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Newsletter to subscribers – June 3rd 2018

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Written by [Briefings For Brexit](#)

Project Fear looks like morphing into Project Hysteria with a leak in Today's Sunday Times about a civil service document predicting shortages of medicine, food and fuel if we leave the EU without a deal.

June 3rd 2018

Dear Subscriber,

Project Fear looks like morphing into Project Hysteria with a leak in Today's Sunday Times about a civil service document predicting shortages of medicine, food and fuel if we leave the EU without a deal. The document seems to focus on Dover port which is predicted to 'collapse' in this scenario. No mention of the British Ports Association's statement that they are fully prepared for all eventualities. Nor any mention of the availability of existing technology to facilitate smooth running of Dover if needed (i.e. the technology already in use at the Dartford Crossing and elsewhere to collect tolls). Any serious problem is likely to come from non-cooperation at EU ports, but Rotterdam and other EU ports are already making arrangements for no deal in the same way as British ports.

Better news for Brexit supporters from Italy which finally has a Eurosceptic government and one which may take a more supportive view of Brexit than was the case with the previous Italian government. After two populist parties won an inconclusive election on 4th March the Coalition of the anti-establishment 5-Star Movement and the right-wing League proposed law professor Giuseppe Conte to be the new prime minister. The Italian President refused to accept their nominated finance minister because he was a strong critic of the Euro but has now accepted the same economist as Europe Minister, allowing the Coalition to finally take power. The attempt to block democracy, plus some ill-judged

remarks from the EU Commission, led to rising support for the most euro-sceptic parts of the coalition government. Leaving the Euro is not the formal position of the Coalition but attempts by the EU to force a continuation of austerity on an unwilling Italian Government may yet lead to a crisis with unpredictable consequences for Italy's membership of the Euro. These themes are picked up in a recent blog by Professor Robert Tombs, see below.

Our publication this week of a new Report and Blog calling into question the HMRC costings of a £20 billion bill to implement a "max-fac" customs arrangement in Northern Ireland has been widely reported. See our Media section below. We feel that we are at least on the case and ensuring that civil servants are called to account when they produce what look like exaggerated forecasts and figures. As Dr Graham Gudgin and John Mills point out: "No government policy decisions should be made on the basis of shoddy calculations without formal papers which are open to scrutiny from trade experts and businesses with practical experience of trading across borders." They believe the final figure will be closer to £2 billion.

Our media appearances

Media:

Dr Graham Gudgin and John Mill's joint report challenging the calculations of the HMRC on its £20 billion estimate of the costs to the UK of the "max-fac" customs arrangement travelled widely this week. It made the BBC Radio 4 Today Programme where Dr Gudgin responded to aggressive questioning calmly and precisely. The Report was also covered in the Daily Mail and Daily Express and related Brexit websites and twitter feeds. The original HMRC claim of a £20 billion cost to UK business had received much wider publicity, as usual, but at least we managed to get some publicity for the counter arguments. The links are as follows;

BBC Today Programme: Dr Graham Gudgin from B4B challenges the HMRC £20 billion figure and speaks about his paper on the real costs to business under a "max-fac" customs arrangement on [@BBCRadio4 #Todayprogramme](https://www.bbc.co.uk/programmes/b0b42pvc). (53.23 mins). <https://www.bbc.co.uk/programmes/b0b42pvc>

Express: Top economist says 'APOCALYPTIC' claims about post-Brexit customs plan are WRONG A CAMBRIDGE economist has dismissed the

head of HMRC's claims that the post-Brexit maximum facilitation customs arrangement could cost businesses up to £20bn a

year. <https://www.express.co.uk/news/politics/967376/Brexit-news-economist-Boris-Johnson-Max-Fac-customs-plan-cost-2bn-20bn-HMRC-EU>

Mail: A top economist dismisses HMRC's claim that post-Brexit red tape could cost firms £20bn as he suggests the final figure will be closer to

£2bn: <http://www.dailymail.co.uk/news/article-5789305/Top-economist-dismisses-HMRCs-claim-post-Brexit-red-tape-cost-firms-20bn.html>

