

THE RT HON JOHN REDWOOD MP



HOUSE OF COMMONS
LONDON SW1A 0AA

HM Treasury
1 Horseguards Road
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It was a pleasure to meet you today and to talk about the review of competences. Given the need for a new relationship on banking as Euroland presses ahead to full integration, I think the review should conclude in favour of a major repatriation of powers.

The Treasury has one major area where the case for complete repatriation is overwhelming - banking regulation. As the UK knows to its cost, if a government gets banking regulation wrong and manages to preside over a collapse, it is the UK taxpayers, not the EU, that pays money to prop up the system. The UK is still a sovereign nation in a crucial respect where the members of the Euro are not. The UK can decide to pump as much money as the Bank of England sees fit into money markets and the inter bank market to keep solvent banks liquid. Euro members have to look to the ECB and European level decisions.

As we pay the bills for any bad banks a UK government wants to help, and as we still have the capacity for our Central Bank to act as lender of last resort and decide how much money to create or allow, we have no need of banking regulation from the continent. There needs to be clarity. The solvency and liquidity of British banks depends on the actions of the Bank of England, supervised by the Treasury. Let us repatriate all banking regulation to the UK, and have a system of co-operation and information sharing with the ECB and EU regulators as we do with the US Fed and regulators for their banks.

Yours sincerely

THE RT HON JOHN REDWOOD MP



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The Rt Hon William Hague MP
Secretary of State
Foreign & Commonwealth Office
King Charles Street
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7 August 2013

Dear William

I have been reading the Foreign Office Reviews of the balances of competences. I would urge you to take a personal interest in this work, and demand an improvement in it. The six I have seen so far fall well short of what is needed, and do not reflect the strong body of opinion in this country that regards the current level of EU interference in UK law making and government as excessive.

I suggest you first of all ask your officials in each chapter to set out the very extensive powers the EU already has. They should cite the relevant Treaty provisions, important court cases, and above all list all the Directives and Regulations already made. This combined dossier would show people for the first time how extensive EU law and decision making now is and how the EU has powers well beyond the original narrow confines of the single market. Far from protecting our national ability to make all decisions in important areas like borders, taxation and welfare, we see an increasing involvement and interference in these most sensitive of areas under the Treaties.

I secondly ask you to remind your officials to check the Hansard record, to see the numerous speeches made by Conservative MPs setting out how the powers of the Union are excessive and talking of the need for a new relationship. Your officials clearly have forgotten that the whole Conservative party in Parliament opposed the Nice, Amsterdam and Lisbon treaties on the very grounds that these Treaties took excessive powers away from the UK. Their provisions put far too many areas of policy into play for EU majority decisions which we cannot amend or block without qualified majority support in the EU. Conservatives have not suddenly changed their minds to welcome the wide range of powers taken from us under these three Treaties, and we

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look to you to ensure our views, strongly voiced in the Commons and elsewhere, are reflected in the Review of Competences. At the very least we would expect the Review to conclude that all the powers ceded at Nice, Amsterdam and Lisbon should be returned. It is a very important principle of UK Parliamentary democracy that one Parliament cannot bind its successors. If we can never change Treaties past Parliaments have signed up to, we no longer have that crucial democratic right, and elections in the UK have been much devalued as a result.

Nor should your officials take for granted that Conservatives are happy with the powers that had already been removed by the Single European Act and Maastricht. Whilst the much wider range of powers taken by the three more recent Treaties is of united concern to us, many of us also think that too much power has been taken away in the name of the "single market". This has become a device to push through an extensive legislative programme, extending the powers of European government, with no benefit in the form of enhanced trade in many cases. It is difficult, for example to see what extra trade and industry the extensive energy measures have generated, leaving the EU with much dearer energy than our competitors in the USA and Asia.

I look forward to you pointing your officials in the direction of the abundant evidence and expression of view Conservatives have made to Parliament and to Ministers seeking a new relationship. The new relationship should be one more based on trade and political co-operation and less on common law making under the pressure of majority votes. Many of us were pleased that the Prime Minister committed our party to a new relationship and to a vote of the UK people to decide if the results of the negotiation gives us what we want. The Review of Competences should reflect that mood and policy.

Yours ever

The Rt Hon John Redwood MP
Member of Parliament for Wokingham

Approved by the Member of Parliament and signed electronically to avoid delay.

