

## The UK has to earn its living

The Opposition parties in Parliament think the UK needs to spend more in the public sector. They think better off people and businesses should pay more in tax. They think business should be made to use less fossil fuel, import many more things that need high energy inputs, charge lower prices and be more controlled by the state.

They support the steps the present government has taken to make it more difficult to be self employed, to impose windfall taxes on sectors enjoying a temporary period of high profits, to impose EU regulations on Northern Ireland, to make our Corporation Tax rate less competitive, to introduce price controls on energy. Their complaint is these measures do not go far enough. They want to do more of the same. Taxes must all be higher for longer.

They do not ask themselves why people and companies with money should come to the UK to invest and to create jobs if they are to face higher taxes on success, with price controls and nationalisation threats whether you succeed or not. They never side with the self employed though they often individually rely on them to provide the services they need at home for their own lives. They do not offer anything by way of encouragement or support for small businesses, struggling with a low EU designed VAT threshold. They do not see how rent controls, higher costs imposed on landlords and higher taxes will cut the number of homes for private rentals just when we are already short of properties.

Opposition parties running Councils are particularly keen to stop people going to work, taking children to school or going to the shops by car. Extra taxes for congestion and emission zones, bans on certain types of vehicle, reduction of road space, high parking charges and the rest whittle away at the number of self employed and small businesses that remain to serve the public and keep town centres alive. Self employment has fallen 700,000 this decade before all these measures have been put in place .

The UK needs to be much friendlier to business and to those who will venture and work hard to serve others. The last thing we need is more interference from politicians claiming to help consumers but ending up with too little capacity and a general decline in the UK's capacity to earn a living.

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## How many people should we invite into the UK each year?

The ONS says "In the year ending June 2022 long term immigration into the UK

was estimated at around 1.1 million . This is an estimated increase of 435,000 compared to the year end June 2021. (628,000).”

The net figure after allowing for people who left the UK was 504,000. This included 89,000 from Ukraine, 21,000 from Afghanistan, 35,000 illegally via small boats and 224,000 from the EU.

You would have thought given these huge numbers the Remain supporters would be thrilled that so many were still coming from the EU and Ukraine, and business would be delighted that so many came legally on work visas. Instead both these groups complain that 1.1 million is not enough and we should be making it even easier for people to come here to work.

They need to tell us how we are going to offer all these new arrivals decent housing, and set out how much all this costs established taxpayers resident here. Certainly the net increase of 504,000 needs a large number of additional homes to be added to the housing stock. Arguably the 1.1 million need extra homes as the homes vacated by those leaving may not be in the right places or at the right price for the incomers. The incomers tend to want cheaper housing in the hot jobs areas in London and the southeast where property is dear.

I favour more realistic controls on numbers as we used to have. We are well behind on providing sufficient homes. Now the Bank of England has driven long interest rates up so much to bring the housing market down there will be a bigger shortfall in housing provision.

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## [article at request of Daily Telegraph re North Sea oil and gas production](#)

I find it bizarre that people oppose the UK producing more of our own oil and gas. By doing so, far from cutting world carbon dioxide output they would increase it. I read of opposition to the development of the Rosebank field, which would make us more dependent on CO<sub>2</sub> rich imports. This field has been at the heart of the controversy over new energy investment in the UK for sometime, with green enthusiasts claiming we should not go ahead with a good project. This makes no sense. If we fail to produce oil and gas from Rosebank we will simply import it from somewhere else. If we import liquified natural gas it will generate more than twice as much CO<sub>2</sub> in the process of compressing it, shipping it and converting it back to gas than simply piping some more home gas down the West Shetland pipe system . These pipelines are already in place with a shortage of gas to use them. If we import more oil that too will require more energy to carry it further by ship from faraway places.

All those who are impatient to see carbon dioxide reduced should look at it globally. The absurdities of carbon accounting mean if the UK stops producing its own fossil fuels, and closes down much of its energy intensive industries it will claim to have reduced CO<sub>2</sub>, yet total worldwide CO<sub>2</sub> will go up to cover all our imports and the transport they require. The way to decarbonise is to get more consumers to buy electric vehicles and heat pumps to cut their need for gas and oil. When that happens the oil and gas producers will adjust to the reality of the market place. All the forecasts however show a relatively slow take up of the crucial products of the electrical revolution. The global estimates point to the world needing at least as much oil and gas in 2030 as today whatever the UK does. We should not be arguing that the UK must import everything whilst still being indirectly very dependent on fossil fuels.

