

## Part 2 of my interview with the Chairman of the Campaign for an Independent Britain

Please find below part 2 of my interview with the Chairman of the Campaign for an Independent Britain. We discussed topics such as the next government, energy, housing:

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### Water, water everywhere but not enough for plants to drink

The water industry is an unusual one in the U.K. Instead of welcoming hot dry periods as a good opportunity to sell us more of its great product it lectures us to use less and threatens us with rationing. It must be because retail water suppliers are largely regulated monopolies. The Quangos that regulate them do not want them investing enough to grow their business and the businesses acquiesce in managed muddle and disappointment for customers. Both Regulator and industry have also performed badly when it comes to requiring the industry to clean up dirty water before returning it to our rivers.

Some greens argue that we should learn to use less water to place less stress on the planet. That is a wrong argument. Water is the most common substance on the surface of our globe. It is the ultimate renewable resource. We were all taught about the water cycle. Water from the vast supplies in our oceans and seas is swept up into clouds by the travelling winds. Some is deposited back down as rain. It finds its way back to the sea. If people interrupt its progress and use it, they do not destroy it but pass it back to the river system via treatment works that should clean it from the dirty industrial process, washing or human urine forms. There is no great strain on the planet from using the water on its way back to sea, subject to regulating the uses we make of it.

Some people argue that the industry cannot expect to cope for every peak demand. If there is a hot summer then demand does rise as many more people want to water plants and fill paddling pools, more farmers want to irrigate crops and more drinks makers need to bottle more water based fluids. This too is a bizarre argument. The peak demand issue for a hot summer is mild compared with some of the peak demand issues other businesses face. The hot cross bun industry does not sell its products for most of the year and has plenty for Easter. It does not tell us in April it cannot handle such a peak

and tell us to eat less or to order some for August.

The problem with monopoly and price regulation is two fold. Monopolies do not have to respond so well to customers as competitive businesses. If we had genuine choice of supplier to send us water down the pipes we would get a better service. Regulators do not necessarily choose to regulate the price at the level it takes to ensure sufficient supply. Short term wishes to keep prices below a market price leaves some regulated industries short of capacity and unable to invest in enough new.

The Water Regulator needs to call in the main players and go through what it would take to put in extra reservoirs, boreholes and desalination plans to make sure next time we have a hot spell with little rain we have enough water. It would also be a good idea to extend the competition now allowed for business water supply to spread to householders as well.

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## [My Conservative Home Article: Sunak is struggling because Tory members are hungry for change, and Truss offers it](#)

Below you will find my latest article for [Conservative Home](#):

Since the departure of Margaret Thatcher we have had a succession of Conservative leaders who have spoken fluent Conservative when talking to members, but who have often governed in a more left of centre way.

David Cameron shifted to accommodate the Liberal Democrats in coalition for his first period in office. Together they followed the Treasury/EU austerity model in their economic policy, making reducing the state deficit and debt the central task. They welcomed a surge of EU laws over many facets of life. Both he and Theresa May were enthusiasts to keep the UK aligned with the highly-regulated requirements of Brussels.

Whilst Boris Johnson was personally in favour of a more distinctive, growth-oriented approach, he was held back by Treasury dogma and a Chancellor who favoured high taxes.

The centre left is a very congested space in UK politics. Going for their theories and policies is unlikely to win many swing votes for Conservatives, but it can lose you plenty of votes to abstention or fringe parties, as Mrs May found with UKIP.

It should be no surprise to see members of the party tell surveys they strongly favour Liz Truss over Rishi Sunak. There is a frustration that more Brexit freedoms have not been used. They want the Government to be able to

set VAT rates in Northern Ireland so we can cut it for the whole UK, and to allow free trade across the Irish Sea between Northern Ireland and Great Britain.

There is an impatience with slow growth and no growth and worries that the outgoing Chancellor was not taking possible recession seriously enough. There is a wish to see us honour our manifesto promises on tax and where possible to be removing or cutting taxes, not dreaming up ever more things to tax. There is a wish to see security of energy supply and domestic food production as important requirements of policy. They want us to visibly take control of our borders.

