

Rough going on gas

Yesterday industry had to reduce its demand for gas to allow priority to households. Compensation will be paid to industry as a result which we will all have to pay.

I have long argued that we need to make more energy available, and that margins are now too tight. The loss of the Rough Storage capacity for gas has taken one more reserve and flexibility out of our system, leaving us short on a cold day. The gas forecasts were based on the assumption that less gas would be used for electricity generation, with more planned reliance on imported electricity. Yesterday we certainly imported plenty of power from France, the Netherlands and Ireland, but still we ran short of gas.

I will write again to Ministers urging them to adopt a policy of self sufficiency in UK energy. We do not wish to be dependent on the goodwill of others to keep the lights on, nor should we have to tell industry to make less because we are short of fuel.

Are we there yet?

A majority of the public just want the EU to get on with it, so we can complete Brexit.

We voted to take back control of our laws, our borders and our money, so we know our destination . Increasingly the travellers in the car are asking "Are we there yet?". Instead they are told we are still stuck in a traffic jam in London, with arguments going on over which is the best route to our destination. Meanwhile the Opposition are rushing round trying to close the roads we need to take to get to Brexit.

The BBC made a mistake in its remorseless Brexit coverage

Most interviews on BBC Radio 4 of business people, economic experts and farmers have to have questions designed to elicit negative forecasts about the impact of Brexit, whatever the main subject of the item.

This morning on the Farming programme in the middle of an interesting piece about modern pig farming techniques we got to the regular lets condemn Brexit slot. The expert being interviewed then gave a most interesting answer,

saying that if we went over to WTO terms with no general trade and partnership deal the UK pig industry would clearly benefit, expanding its domestic output and sales as tariffs came in against imported pork and bacon. The interviewer hurried on from this embarrassing forecast.

It reminded me how the BBC often seems to think a negative forecast that says Brexit will damage this or that is "news" even though many of them have already been proved wrong by events, whereas any more optimistic forecast is played down. I don't suppose they will be leading the news today on the estimate that UK farming could benefit from a WTO tariff regime and win back lost market share from continental producers. They certainly ignored the point I made in my lecture about the obvious boost to output and incomes in the UK that we will get once we have our money back to spend here at home. I have yet to hear interviews where people are asked how they would like to spend the Brexit bonus.

I would still prefer the EU to agree a Free Trade deal to avoid tariffs, but the interview this morning was a reminder that there would be some winners from tariffs as the UK is a heavy net importer at the moment. Consumers should be recompensed by tax cuts from the tariff revenue, and UK businesses competing with EU products would be beneficiaries. More free trade is a good thing, but it needs to be reciprocal and then all are winners.

Shopping for an EU Agreement

When I go shopping I do not put cash on the counter and then ask what the shop might have that I would like in return for my money. I ask to see the goods, enquire about the price and then decide whether to buy. I only produce the money when we have agreed the whole transaction, and as the shop releases the goods.

The EU wants the UK to shop the wrong way round. They expect us to put up a lot of money without telling us what it buys, and then keeping us in the dark for too long about whether we might get anything for the cash. They have invented a rule that they cannot reach an Agreement with us on our Future Partnership until we have left, which is most unhelpful and does not seem to be based on the strict letter of Treaty law.

Looking at the draft Withdrawal Agreement it is difficult to see why we would want to sign that, and certainly not without knowing what if any Free Trade Agreement will be reached. It will need considerable amendment, especially over the borders and freedom of movement issues. As it commits us to making a large financial contribution it must not be signed before we have an Agreement on all matters which is fairer to the UK than this one sided interim production.

Labour's customs contradictions

"Cherry picking on stilts said one critic of Labour's idea for the UK negotiating stance. They want "full access to" EU markets maintaining the "benefits of the single market and customs union" . The UK should also be able to "negotiate agreement of new trade deals in our national interest", and should not be a "passive recipient of rules decided elsewhere by others". There's a good series of contradictions for you in a few sentences.

You cannot be in a customs union with a Customs Union and negotiate your own free trade deals on the side. You have to impose their common external tariff on everyone else. Nor is it at all likely that you can stay in a customs union with the rest of the EU without having to accept their rules.

It is unlikely the EU would offer us membership of a customs union without requiring that we accept their rules, and without demanding payments and continued freedom of movement. In other words a customs union would look much like membership of the EU without a seat at the table to be outvoted in person.

Meanwhile it is Groundhog time again in the Commons on this issue. We have twice had important debates and votes on whether the UK should stay in the customs union or not. (Amendments to the Queens Speech and to the EU Withdrawal Bill) Twice the Commons has decisively rejected this idea. Now some MPs want to do it again as a amendment to the Trade Bill. I do not see the point of doing it all again, and would expect the government to win another vote on this, even if this time Labour is on a whip to support the customs union instead of whipping to abstain.