

# Parliament, the people and Brexit: a rare retrospect

For years on this site I faced a barrage of criticism from some for staying with the Conservative party and not joining UKIP or later the Brexit party . I explained patiently that there could only be a Brexit if the Conservative party gave the people a referendum by using their majority in Parliament to do so. I always thought UKIP and the Brexit party would fail to win a single seat in a General election. I was wrong by just one seat in one election. I always told such lobbyists that we needed to do three very difficult things. The first was to make it Conservative policy to hold a referendum. The second was for the Conservatives to win a majority. The third was to win the referendum. We managed to do all three with all the left of centre opposition parties continuously and resolutely against and with some Eurosceptics decrying us.

I myself stood on a manifesto of wanting to persuade the Conservative party to adopt an EU referendum in the 2010 election, and in support of the national Conservative party Manifesto pledge for a referendum in the 2015 election.

The pressure to give people a vote and to let us make the case for exit began with the David Nuttall proposal for a referendum which Parliament voted down on 24th October 2011. 83 Conservatives supported that motion which was defeated by 483 votes to 111. The extent of rebellion against the Conservative three line whip shocked the government. The inner group advocating the referendum were grateful to David for fronting it. We wanted someone as the first name on the proposal the leadership could not decry as a "usual suspect".

We gathered more support. By the time of the John Baron amendment to the Queen's speech seeking a referendum bill in 2013 we had well over 100 supporters of a referendum and the government itself abstained. The opposition voted the proposal down by 277 to 130. As the PM came to see we were near to having a majority of the backbench party and were intent on a referendum he conceded, knowing his leadership could be challenged by us if he did not grant one. It became official Conservative policy to let the people choose. The offer of a referendum helped the Conservatives to win a majority in 2015. We did not threaten the PM and wanted to help him win the election. He saw for himself the logic of the building support for a referendum.

When Mrs May shifted her stance from wanting to get Brexit done to accepting advice from a UK establishment that was determined to water down or thwart Brexit by negotiating us back in via another Treaty, many Conservatives rebelled. The first Meaningful vote on her bad deal was defeated by a massive 230 votes.

This week I was reminded of the significance of the third so called

Meaningful Vote on Mrs May's proposed Withdrawal Agreement. Against great pressure to back the government 28 Conservative MPs rebelled against a three line whip. The resulting defeat led to Mrs May's resignation, the election of Mr Johnson and the 2019 election needed to bring Parliament's view on Brexit more in line with the public.

None of my Eurosceptic critics on this site have ever acknowledged that we did pull off those three difficult tasks, and did not see that we always needed votes in Parliament to do these things. It is always possible for those who do not share power or need to compromise to shout from the sidelines what is the best answer, but to get something done you need votes in Parliament. The tragedy was it needed a change of leadership and a change of Parliament to get Parliament to do what the public had voted for in the referendum. And Yes, there are still things to do to sort out the NI issue and the fishing.

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## [The problems with the single market](#)

There are still those who regret our absence from the EU single market, and who wrongly confuse it with free trade. The EU single market was instead a catch of regulations and controls which proved to be very damaging to large swathes of UK industry and business. Its Common Fishing Policy denuded our seas of fish and drove us from self sufficiency with good exports into import dependence. The common energy policy was driving us into import dependence on interconnectors for gas and electricity when as an independent country we could easily be self sufficient. In our first decade in the common market our car industry halved under the weight of tariff free competition from the continent, and our large nationalised steel industry with five huge integrated plants lost market share and came under pressure to start a big closure programme. Meanwhile the business services area where we were strong was not opened up to benefit us in return.

There are also those who seem to think our exit from the EU was mainly to secure free trade deals with other countries, and who now complain that there is no immediate prospect of an individually tailored US/UK Free Trade Agreement. The EU never had one yet our trade with the US is strong, growing and in surplus. This shows that whilst Free Trade Agreements are nice to have and can add something, the core of trade occurs under WTO rules anyway. We trade with the USA and with the EU as most favoured nations under WTO rules. It is more likely the UK will be an early joiner of the TPP, to be followed by US membership, thereby adding a freer trade proposal to our bilateral trade with America.

The main aim of leaving the EU was to restore our right to self government. I always stated that the gains would depend on how we use the freedoms, and never suggested the main point was to extend the range of free trade

agreements, nice though that might be and likely though it was. The government has done a good job in negotiating trade deals so far, to the point where Mr Macron is incandescent with rage about our latest Australian agreement. The EU has got to learn now we are independent they cannot control us or reverse decisions we make with others that they do not like.

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## How could we provide more gas storage?