The Sunak campaign, like the Remain campaign, tells us the future is worrying and there is little we can do about it as a nation. It is more interested in trying to frighten us off voting for change than setting out a compelling vision of the future.

We are repeatedly told that Rishi is the grown up, the man with great economic experience who understands the realities. Yet when it comes to debating the details of how he gained this experience and what he has learned from the errors of recent years there is an unwillingness to engage.

One of his main mantras is we have to put taxes up now to curb inflation. So if higher taxes stop inflation, why have the higher taxes this year coincided with higher price rises? How exactly will higher corporation tax and national Insurance bring prices down? Do they really think creating £450bn of money to buy bonds to keep interest rates very low had no part in the inflation we are now suffering?

He now offers us Income tax cuts for the period 2025-9 based on growth. Who can sensibly predict what the British growth rate will be all those years ahead? Why are these affordable?

Of course as Conservatives we all believe there needs to be limits on public borrowing. We should also believe you cannot print your way out of inflation, and you cannot tax your way out of recession. The new prime minister will need to lead a government that does take good care of how taxes are spent and how much things in government cost.

The answer to the large deficit is threefold: we need to get better at securing value for what we spend; we need to focus on priorities and rein in the passion for government to do more; we need more growth to boost the tax revenues we can spend.

As last year showed, a bit more growth brought in an extra £77bn compared to Treasury forecasts of tax revenue with no tax rises.

The Sunak campaign has tried to offer policies it thinks will appeal to Conservative members. The pledge to send many more criminals out of the country did not help, as it was difficult to see how it would be achieved. The promise to tax people £10 for every missed GP appointment did not do the job as many think the problem is difficulty in arranging a GP appointment in

the first place (and in changing it). Who would levy the charge and what would the penalty be for non payment?

The wish to clamp down more severely on those who vilify the UK, meanwhile, raises issues about free speech and censorship that are not easy to legislate. It all looks a bit rushed and headline-grabbing.

Conservative members take a strong interest in politics, and get to see and hear a range of senior government ministers at conferences and party meetings. They also ask their local MP for more detailed information about how these ministers work and behave than you can get from watching TV.

Many of them will have been swayed by Rishi's enthusiasm for higher taxes, his reluctance to sort out the Northern Ireland Protocol, and his acceptance of VAT as an EU tax to look elsewhere for a leader.

They see in Liz Truss someone who did argue to sort out the Northern Irish problems with the EU, and someone who expressed from inside government dismay at the tax strategy.

I read from a Sunak supporter they did not realise they needed to tell the members more about him at the beginning as they thought the members knew him. This is a misreading of the position. It is because the members knew him in office they do not back him leading the government.

We currently have an inflation that is far too high, public spending that is not sufficiently controlled, and a growth slowdown to live with. That is why members want change.

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## [My interview with the Chairman of the Campaign for an Independent Britain](#)

Last week, I had a discussion with the Chairman of the Campaign for an Independent Britain. We discussed a variety of topics including Brexit, taxes and red tape. Please find part 1 of my interview below:

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## [Boosting supply to curb inflation](#)

As the electricity regulator reviews the resilience of the UK grid and generating system it needs to consider how it can encourage more investment in additional capacity. The government and big business tell us we are living

through an electrical revolution when more people and businesses will switch from gas heating and petrol and diesel transport to electric versions. Meanwhile the grid operator has had to go back on the idea of closing all the coal power stations in order to keep the lights on when the wind doesn't blow, showing we can be close to the margins even on a summer day. The case seems overwhelming to put in more capacity.

It is true there is considerable further investment underway in wind farms. To solve our problems these need to be linked to battery or hydrogen based storage of output when there is a surplus to handle the shortages when the wind does not blow. It is going to take time to build enough nuclear to give us reliable baseload capacity. Indeed this decade sees the closure of most of our nuclear, making the problems of adequate supply more difficult. We will need sufficient conventional power stations to plug the gaps pending the technological and commercial breakthroughs needed in renewable power delivery. The grid managers need to keep all the capacity we still have and make sure it is available. We also need some more reliable capacity before we can store the wind energy.