

My interventions to the Prime Minister and the Business Secretary during the debate on UK Energy Costs

Rt Hon Sir John Redwood MP (Wokingham) (Con): Does the Prime Minister agree that we are too short of energy but have plenty of taxes, and that if we had an over-supply of taxes, as the Labour party wants, we would have less supply of the things we were taxing?

Elizabeth Truss, The Prime Minister: My right hon. Friend makes an extremely good point. The reality is that we cannot tax our way to growth. The policy that I am setting out today is all about helping people with their energy costs, as I promised, and making sure that we have the long-term energy supplies that we need for our country.

Rt Hon Sir John Redwood MP (Wokingham) (Con): Would the Business Secretary like to remind the House that the Republic of Ireland deliberately chose much lower corporation tax rates than the rest of the advanced world and collects a far bigger proportion of its economy in taxes on business than we do?

Jacob Rees-Mogg, Secretary of State for Business, Energy and Industrial Strategy: My right hon. Friend will be glad to note that the Chancellor of the Exchequer, from a sedentary position, is agreeing with him. My right hon. Friend is a higher authority on this than I am, but we know that the cut in corporation tax led to an increase in receipts. Higher taxation is not the answer.

Looking at the long term, we must fix our broken energy system. We must have energy independence and become a net exporter of energy by 2040. We cannot be held captive by volatile global markets or malevolent states. We must tackle the root causes of the problems in our energy market by boosting domestic supply. We will invest in renewable energy with vim and vigour, accelerating the deployment of wind, solar and—particularly exciting, I think—hydrogen technologies. To reassure my right hon. Friend the Member for Pendle (Andrew Stephenson), we will invest in nuclear technologies, which also provide us with cheap and clean electricity.

I note that my hon. Friend the Member for Ynys Môn (Virginia Crosbie) said that her constituency is known as energy island. That is exactly what we need in this country. My hon. Friend the Member for Gloucester (Richard Graham) noted that not just Ynys Môn but the whole of the United Kingdom is energy island. We must use all the resources available to us, including tidal energy, as my right hon. Friend the Member for Maidenhead (Mrs May) said. This is a great opportunity.