Twitter: **John Mills** [@John_Mills_JML](#): Prior to the EU

referendum, [@hmtreasury](#) warned that we would face an unprecedented recession if we voted for [#Brexit](#). Now, Graham Gudgin and I argue, HMRC has overstated the cost of being outside the customs union by £18bn. Our

analysis for [@reactionlife](#). <https://reaction.life/revealed-hmrc-customs-bill-brexit-overstated-much-18bn/>

[Economists4FreeTrade @Econs4FreeTrade](#) [May 30](#) HMRC customs bill for Brexit overstated by as much as £18bn, write Dr Graham Gudgin

and [@John_Mills_JML](#)

Our blogs

The Italian Crisis and Brexit by Robert Tombs

<https://briefingsforbrexit.com/the-italian-crisis-and-brexit/>

Professor Tombs writes: "The Italian crisis clearly shows that Eurozone politics are smacking down opposition to postpone catastrophe. Creating an alternative Italian currency to the Euro would be worth a try: indeed, various ways of breaking up the Eurozone have long been seriously discussed as the only solution to its fundamental economic problems. But the Italians are being told by their President that there is no alternative: any attempt to escape from the Euro straitjacket would destroy 'the savings of our citizens' – the classic threat to a frightened bourgeoisie."

He concludes: "What of Brexit? It is too soon to be clear whether its effect has been to shore up support for the EU or to undermine it by making its rulers more frightened of change. In either case, the Italian crisis adds an important new element, which can hardly be lost on the British public. Remainers often seem oddly uninterested in the realities of the EU, and blame British Euroscepticism on the exaggerations of the tabloid press. Can they still say this with a straight face? Can they still argue that our economic future demands the maximum possible integration with the

EU? Can they still in good conscience use every ploy to subvert the referendum vote? As Oliver Cromwell might have put it, 'I beseech you, think it possible you may be mistaken.'

Time to Challenge Defence Civil Servants over Brexit by Prins & Dearlove:

Professor Gwythian Prins and Sir Richard Dearlove introduce two new reports by Professor Prins with a warning about the conduct of UK civil servants over defence. They say that "there is something deeply, deeply wrong with the way that parts of the civil service are conducting themselves as we leave the EU".

They conclude: "The big lesson is that the EU is structurally unable to negotiate anything. *Il n'y a que texte* - in stone. Shaky but defiant, Brussels sees its best interest in doing us harm. So no deal was always better than any deal. And that will not change." The two reports are by professor Gwythian Prins and are published on our REPORTS page.

‘BRIEFINGS FOR BREXIT’ SYMPOSIUM ESSAYS.

Britain’s Global Strategy after Brexit
TACKLING THE SHIP: British
Defence and Security after Brexit –
Part I by Gwythian Prins:. The
Context: From the Congress of Vienna
to the 2016 Referendum

<https://briefingsforbrexit.com/tacking-the-ship-gwythian-prins/>

Prins explains the reason for writing two essays: “ in order to do the things that we need to do, we must first of all stop doing the things which we are currently doing that we ought not to be doing, which impede doing what we ought to be doing. That is only common sense.

In the first essay, ‘I have looked up to the mountains, whence cometh our help, and outwards to a world where our true – because tested – friends await our return to assume our proper role as one of the most significant pivots of the defence and security of the west. My intention has been to provide the facts which blow away the myth of decline which has oppressed the minds of the British elite for half a century and which clouds their vision still, too much feeding the ‘remainiac’ disloyalty which I discussed in my April Report and which is the subject of special attention in a series of analyses being released by ‘Briefings for Brexit’

Britain’s Global Strategy after Brexit: Escaping From Hotel California Part Two by Gwythian

Prins:

<https://briefingsforbrexit.com/escaping-from-hotel-california/>

In the second essay of this pair, Prins looks ‘downwards to examine much darker and more troubling matters’ and explains in detail ‘the ambushes and traps that the EU has set for us in the fundamental areas of defence and security as we seek to leave it; for on the face of the evidence, the shaky but defiant Brussels *nomenklatura* has no intention of giving a friendly exit to this departing member. It sees its own best interests served by doing us harm. Prins also publishes ‘evidence on the conduct of British civil servants who are supposed to be delivering the decision of the British people to leave the EU and which shows how they are making it extraordinarily difficult for us to do this cleanly’.

