

The European Court of Human Rights and small boats

There is speculation that some members of the Cabinet are wanting to put repeal of our membership of the European Human Rights Treaty into the Manifesto if there are further legal reversals to the policy of transferring illegal migrants elsewhere.

That would mean accepting legal defeat for more than a year and then needing an election win and a new Parliament to resolve the small boats impasse. That seems like a bad idea.

The Prime Minister has been categorical and consistent that he will stop the small boats. It is one of five key pledges. It is therefore imperative to resolve any legal obstacles to his chosen anti illegal migration policy now, not at some distant future time.

I and others have proposed a simple one clause Bill or amendment to an existing Bill which would confirm current government policy on illegals and say in terms that this applied notwithstanding any other legal arguments or ECHR judgements. Parliament is sovereign and on this should assert its sovereignty.

The UK was previously told to grant votes to prisoners by the ECHR. Parliament said No to that. We stayed with the Treaty but disappplied that judgement democratically. We can do so again. Get on with it to stop so many boats coming thus summer.

Inflation and growth

I was talking to government advisers yesterday about how to deliver both falling inflation and better growth.

I pointed out that the Bank with its wrong forecasts of inflation and the OBR with its wrong forecasts of the debt and deficit are conspiring to create a recession through excessive monetary tightening and austerity. They now want to kill the inflation their excessive money creation, spending and borrowing over and post pandemic has generated. They want to put us through another officially inspired boom bust cycle.

I recommended a different approach. Ministers should require the Bank and OBR to urgently revise their models and back test the new ones to show they can now get closer to predicting what has happened using actual back data. They should assist the government in producing a supply side growth package of

targeted tax cuts balanced by spending control, import substitution and abandonment of unhelpful regulations like the ban on new petrol and diesel cars from 2030 and the extra tax on sales petrol and diesels from next year if EVs are not 22% of the manufacturers total sales.

The Bank should stop sales of bonds at big losses all the time it does not have a reliable forecasting model. The Bank's Chief Economist acknowledges the Bank could be overdoing the tightening but without better forecasts cannot tell. A Bank which says its best forecast of unemployment is it might halve or double over the next three years needs to speed its work on forecasting before blundering into more policy changes.

You cannot have capitalism without capital.

History and geography teaches us that societies that back free enterprise, freedom and private property more deliver higher living standards. Societies where government regulates, taxes and nationalises on a grand scale deliver lower incomes and less freedom.

The great east-west communism against more free enterprise systems in post war Europe delivered much higher living standards to the west of the Iron curtain. In today's world the most socialist or communist states like North Korea, Venezuela and Cuba have much lower living standards than western countries. China is still a long way behind the USA in GDP per head.

Socialists argue against more free enterprise, claiming it creates unacceptable inequalities. In communist societies the luxuries of the elite who govern are often extreme compared to the average worker.

Essential to a more free enterprise democratic system is equality of opportunity. To work well these societies need to offer a number of routes to prosperity for the many, and need to be generous to those who cannot walk those routes.

The government needs to revisit pathways to home ownership, to self employment, to personalised pensions saving, to building small businesses , developing co ops and partnerships, and gaining shares in a company you work for. I will be looking at all of these in the days ahead. Wider ownership is important campaign. Everyone an owner is the way to embed free enterprise and higher living standards and greater freedoms.

Imports galore

The combination of belonging to the EU until 2020 and adopting strange accounting practises for attributing carbon has left us in permanent balance of trade deficit in goods with the EU. Taking responsibility for CO₂ generated here by producing fossil fuels or industrial products from fossil fuels, but accepting no responsibility for CO₂ on energy and industrial production for our imports has reinforced the impact of EU rules and tariffs to make us a heavy importer of European goods.

It is alarming to see in recent low electricity using days we have at times been importing more than one fifth of our electricity. I have been warning about this for some years, and have been very critical of energy policies that keep putting in extra inter-connectors to allow us to import more instead of more domestic generating capacity. New CCGT, wave and water power, new oil and gas reserves and nuclear have been blocked or delayed whilst cables have been built and imports encouraged. We have made ourselves more dependent on an energy short continent.

The government now says it wants to get more oil and gas out. So where are the production licences? Why is there still a windfall tax on home production when the windfall has subsided? Why is the UK still using a carbon accounting system that encourages imports whilst boosting world CO₂?

Which technologies could replace our fossil fuel driven economy?

With most people relying on fossil fuel for vans and cars, deliveries, holiday travel and heating and with most industry using gas coal and oil for its factories and processes, shifting from fossil fuels requires an enormous investment and change.

Net zero enthusiasts regularly tell us a huge increase in wind farms, onshore and offshore, would enable a faster UK transition. Yesterday I asked them to guide us on how quickly the grid and street cable systems can be greatly expanded and how this will be paid for. We await cogent answers. Without more grid and cable the wind farms cannot send their power to customers.

Today I want to ask what do we do on days and at times when the wind does not blow or blows too much? There are various technical answers being explored. There could be more large battery farms, where the batteries are charged on good wind days and discharged to the grid on low wind days. There is considerable power loss on charging and discharging, and issues over effective battery lives.

There is the possibility of using surplus wind power on good wind days to make green hydrogen. Direct drive hydrogen engines are arguably more effective for heavy plant, trucks and buses, than trying to make powerful enough batteries. Hydrogen home heating may prove warmer and better than heat pumps. A hydrogen system would require large plants to make and store commercial quantities of the gas and a distribution system for it.

There is the possibility that new synthetic or plant based fuels might emerge which are thought to lower CO₂ output and could be used in a variety of transport, industrial and heating uses.

The problem of intermittency could be abated by one or more of these answers. It would still be difficult to have enough battery or stored hydrogen capacity should a long cold windless period emerge in winter. Each of these answers requires further work on best methods for achieving them and on how they would be rolled out quickly and paid for on a large scale. Going over to hydrogen or to electricity for the many things that currently run on fossil fuels requires large investment in new grids, cable systems, and hydrogen pipes, stores and deliveries. The same applies to other new fuels.

When might we get greater clarity on the preferred technologies, the timetables and costs?