

Brexit is good news – Conservative Home article

As a young man I voted in the 1975 referendum on staying in the European Community. I read the Treaty of Rome which bound us and realised it set out a long journey to European Union. The main political parties told me to vote to stay in something they called the Common market. This lovely myth was a free market, with no damage to our ability to make our own laws and spend our own money. I did not believe them and voted to leave. I found it difficult to grasp how they could so misinterpret the Treaty we had signed.

It was a blow when I heard the result. As a good democrat I congratulated the winners and did my best to get behind their winning vision. I had no wish to undermine their action which I had opposed. I resolved to help the winners implement their vision of keeping the European Community to just a common market, or more likely helping opt us out of all the obvious other integration tasks it was inevitable the EEC/EU would wish to advance. The Yes campaign had strenuously denied the European foreign policies and military task forces, European migration and crime policies, European taxation and much else that was to evolve.

I was in this spirit for twenty years, never challenging the decision to stay in. I was appointed Single market Minister. That was the worst job I had to do in government and showed me from the inside just how far the EC and its single market had deviated from the common market vision of 1975. Using the market as cover the EC bombarded us with laws over wide ranging topics from the environment to taxation, from health and safety to employment. They sought to lay down in law how businesses in different sectors should do their jobs. The Franco-German axis had undue weight with the Commission, seeking to embed the business models of their main companies into EC law. It was a brilliant power grab. It was anti enterprise and innovation, creating trade barriers without and barriers to innovators and small business from within. My job was the negative one of seeking to delay, defer or amend the worst proposals. I went hoarse explaining a common market just needed the rule that any product deemed to be of merchandisable quality in one member state could be sold in another. With clear labels consumers could make their own choices,

The net result of single market excess law making has been to give a huge competitive boost to the USA where companies have not faced the same controls and legal strictures. The digital revolution which has changed lives and been powered by smartphones, downloads, social media and the web has been dominated by the US. Apple, Amazon, Google, Microsoft, Facebook, Netflix, Nvidia and the rest are US titans. There is no single large global digital company from a European base. this is such a dominant part of a modern economy.

When the EC moved to being the European Union and wanted to press on with a single currency I wrote the books and some of the articles to keep the pound.

It was obvious most UK voters understood surrendering our currency would end any pretence of effective self government. Polls always showed strong majorities against. It was also clear that many MPs and top civil servants wanted to join the Euro or would go along with it. I fought battles within the Conservative Party to firm up our view that the UK should keep its own currency. We persuaded John Major to secure the all important opt out from joining but then had to battle to make sure no Conservative leader flirted with joining nonetheless.

As the war over the Treaty of Maastricht developed it became clearer to more people the EU was not mainly about trade and a market. It was about building an integrated Union with a flag, a Parliament, a Supreme Court, extensive law codes, EU taxes and debts, with common policies across all fields. It became obvious to more Conservatives that we needed a new referendum. The new question would not be to reverse the idea of the common market but to test out the reality that the evolving Union was so much more than a market, and its market was not free. Belonging to its market meant accepting many clumsy laws, paying a large tax to be in it, and putting up with many restrictions on internal and external trade.

The UK's predictable and tragic ejection from the European Exchange Mechanism and the nasty recession that caused led to the exile of Conservatives from office for 13 years. In opposition the party wisely opposed the further integration of the Nice, Amsterdam and Lisbon Treaties. Under our democracy it was unacceptable for a new government to get into power unable to govern in many ways owing to the surrender of big powers to the EU by the outgoing government with Opposition support. I and a few other MPs campaigned for a referendum. David Cameron's good decision to promise one in the 2015 Manifesto helped us win a majority to govern that year for the first time since 1992.

I am so pleased the UK electors voted to take back control in 2016. Everyday since I rejoice that we can now shape our future again. So far government has been too cautious, sticking to failed EU laws and policies. Too many MPs and civil servants have fought to prevent the UK altering things to help us succeed, seeking to keep us tied to the EU whatever the costs. In a future piece I will set out how we can use our freedoms more. It is high time we had some Brexit wins. The USA need not always build the main global business successes. We could narrow the gap in income per head if we tried, now we are free to do so. It will take lower and fewer taxes and better laws to do so.

Sent from my iPad

[Letter to Net zero Secretary](#)

Dear Grant

I am glad you have decided that it makes sense to grant licences to get more oil and gas out of the North Sea instead of importing more. As you say, that means more tax revenue collected here, more better paid UK jobs, less transport costs and less CO₂ for the world as whole. LNG is particularly CO₂ intensive compared to domestic piped gas given the amount of energy needed to compress, cool, transport and convert back to gas.

The same logic should apply to other areas where some want to stop the UK making materials and products that entail substantial fossil fuel energy use. If instead of making them here we just import them, world CO₂ production will increase by at least the amount created by transporting them longer distances and in some cases by the less fuel efficient processes in overseas factories.

The imposition of high carbon taxes in the UK is closing factories here to transfer the jobs and energy consumption elsewhere. It would be a good idea to reduce our taxes on industry using energy to stem our losses of plant and activity. To get inflation down we need to produce more, not less.

The UK also needs to cut down on public spending and borrowing, whilst ensuring enough money well spent to provide better quality public services. The energy money go round is a good area to look into. Subsidies chase windfall and carbon taxes, as government tries to offset the damage done by high taxes leading to uncompetitive energy harming business. We need to disarm both the excessive taxes and the consequential subsidies.

