

Unpopular parties could get a bad result for the U.K.

The latest polls show around 41% wanting Labour, down on the start of the campaign. 38% want Conservative or Reform. So one fifth of the electorate wants something different, two fifths want Labour and the two fifths of a Conservative nature are having a row about policy and who should lead the right.

With numbers like that it will be an unhappy country if it sees an outsized Labour majority, a squeezed Conservative opposition and a handful of Reform MPs which is what pollsters are saying. The truth is the outcome rests on those millions of former Conservative voters who are currently undecided and excluded from regular poll results. If they stay at home or vote Reform then we get the outsized Labour majority. If in the end more of them vote Conservative we get a bigger Conservative party.

The most important takeaways are how 60% of the public do not want a Labour government and how half of past Conservative voters feel let down by the current government. If an election was just a verdict on a government then it is clear the Conservatives would fare badly. As it is primarily a choice of a new government it is more difficult for voters. You often have to vote for a government that is far from perfect to avoid one that will be far worse.

Some former Conservatives say they want their former party to do badly to force change. It is difficult to see how Nigel Farage could take over the leadership of the Conservative party as he hints if he did win a seat whilst many Conservatives lost. The ones who survived would not be feeling friendly to him and as a non member of the party he would be ineligible to lead it.

I find this election difficult to call. If the polls are right the U.K. will suffer from a Labour government a majority do not want and an Opposition too small to make much impact. Maybe voters will surprise. Do you want this out turn or can you see a way to stop it? What do you think all those undecideds will do?

Great Brexit wins

8 years on from the Brexit vote let us celebrate the great Brexit wins.

By far and away the most important is we are now free to make our own decisions through elections and Parliament. The fact that so far governments have made little use of this cannot take away from the great liberation that comes from knowing we can now if we wish.

It is a great win that the EU is busily borrowing an extra Euro 800 billion and none of that now will add to our debt pile. Our share would have proved very costly.

It is a great win that thousands of new laws, regulations and decisions have been made since we left and none of those apply to us. The EU for example will not be able to receive the latest Apple technology on Apple devices owing to their regulations.

It is a great win that the UK has now become the world's second largest exporter of services, and services are the biggest part of our trade. The new and rolled over trade Agreements we are signing have chapters allowing greater freedom of trade in services which the EU used to ignore in its trade agreements for us.

It is a win that VAT has been taken off green products and off female hygiene products. We had to impose it on them under EU law.

We no longer have to have open borders with the continent. The government failure to control legal migration in recent years was an unwise UK choice, which is now being corrected with tighter restrictions on the issue of visas. We can now set a fairer policy that has the same conditions for people from the rest of the world and from the EU.

After a too generous deal on exit the UK is now saving its large annual contributions to the EU budget. As the EU budget continues to climb so our savings mount. The NHS is getting far more than an extra £350 m a week as set out on the side of the campaign bus.

We have removed tariffs from 20% of our imported product lines completely on top of the 27% that were EU tariff free, making things cheaper for customers.

We have joined the large and fast growing Trans Pacific Partnership which the EU has not joined.

We are planning new laws to improve animal welfare and limit the transport of live animals which we could not do in the EU

We have increased our fish quotas for our domestic industry and need to restore more at the end of the transition period.

We have introduced more Freeports with more relaxations of trade rules than the EU would allow, with a more generous package to promote their growth.

[The Supreme Court sets an energy](#)

policy

The Supreme Court judgement which says anyone wishing to extract oil and gas in the U.K. or any licensing or planning authority wishing to let them has to consider the CO₂ burning those fuels is a bad call.

The truth is this country is going to need large amounts of gas for home heating and industrial processes for a good many years. It is going to need oil products for vehicles and other purposes. It will take time for people and business to convert that to electricity and time and huge money to put in the grid, renewable generation and storage it would take.

So the decision today is do we import all the oil and gas or do we try to use what local resource we have? It is a no brainer that we should prefer to use our own. The Supreme Court needs to grasp that lowers world CO₂. Imported LNG gas gives off far more CO₂ than piped home gas, given the energy needed to liquefy, gassify and transport.

Home fuel brings many well paid jobs to the U.K. It bring big tax revenues. If we switch to importing we pay the taxes away to foreign governments, and pay the salaries for jobs elsewhere.

It also leaves us dependent on the goodwill of foreign suppliers, which can prove difficult and expensive as we saw over the Ukraine war.

The Supreme Court should not set energy policy.

This website

As the title page makes clear this is the John Redwood website.

It is not a Conservative or election website. I am not a candidate in the election and no longer have any formal role in the Conservative party.

My aim is to contribute independent and original analysis of economic and political issues of wider interest. My work on the Bank of England, OBR and Treasury poor forecasts, wrong frameworks and bad out turns is an example of what I am offering to those interested.

The Bank of England insists on getting it wrong

Headline inflation has come down to 2%. The European Central Bank has made its first cut in interest rates. Suspicious Conservatives think the Bank wanted to deny them a rate cut before the election, to offer up an introductory one in August to the new Labour government all the pollsters and most commentators say we are going to get.

It shows the difficulty for a so called independent Central Bank to keep out of politics. To the main parties this decision was a crucial one. Cut rates and reinforce the Prime Minister's message that we have turned a corner, the economy is on the mend. Leave rates up for a few more weeks and reinforce the Opposition view that it is all a mess.

So let me show balance. The Bank given the ludicrous way it seeks unsuccessfully to keep inflation down followed its own method in deciding on further delay. It could argue that service sector inflation is still elevated and not coming down as quickly as the forecast it made so the Bank needs to be cautious. The Bank also of course yet again needs to thoroughly review how it forecasts inflation as it got it wrong again.

Housing inflation remains elevated within services. Rents keep rising in part because migration still runs hot. Owner occupiers face mortgage hikes thanks to Bank policy. There are "reasons" for the Bank to hang tough.

The disgrace however comes in the key Bank policy most media and politicians refuse to talk about – the Bank's wrong decision to keep selling bonds at huge losses and send the bill to taxpayers. No other Central Bank does this. Even the Fed, cutting its bond portfolio aggressively as bonds mature has reined this in in recent months, realising the damage it can do.

When I was asked to comment yesterday on the lack of rate cut the media would not consider the far more important Bank decision to keep on selling bonds. Why?