

Why aren't more MPs worried about UK reliance on imports and lack of capacity?

The UK imports too much of our food, our energy, our industrial goods. So many of the policies urged by the opposition parties and adopted by the government entail higher taxation and stricter regulations at home, losing us jobs, factories and capacity.

The UK imposes the higher carbon taxes of the advanced world, accelerating the loss of our steel works, ceramics factories and the rest. The UK is planning the earliest ban on new petrol and diesel cars making it likely we will lose more of our car industry than the main rivals who do not do threaten that. The UK offers plenty of grant money to owners of farmland not to grow crops and rear animals, instead of spending more of the money on promoting great home grown food. The UK imposes a corporation tax twice as high as the neighbouring Republic of Ireland, only to see many large companies set up over the Irish Sea to take advantage of the lower rates. Ireland raises almost four times as much in business tax per head than the UK thanks to the lower rate.

The water regulators keep us short of water instead of allowing and encouraging more reservoirs. This country gets plenty of rain but it does need collecting when it is around and storing. Inviting in 600,000 extra people every year to settle here requires more water, more road space, more health capacity, more school places.

The NHS keeps us short of beds and the key medical staff to service them despite getting large increases in money in recent years. Too many new homes are built without the school places, by passes and other facilities we need.

High corporation tax and windfall taxes are deterring investment in producing our own oil and gas, making us ever more dependent on imports which deliver more CO2 as well as big bills for the UK to settle abroad. Investment in wind farms has proceeded well leaving the UK short of grid capacity to transmit the power, and short of ways of storing it on windy days to sue on days when there is no wind. The UK used to be self sufficient in electricity and for a period in oil. We now depend far too much on imports for no good reason.

A growth policy would set tax rates at suitable levels, offer the necessary permits and let the private sector get on with resolving most of these capacity shortages. The extra tax revenue the growth would generate could be used for the extra NHS beds and school places we also need.

The by elections

The frustration of some Conservative MPs with current policy and management of the party led to three of them resigning with immediate effect, a most unusual development. MPs usually accept they have made a commitment to their electors to serve for a Parliament.

Some will dismiss these actions as arising from the special circumstances over the Parliamentary enquiry into the past conduct of Boris and from the bitter disappointment of his closest allies over the way a wave of Ministerial resignations was used to force him out of office. The PM's closest supporters are putting round that an attempt to copy the rolling resignation method of applying pressure has failed as they do not anticipate any more doing it. They see this as a win.

What matters more is how the PM now responds. He needs to do all he can to win the by elections. Losing any one of them would be worrying. Losing all would be disastrous. He needs to understand as the polls tell us that it is not just 3 Conservative MPs who have lost the wish to support for their own personal reasons, but millions of Conservative voters who voted Conservative in 2019 but who tell pollsters they do not want to if asked again right now. Just sending lots of volunteers and MPs to deliver leaflets will not be enough. Voters will want some persuasion that policy will reflect their needs and preferences going forwards.

The Boris statement which of course stemmed immediately from his dispute with the Committee on conduct ranged widely. It argued that the promises made in 2019 on Brexit wins, taxes, growth, animal welfare and others need to be honoured instead of dropping the relevant legislation and hiking taxes. It would be helpful to the country as well as to the PM and to the Conservatives in the by election if the lower taxes, Brexit wins and growth strategy were introduced now. The right kind of lower taxes and growth policies are not only popular but will also cut the deficit.

Atlantic Charter and Atlantic Agreement

In 1941 Churchill and Roosevelt met on a U.S. warship to draw up the Atlantic Charter. It was before the Japanese attack on Pearl Harbour and slanted heavily in favour of the USA reflecting the weak position of a near isolated UK fighting the Germans. It contained some important binding truths that have united the two countries ever since. Its terms became more important once the USA was in the war. It set out a future peace based on the self determination of peoples, the reversal of occupations imposed by force, free

trade and the pursuit of peaceful resolution of conflicts.

In 2023 President Biden signed an update, a revised Atlantic Agreement, with the UK. Reflecting the modern U.S. preoccupations of the Democrats, it set out a course of future economic development with more state involvement, more subsidies and more protection. It is a partial prospectus for a divided world, where the US will lead one alliance against a China leading the main contestant grouping. The document wants onshoring, friendshoring and western technical superiority. It wishes to impose a green revolution, seeking to remove fossil fuels from the western side by 2050. It identifies quantum computing, semiconductors, smart biology, artificial intelligence and advanced communications as crucial areas to develop.

The UK will hold a conference in the autumn on regulating AI and will push for a world regulator. It is difficult seeing the Chinese bloc wanting to submit their IP and plans to such scrutiny. It is difficult to know how to regulate before you know what you are regulating. My best advice to the UK is understand there is going to be a race to expand and adopt these ideas. The UK should concentrate on creating better conditions on tax and talent to help the UK stay ahead. The USA will naturally put America first and will expect her large subsidies to buy advantage.

My Interview with Times Radio

Please find below my Interview with Times Radio, you can find it between 1:12:28-2:12:00

<https://www.thetimes.co.uk/radio/show/20230604-21435/2023-06-04>

'The great western inflation should lead to changes at the central banks'

My lecture begins at 7:14