The government does need to win the green argument about gas. Much as it wishes it were otherwise, households and industry are going to continue to burn large quantities of gas this decade. It is a slow transition to new forms of domestic heating and to new ways of fuelling industrial processes. It will take time to replace all the domestic gas boilers and petrol cars. The UK therefore has a simple choice. Should more of this gas and oil come from own North Sea fields via a relatively short pipeline, or should we come to rely more and more on large tankers carrying LNG half way round the world? Surely the home production is both greener and better for UK jobs and prosperity. The government can stay focussed on leading a transition but it must ensure enough conventional fuel before it has developed more hydrogen or nuclear or battery power. It should ensure there are sufficient exploration, development and production licences for UK reserves, and a suitable tax regime to foster UK production.

The government should also wish to encourage more gas storage capacity at home. The business proposal would be that the owner of the store would fill it up during periods of low demand and soft prices, and make it available during periods of supply interruption and price spikes at prices which make them a profit but which support the market at lower prices than the market price during the crisis. The government should call for owners of potential salt domes and old energy fields with suitable reservoirs to say on what terms they would be willing to make their stores available. They or others could bid for a role in management. The government could opt for a strongly interventionist model where it was effectively paying for a strategic reserve which it would entirely control and price when used, or for a less interventionist role where the private sector took more of the risk and kept and shaped more of the reward. The UK is an outlier with very little storage capacity compared to other advanced countries.

The government and Regulator need to procure more electrical power for the next few years. They need to cater for the retirement of substantial nuclear capacity as old plants are powered down. They need to cater for the likely increase in demand as their electric revolution progresses. They need to replace some of the vulnerable interconnector capacity and cut our import bill. They need to have a bigger buffer against days when the wind is not blowing. They need to see what is the cheapest and best way to bridge the gaps and get new plant in place as quickly as possible. Nuclear and hydrogen

may come to our assistance in the next decade but we need answers soon for the looming shortage.

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## Wokingham Arts trail

I enjoyed the Wokingham Arts trail around the town on Sunday 19 September.

There was an impressive array of paintings, needlework, glass work and jewellery displayed by local artists and available for purchase on the various stalls.

My visit included seeing the new history mural at Montague Park School where he talked to Julia Petrova about some of the great scenes and characters from British history featured in the mural. She has so far painted the story up to the death of Queen Elizabeth 1 in 1603, with the later centuries still to come.

The photos show me with Julia Petrova, and also with Jill Chadwick, a talented local glass maker, in the Methodist building on Rose Street.

I was delighted to see so much local artistic talent on Sunday. I thanked the organisers of the successful Arts trail and wished the artists well with their work and sales.

I was pleased to pick up a couple of early Christmas present purchases of things that are a bit special because they are individually crafted items.

It was great to see the Montague Park school mural and I hope it will be well studied by the children to help them with images of the past. Seeing history on the ground in the buildings that survive and the portraits that are passed down can help bring it to life.



## One intervention leads to another

The Business Secretary is not keen to bail out companies that cannot trade profitably at current gas price levels. The last few days we hear have been taken up by meetings with CF Fertiliser who have closed two of their plants and left us short of carbon dioxide as a result. There have also doubtless been plenty of talks with the gas industry itself, where smaller competitor companies seek relief from price controls so they can recharge the true costs of the gas supply, or seek government financial support to stay in business.

One well intentioned intervention often leads to another. Price controls designed to help customers can become too severe leading to the bankruptcy of the supplier facing them. Delays in getting price rises agreed to reflect the surge in the cost of the underlying gas comes with a price. If the cost of gas outstrips the price they are allowed to charge the customer they either need a state subsidy to underpin the price control, or need a relaxation of the price control. With neither the company goes bust and the Regulator has to find another company willing to take over the contracts and customers shed by the bankrupt business. There are doubts about how many loss making contracts another gas supplier is willing to pick up. If the eventual solution is to let the new supplier charge more, shouldn't the original supplier have been given that freedom to stave off bankruptcy?

This is but one small example of what increasing regulation of the energy sector is doing. Time was when UK energy policy balanced on a three legged approach. The policy needed to deliver sufficient capacity for all future needs. It needed to keep the costs down for business and consumers. It needed to contribute to a greener policy. This century policy makers have tended to take national capacity for granted, or have revelled in the idea that we can import any amount of gas, oil and electricity we may need. The wish to push us more in the direction of zero carbon has led to a raft of green levies and advantages given to renewable generators. This has greatly boosted installed wind capacity, just in time to find out that if you experience a period of little or no wind the rated capacity is meaningless and you have a shortage. It has also meant substantial surcharges on bills to pay for the energy transition.

Such a policy leads on to further government interventions. Government finds itself forced to project a plan for everything, to launch a raft of subsidies and rules to pursue the plan, and maybe to use government contracts or investments to force the pace of change. This can lead to substantial misallocations of capital and to supply failures. The system needs reforming in a pro market direction, so price signals can come to play a more important role in allocating investment and in choosing between competing methods of supply.