantage of many experienced politicians to make these judgements. It could even be a wonderful opportunity to under-promise and over-deliver.

30 May 2019

Andrew McGuinness

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# Post scriptum: irresistible fun and profitable idea - 24M25

The M25 should be closed for the least busy summer weekend of the year. We should have an event like the Le Mans 24 hour endurance event, could be branded "24M25". The operating details can be worked out by FIA.

As in Le Mans there can be different classes running different races (which could be sprints of one or two circuits running parallel to the 24H endurance race). One class could be road-legal cars. The existing physical division of the M25 could be maintained to separate classes and races in what are normally clockwise and anti-clockwise sections. Some diversion into local roads could be made to make the course more interesting and difficult. Members of the public could enter (albeit a meaningful entry fee would be a necessary barrier, also subject to medical tests and other FIA requirements).

HMG in co-production with FIA (or other partner) can sell broadcasting rights to highest bidders in all broadcast territories, HM Treasury to retain an interest in the back end (% of repeat fees and other forms of post-broadcast commercial exploitation).

Could be a massive annual event.