

My intervention in the Government's Economic Crime Bill debate

Rt Hon Sir John Redwood (Wokingham) (Con): The Home Secretary has a lot of support on the Government Benches for the compassionate and sensible way in which she is going about this. Will she confirm that she is listening both to what the refugees want, which is often not a long-term settlement a long way from Ukraine, and with regard to the security issues that this all poses?

Priti Patel, The Secretary of State for the Home Department: My right hon. Friend is absolutely right. I must emphasise that every single crisis requires a bespoke and unique response. There are two very big calls coming from the region and from our counterparts. First and foremost, they are asking for help on security measures right now; that consistent theme is coming over. That comes down to checks—they are undertaking checks—but they are also very concerned about wider security issues, some of which I simply cannot discuss in this House, for clear reasons. The second point—even the Ukrainian ambassador made this point to me yesterday and I hear it every single day from my counterparts—is that there is a call to keep people in region. There is a big demand for that, and that is where the wider aid effort has to focus, in addition to the work that we are doing on humanitarianism.

Tax revenue expands again

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Then there is the big surge in petrol and diesel prices. Over half the pump price is tax, so that will be another big win for the Treasury.

With General inflation heading for 7% all those items that attract VAT will also be chipping in more tax.

If the government gets around to substituting U.K. gas for Russian and Qatari imports that will also be a big boost to the receipts.

Indeed if you added all these up you would probably be close to another £12bn of tax raids on voters, enough to cancel the National Insurance rise.

The Chancellor must change his mind on the big tax raid in April when real incomes will be badly hit by energy prices. He is more than £50bn better off than budget this year already, and now has the further windfall.

He should accept he is overtaxing and start to do something to cut the burdens. Otherwise he will go down in history as architect of one of the worst hits real incomes we have seen.

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We need more gas

The Business Secretary needs to think again. Industry runs on gas. You need lots of gas to make steel, fertiliser, ceramics, cement, bricks, tiles and many other materials and products. In due course there will be ways of using more electricity from renewable sources, but today's factories run on gas. U.K. factories face heavy losses and closure at current gas prices, made higher by the UK's high carbon tax surcharge. He should come up with action to ease the squeeze on industry.

He should also understand that plenty of gas trades at contract prices, not at current spot global market prices. US gas prices are much lower than

current U.K. prices thanks to policies that have promoted domestic gas production. Most of the US gas has to be sold to domestic users, delivered by pipe. The US lacks capacity to convert it all to LNG and export it in tankers, so domestic demand is the main determinant of prices.

He also needs to refresh his memory that increasing the supply of something does lower prices if other things stay the same.

The U.K. needs to produce all the gas it can to help Europe cut its dependence on Russian gas. The U.K. should buy no Russian gas itself, and should also stop buying imported LNG from elsewhere as soon as we are producing the gas we need. Delivering it by pipe to ourselves is cheaper and produces much less CO₂ than bringing it in on ship after compression.

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