Prins explains why he supports May in her plans to go it alone over the satellite system Galileo: “From cock’s crow on the BBC’s flagship ‘Today’ programme, month after weary month, the country has awoken to a daily agenda-setting barrage of commentary whose smuggled assumption is that disengagement from the EU is a matter of extraordinary complexity. The truth is quite the opposite. **Since the day that people voted to leave in June 2016, ‘no deal is better than any deal’ has *always* been the best case** in general and it is certainly *the only safe case* over our defence and security after Brexit. The Downing St source which reported

the PM's inclination to proceed independently over satellites stated that "The PM is clear our collective security is too important to haggle over" (by which I take it is meant our collective national security). Mrs May is absolutely correct in this and should stick to her guns, regardless of naysayers around her."

(Professor Gwythian Prins is Emeritus Research Professor at the LSE and Senior Academic Visiting Fellow at L'école Spéciale Militaire de St Cyr.). Sir Richard Dearlove was former head of the Secret Intelligence Service and former master of Pembroke College Cambridge,

Customs Costs Post-Brexit Graham Gudgin and John Mills

Last week Jon Thompson Head of HM Revenue and Customs dropped a bombshell on the possibility of the UK leaving the EU Customs Union. He said that to do so would cost UK firms as much as £20 billion a year. We have examined his figured and judge that the real cost may be much lower at around £2 billion per annum. A longer version of this article is on our reports page.(<https://briefingsforbrexit.com/customs-costs-post-brexit-long-version/>)

They explain: "All of this suggests that HMRC's overall cost estimate of around £20 billion is hugely inflated. Other studies support this conclusion. Swiss customs have estimated the costs of running their customs systems at 0.1% of GDP. That's a tenth of the HMRC figure from yesterday. A World Bank study has customs clearance costs per container of around £150 which for a container with goods worth £15,000 would be 1%. A KPMG study for Dutch customs also estimates admin costs at around 1% of the value of consignments. Studies of sugar imports into the UK show customs costs well below 1%. Even in the case of meat imports where inspections add to costs, customs costs are estimated by the University of Nottingham to be around 1% of the value of consignments..."

Importantly they challenge HMRC to publish the model its original estimates were based on.

Dr Graham Gudgin is Honorary Research Associate at the Centre for Business Studies, University of Cambridge and Chief Economic Advisor at the Policy Exchange think-tank in London. John Mills is chairman of JML and Chair of Labour Leave. He is the author of several books on economic policy

Twitter

(@briefing4brexit)

We have also been busy on

Twitter <https://twitter.com/briefing4brexit> retweeting the daily events that bring Brexit to the fore in the National News.

There is still quite a bit of twittering about Robert's Spectator coffee shop spat:

Catch up with Prof Robert Tombs in the Spectator: Brexit debate: Andrew Adonis vs Robert Tombs "We have relationships with other parts of the world which are unique among

Europeans." <https://blogs.spectator.co.uk/2018/05/brexit-debate-andrew-adonis-vs-robert-tombs/#>

Our twitter feed also has much on the HMRC challenge and Dr Graham Gudgin's and John Mill's new costings for a "max-fac" border arrangement in Northern Ireland.

Facebook

(<https://www.facebook.com/BriefingsForBrexit/>.)

We have enjoyed your engagement with us on Facebook. Here is a flavour of one recent strand.

How you can help

Do keep reading our posts, and tell others about us. We want you to share links to our quality content so that others can understand how Brexiting the EU can be good for the UK economy and for our own democratic governance. By sharing our content and articles we hope that we can increase public understanding of the real impact of Brexit on the UK.

We aim to educate our critics to think differently and more positively about the long term impact of Brexit.

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Or Facebook: <https://www.facebook.com/BriefingsForBrexit/>.