

# The Reform phenomenon

Recent polls show Reform just a point or two behind the Conservatives, with one showing them 3% ahead. They are the clear winners of the election campaign if you believe the polls.

The polls show both Labour and Conservative weakening a little over the campaign, with Labour sometimes dipping below 40% and the Conservatives struggling around 20%. In 2017 in the election the Conservatives polled 42% and Labour 40%, a combined total of 82% with no majority of seats for either. Instead today their combined total is around 60% but Labour is forecast to have a huge majority of MP s. Why?

There is a frustration that the two parties are so alike. They both backed COVID lockdowns. They both backed printing large sums of money which proved inflationary. They both back OBR orthodoxy which makes a growth policy difficult. They have both presided over large increases in NHS waiting lists, Labour in Wales and Conservatives in England. They both backed the Windsor framework limiting the opportunities of Brexit. Neither proposed a good pruning of EU bureaucracy and regulations. Both allowed large scale migration.

Reform have tapped into these frustrations, but have not proposed answers that can right the wrongs. Their answer to the Bank of England disasters is to impose a £35 bn tax like charge on commercial banks . Why don't they demand an end to the colossal Bank losses coming from needlessly selling long bonds at a loss? That would save a lot of money for tax cuts.

Their answer to the small boats is to turn them round or send them back. Border Force say that is impossible and refuse to do it. Lawyers are ready to show it is illegal. France refuses to let the people land. Reform want lower legal migration, but that is now at last government policy. They could identify the further categories they would ban or restrict.

Reform have taken up scrapping IR 35 and raising the VAT threshold for small business, ideas I spent the last Parliament promoting. I agree with those.

Reform want proportional representation. I disagree. Whilst our system can mean the majority have to put up with a government that only got 43% of the vote the system has two big advantages over PR. We elect a named MP for a constituency which makes MPs much more attentive to local views and needs. A government has the votes to keep its promises so we can judge them at the next election. PR systems usually bring weak governments. The parties form a coalition by ditching the promises to voters that got them elected making accountability difficult or impossible. The result of the combined actions of Reform and the One Nation Conservative leadership if the polls are right will be to visit on us a Labour government that may have a lower vote share than Labour led by Jeremy Corbyn gained in 2017 but have a large majority of MPs giving it a lot of potential power if it can keep its party together.

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## In search of cheap power

So far the UK's ambition to be the Saudi Arabia of wind has put in an impressive 29GW of capacity. On a good day when there is plenty of wind and total demand is only around 30 GW this might deliver half our power needs. On a day of low wind, and when winter demand is over 40GW it might be 1-2%. It is true the cost of supplying the capacity and therefore of the power has come down as turbines have been scaled up and their capacity cost has fallen. Since 2010 levy support and contracts for difference have cost us an extra £80bn plus for renewable power (to 2023). Current electricity bills are around £100 higher thanks to green levies.

Labour and Lib Dems say we can switch over to all no carbon electricity by 2030 and that this will be cheaper. Both these claims seem unlikely. Labour say to get to all carbon free they need to install an additional 87 GW of capacity, allowing plenty of margin over the demand of 30-45 GW depending on time of day and weather. As most of this will be wind, and as the sun does not shine during long dark evenings and early mornings in winter it will still require stand by gas generators and all those interconnectors to import. The truth is we have already become very import dependent, with imports at over one fifth of our needs even on sunny low demand summer days when the wind dies down. We have been closing fossil fuel stations down before having the renewable reliable capacity (with storage) to replace them

There seems little likelihood that the UK can plan, permit and install anything like 87 GW of renewable capacity in the next six years. The last auction to supply capacity did not go well as the prices offered were unattractive. The lesson was the Regulator needs to allow considerably higher prices to get companies to come forward to offer new capacity. Investors are going to be wary of the opportunities given the history of windfall taxes, price controls and changes of policy. These are all likely to get worse if we have a change of government to Labour.

Labour and Lib Dem buy the idea of cheaper power because they assume gas prices will climb higher and stay there, so wind energy looks cheap in comparison. Instead in recent months gas prices have retraced most of the giddy climb they experienced when Europe determined to get rid of its dependence on imported Russian gas and the Ukraine war sent the price spiralling. Hitting a peak of £6 a therm, it is now back to 80p.

The amount of capacity they envisage would also require a large expansion of the grid with pylons straddling many more landscapes.

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# Will One Nation Conservatism save the government?

I see debate about disagreements within the Conservative party. It is true there have been important debates in recent years over lockdowns, money printing, migration levels, Brexit wins, ways of controlling small boats, tax levels and other issues of great interest to voters.