The net zero policies being urged on government are damaging to UK jobs, incomes, balance of payments and growth. The Rosebank field itself offers 300 million barrels of oil and 39 million cubic feet a day of gas over the lifetime of the field. It will take an £8.1 bn investment to bring it about with four fifths of that investment spent in the UK, boosting other jobs and incomes. The production of oil and gas will be through a subsea completion tied into a refurbished floating production and storage offloading vessel. Re use of a physical asset already fashioned is a further way of keeping CO<sub>2</sub> down. This has been converted to run off electricity when supplies of renewable power are available. Why should we turn down this investment designed to keep a bit more oil and gas production and the skilled well paid jobs that go with it here at home? Why would we want to farm this kind of opportunity out to a foreign land and import from them instead? Turning down such an investment also means foregoing large sums in tax revenues, made all the bigger now there are higher rates of corporation tax and windfall taxes for energy companies to pay. Keep these taxes too high for too long and we will lose the opportunity of oil and gas investment at home, which is presumably the aim of some lobbying on this topic.

The damage of high energy prices, bans on production and penal taxes goes wider into the energy using industries. The UK Emissions Trading Scheme is a tougher version of the EU one, giving the UK the highest carbon taxes of any major country. This again does not cut world carbon dioxide output, but shifts where industrial activity can take place. All the time we want to buy steel, glass, ceramics, cement, bricks, petrochemicals and other products that need a lot of energy we will end up importing when UK output becomes too dear. Our industrial landscape is being progressively shrunk by high taxes and regulations against CO<sub>2</sub> output at home. We are once again the losers from misleading accounting. Some of the most competitive countries in the world at these products have no carbon tax at all. Even closer competitors in the EU or parts of the US have lower carbon taxes than we deploy. Meanwhile the lobbying in the UK is geared to raising the

price of carbon further in a drive to close down much of what remains of our high energy using industries.

The world does not owe us a living. There are limits to just how much we can import. If we carry on importing so much more than we export, as we did for some years over trade in goods with the continent we will weaken our currency. We also have to sell more and more of our assets to pay the bills, or run up larger borrowings in foreign currencies. Countries that do too much of that end up in financial trouble and have to cut back their consumption to correct the imbalances. The net zero model for the UK is based around a further large increase in imports. Even the green investments themselves are heavily import dependent, with batteries, wind turbines, steel, lithium, copper and the other sinews of the electrical revolution largely coming from abroad. This is the policy that has launched a thousand large ships to bring in the imports. A more balanced policy will bring greater prosperity for the UK, more jobs and investment, and lower CO<sub>2</sub> for the world as a whole.

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## The idea of independence

There is much humbug about independence and diversity. The Bank of England we are told has to be independent. As a result it fails to see an obvious big inflation. Its hopeless groupthink follows the Fed and ECB to inflationary disaster whilst Asian Central Banks keep inflation down. It rejects all diversity of view or changes to its models.

There is then the famously independent BBC, advocates of giving into the EU and adopting international consensus thinking especially when it is wrong. No airtime to put the case against Quantitative easing or ultra low rates in 2021 or to put the case against excessive QT now as it delivered trouble for the pension funds last autumn. No wish to hear from Brexiteers about how we could use our Brexit freedoms.

Key posts like Bank Governor and BBC chairman have always been made by the government of the day. Party political bias is not a problem with the BBC, and government telling the Bank what interest rate to set is not a problem. The fixed, limited, narrow and often wrong ways of thinking and forecasts of these bodies is a problem. They need more diversity of thought, and need to consider more independent challenges to their consensual idiocies.

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# Which inherited EU laws should be improved or removed?

This is a live topic again in Whitehall as many departments make heavy weather of sorting out the huge mass of EU laws.

I would start with the complex Emissions Trading scheme. Let's suspend it as energy prices are so high. The UK version produces the highest carbon taxes making UK industry less competitive. Far from cutting CO<sub>2</sub> the scheme drives the closure of UK business and makes us dependent on more imports. That adds transport CO<sub>2</sub> to fossil fuel intensive output from the exporting country.

Move on to taking VAT off domestic energy and make its removal from green products permanent. Put up the VAT threshold to £250,000 from the EU £85,000 ceiling to allow more small businesses to expand. Amend the fishing regulations to boost the domestic industry and expand the home fleet.

Change the myriad product specification rules. Keep a strong safety requirement but remove the detail about how you can and cannot make individual items. The ban on various hoovers showed this regulation up as unhelpful to UK business.

I have many more proposals but would be interested to hear yours.