I understand the government and Opposition wish to lead in green transition technologies. We are still in the early stages of a world debate about whether transport and industry should shift all electric, or go to hydrogen, or to fossil fuels with carbon capture and storage. We are still seeking the affordable popular electric vehicles that more people want to buy and can buy. We are in the early phases of trying to find non fossil fuel heating systems for homes that are affordable and good. There are still big debates to be resolved about how you store wind and solar energy for times when the wind does not blow and the sun does not shine. What combination of pump storage, hydrogen and battery storage or other methods will be needed?

These are world issues. The answers have to work in the big CO₂ producing areas, China, the USA, India and the EU as well as in the UK, otherwise your efforts will be of no avail. The UK government should not be trying to fund all these technologies itself before it has a clear idea of the winners and the industries are closer to commercial roll out. The UK should avoid spending so much on say carbon capture and storage before the world commercial interests have got further. The UK is good at raising capital and can incubate many starts up and ventures that might be able to come up with the right answers to these energy issues. The UK government is unlikely to pioneer commercial successes on the back of large financial commitments to projects with no current stream of underlying customer revenue.

Yours

John

Letter to Business Secretary

Dear Kemi

The UK government rightly wants to grow the economy and cut inflation. As Business Minister there are crucial changes you could make to help both aims.

The proposed ban on new petrol and diesel cars will destroy our car making capacity prematurely without replacing it by as much electric car output. Only the UK is proposing such an early write off and closure of so many factories with loss of jobs. Businesses are going to put their remaining petrol and diesel capacity elsewhere. From 2030 UK buyers will import nearly new petrol and diesel cars instead of buying UK ones. Lift the ban to rescue the car industry.

The UK is losing capacity in energy intensive industries like steel, ceramics, glass, fertilisers and much else thanks to having the highest carbon taxes in the world. These drive up prices and progressively close factories. Suspend the emissions trading and carbon tax regime. You can then save the big subsidies you are forced to offer as partial offsets. This action will save a lot of UK jobs and boost other tax revenue.

As the leader of Ministerial efforts to cut out needless regulation, bring forward the repeal of EU laws laying down product specifications. Keep a strong safety law and allow all goods of merchandisable quality to be offered for sale. This will boost innovation and competition.

Co operate with the Energy department in expanding UK supplies of cheap reliable energy. You cannot have a successful industrial strategy with dear power, unreliable power and import dependence.

The EU with an overzealous net zero policy has hit our industry hard whilst boosting world CO₂ by relying too much on imports with extra CO₂ in manufacture and transport. Please back made in the UK, and change these damaging policies.

Yours sincerely

John Redwood

Save money and cut CO₂ by less green

subsidy, bans and taxes

My critics here complain that I urge a big rethink of the UK government's green policies without challenging their CO₂ beliefs. As I explain so often I am out to get urgent and necessary change so need to find common ground with Ministers.

I can now show some proof that this can work. By making the argument that we will help cut world CO₂ by getting out more of our own oil and gas instead of importing LNG government has been persuaded to change its policy. They now need to get on with production licences for Rosebank, Cambo and the others. These will bring more tax revenue, more well paid jobs and big balance of payments savings.

I and other MPs have persuaded the government to drop the damaging idea of a hydrogen tax, a further levy on already high energy bills. They should also drop the state spending. Hydrogen technology may well prove to be a good way of fuelling transport and storing renewable electricity. Let the market decide. Let venture capital and large company investment develop it.

Given the large proposed borrowings and the need for tax cuts to cut inflation and expand capacity the government should reconsider its planned huge spend of £20 bn on carbon capture and storage. This is a world challenge where once again we need more private sector investment to see how it can work. At least delay it for a couple of years whilst inflation is brought down and growth improved.

They could suspend the roll out of free smart meters. Most who want one have got one now. Going forward those who want one could agree to its costs being added to future bills, spread out over a suitable time.

Too few producers, too few growers and makers

We need a supply side revolution. The Bank is shifting us from too much money chasing too few goods, to too little money chasing too few goods. It does not solve the underlying shortages.

The whole government needs to engage in a policy to curb inflation. An urgent substantial reduction in legal migration is needed to curb demand. It would also help them with their net zero plans. We need less demand for homes, water, food, electricity, transport and the rest from inviting in so many extra people. Put up the minimum pay a lot that someone needs to earn before they qualify for a work visa. Concentrate on inviting in well skilled and entrepreneurial people.

The government needs to tell the Bank to stop selling bonds at huge losses which taxpayers have to pay. This policy is driving up mortgage rates more.

The government needs to speed the implementation of its new policy of licensing more oil and gas output from the North Sea. I am glad I and others have persuaded them so now do it. It brings in lots of tax that otherwise is paid away to a foreign supplier and cuts CO 2 for them.

It needs to shift farm grants away from stopping food production to boosting food growing.

It needs to allow the water companies to get on with new reservoirs and the grid company to speed more capacity.

It should delay the big planned spend on carbon capture and storage. We need less spending and lower taxes, not more costly state disruption of our energy markets.

It should suspend the smart meter roll out to save £1bn a year.

It should impose a freeze on all new external staff appointments in the government employ other than front line workers like nurses, teachers and police.

We need growth and investment in capacity. We need tax cuts paid for by spending reductions and other revenue growth.