It is also the case that over the last year those who wanted changes to economic and borders policies and to Brexit implementation did not challenge the leadership, put in letters or seek to undermine Ministers. There were discussions with Ministers who decided it was best to run a largely One Nation policy. Ministers argued that the threat to the Conservative party came from Labour and Lib Dems to the left so it was important to move in their direction. They wanted to improve relations with the EU, follow international law as interpreted by internationalists, follow Bank and OBR orthodoxy and regulate more against possible harms. Critics of these views accepted they had lost the internal argument and supported the leadership going into an election.

Self styled One Nation Conservatives have been very vocal in recent years, arguing that the Conservative party and government was correct to shift to the left to command more support. George Osborne from outside Parliament joined with Michael Gove inside to promote this.

In government both the current Lord Chancellor and Attorney General have been insistent in taking an international lawyer's view of Treaties based often on a very debatable view of their impact. This has led to impediments to controlling borders and sorting out the EU's role in Northern Ireland. Counter proposals by former Attorney Stella Braverman and past Migration Minister Robert Jenrick were turned down. The Home Secretary rejected the idea of strengthening the law against legal challenges, favouring the One Nation approach.

The One Nation Chancellor has preserved the EU originated debt control, trusting OBR 5 year out numbers that are likely to be wrong to constrain the tax cuts needed for faster growth. He has implemented a conventional programme of fiscal consolidation claiming this is necessary to create stability. He rejected ideas of asking the Bank to control its bond losses, to speed restoring lost public sector productivity, and to cut nationalised industries losses. These spending cuts would have allowed cuts in small business, self employed and income tax.

The One Nation Foreign Secretary has sought to please more overseas countries and international quangos. The U.K. has continued to negotiate at the World Health Organisation which is wanting to take powers over the NHS, when there was considerable opposition to ceding power. He has shifted to the EU/Spanish view on Gibraltar and has cosied up to the EU and Ireland by building on the Windsor framework.

The government put through various regulatory new laws which were supported by Labour. It abandoned wider ranging repeal and amendment of inherited EU law.

It means we will have a good test of the argument that the way for the Conservatives to win elections is to have plenty of One Nation representation around the Cabinet table and to follow consensus and internationalist policies on the economy, taxation, migration, regulation and our international relations. In a week's time we will see if this approach did win more votes for Conservatives, or whether it left the Conservative vote too vulnerable to the Reform challenge based on their tougher approach to border control and based on a lower tax growth model.

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## [Please stop sending nasty nonsense](#)

All the time I was an MP I posted critical comments of government, Conservatives and myself that were often misleading or inaccurate to show balance. I deleted attacks on any named individual of whatever party, offensive material and some multiple or over long postings. A few people used to write in criticising anything I wrote, often straining truth and twisting arguments to do so.

A few still do not seem to have understood I am no longer an MP and hold no Conservative office or role. So stop writing in as if I did. One, for example, told me I had to carry on being an MP until Election Day. I explained I ceased to be an MP on dissolution. He then wanted me to post further criticism saying I should still act as an MP until the election. The rules are quite clear. I should not pretend to be an MP. I have cleared my Parliamentary office and handed in the key. My pass to Parliament has been cancelled. I must not use headed stationery saying I am an MP or use Parliament as my address. I no longer have access to send emails as if from Parliament.

If you want to post here add to the debate about policy. I will not post incessant vendetta contributions based on falsehoods.

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## [Labour aims for sustained fast growth](#)

The Labour Manifesto is based on offering the best sustained growth in the G7. That means transforming our growth rate, which has been one of the better slow growth rates that characterise the main European countries, to surpass

US growth which has been in the fast lane. I admire the ambition but do not think the policy proposals that accompany it will get anywhere near delivering.

If we want to start catching up with the USA we need to recognise how far we and the EU have fallen behind. EU GDP per head, lower than U.K., is just half the US level. US growth has been around 2% a year in recent years with Europe below 1%.

If we want to overtake the US growth rate we need to consider

1 Switching back to Common Law as we now can. EU Code law is too restrictive and anti innovation.

2. Expand our private equity, angel investing, self employment and small business sectors by a more positive regulatory regime

3 Cut taxes on incomes and enterprise. The US has no federal Inheritance tax and an estates tax on assets above \$13 million. 32% Income tax only comes in at \$191,000 a year on the marginal earnings, and the 37% top rate at \$609,000. Capital Gains is at 15%.

4. Halve the cost of energy. US energy is much cheaper owing to a willingness to find and extract their own domestic gas and oil.

5. Onshore more industry and investment as the US is doing

6. Government to promote and be a customer for an expanded tec and semi conductor industry,

The U.K. to generate this high growth rate could attract more business investment and raise more business revenue by putting Corporation tax down to 15%