

## My intervention to encourage less dependency on Russian energy

**Rt Hon Sir John Redwood MP (Wokingham) (Con):** Will the Government now allow and encourage more domestic production of oil and gas, to help reduce the cruel dependency of Europe on Russian energy?

**Elizabeth Truss, Secretary of State for Foreign, Commonwealth and Development Office:** We certainly are committed to using the UK's oil and gas fields. Energy independence is vital. We also need to invest more in nuclear, which my right hon. Friend the Business Secretary is working on.

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## Offset the economic damage

Sanctions come with a cost to those imposing them as well as to those suffering them. The West's sanctions on Russia will slow world trade, help keep energy prices high and add to the loss of real incomes. There will be a bit more inflation and a bit less growth as a result.

Central Banks have to grapple with emerging stagflation. It means they should not be too hawkish on curbing inflation when falling real incomes will start to do their work for them.

In the U.K. after a policy which was too inflationary there rests the danger of flipping to too tough a policy with too sharp a slowdown. The Bank is determined to over correct for its error of continuing to create too much new money last year. The negative impact of the war and sanctions reinforces the case to abandon the tax rises and cut VAT before they hit in April.

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## Russian money

There are wild allegations circulating about dirty Russian money in London and in U.K. politics.

U.K. law is very clear. U.K. parties cannot accept donations from overseas residents and companies. All donations with their source have to be registered. If anyone has evidence of a party breaking this rule they should send it to the police.

U.K. law is also clear about Foreigners with wealth coming to live, work and invest in the U.K. They need to meet the Home Office rules on rights to live and work here. When transferring money into the country they need to satisfy banks receiving the cash or securities that they comply with anti money laundering rules. These rules are designed to stop people depositing any proceeds of crime. This ranges widely from drugs and arms dealing money through theft and bribery to tax avoidance. Again if anyone has evidence of a rich foreigner resident here breaking these laws they should inform the authorities.

We should not want to live in a society where it is a crime to be rich or where any rich foreigner living legally here is automatically branded a crook. There will be rich Russians in London who have obeyed our laws and who oppose Putin's thuggery. If they wish to give money to political parties they need to comply with our donation laws. Many rich settlers in the U.K. make welcome contributions by investing, creating jobs and supporting good causes. It will now be illegal to do business with Putin cronies now on the sanctions list.

(I pay for my own election leaflets and political support.)

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## [Letter to the Business Secretary](#)

Dear Kwasi

I see you wish to help the PM apply pressure to Russia as Putin prosecutes an illegal and murderous war against Ukraine.

There is a major way in which you can make a difference. The PM's wish to see stiffer sanctions has been impeded by Germany and Italy owing to their dependence on Russian gas. A single western country cannot bring much pressure to bear without all other countries undertaking the same measure so it is watertight. The UK needs to help ease the energy squeeze in Europe.

You should invite in the leading oil and gas investors and licence holders in the UK industry and work with them to increase the output of UK oil and gas. This should be a series of immediate short term measures to maximise output from existing fields in production, and work to move through exploration to production investment and licences for new fields and field expansions. Over the next couple of years the UK could achieve a substantial increase in output which can replace UK imports at the moment or could be exported to help displace Russian gas in the EU.

Burning our own North Sea gas rather than imported LNG more than halves the amount of CO<sub>2</sub> generated, gives us a big increase in domestic tax revenues from the existing higher corporation tax rate applied to oil and gas production and helps ease the squeeze on European energy markets. In due

course nuclear and renewables will provide more of our energy, but only once these plants are built and once many more people have switched from gas to electricity to power factories and heat homes. You need a plan for this decade which remains the decade of gas in the UK and Europe. That plan must cut reliance on Russian gas and oil.

Yours

John

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## Main points from the Net Zero lecture

The world will make little progress to reduce CO<sub>2</sub> this decade owing to the likely increases in Chinese, Indian, and Russian output. Protesters for net zero need to concentrate on these large emitters set out in the slides.

Removing carbon dioxide from human activity needs buy in from most people living in the world so they change their lifestyles and jobs. To do this we need a new generation of green products which people want to buy. They need to be cheaper or better than current technologies. The digital revolution is the model. Governments don't make people buy smartphones, shop on line or use the internet. They choose to do so.

Governments will not force the transition they want by bans, subsidies and taxes. These breed resentment and will lead to unpopularity for parties associated with limiting consumer choice, hiking prices and overtaxing.