

# Brexit wins – a more independent energy policy

During our final years in the EU the Commission was driving hard for a common EU energy policy. The continent is chronically short of energy, with little oil or gas of its own, with an ageing French nuclear fleet of power stations, with Germany pulling out of nuclear power this year, and with a policy of running down coal mining and coal power generation as quickly as possible. The EU has to import 60% of its total energy needs. Renewables now account for just 15% of total energy required, though this sector is growing fast.

The aim of the EU policy is to foster maximum interdependence to justify EU control. They argue that putting in more gas pipelines and electricity interconnectors increases the flexibility of any given EU country as they may be able to import from others when they are short. It also greatly increases the dependence of all the states on imports and forces them to accept EU involvement or leadership in energy policy.

When the UK first joined the EEC they insisted on our substantial fishing grounds being a common resource, opened up for exploitation by many vessels from elsewhere in the Union. This did huge damage to our stocks and our domestic industry. They wanted to make our oil and gas a common resource as well, but the UK did resist that. Instead the UK allowed a range of EEC companies to have access to licences alongside UK and US oil companies, whilst landing most of the oil and gas in the UK and taxing it here.

Today officials and regulators in the UK Energy division of the Business Department seem wedded to the idea of our being linked ever more closely to the continental system by putting in many more interconnectors and pipes to allow more imports. They try to argue that the intention is to have a market to export excess wind power when we have it, but the movement is nearly always the other way with endless imports. Allied to the policy of closing down all but one of our current nuclear stations this decade as they age, and closing down the remaining stand by coal power stations, it seems clear the aim is to increase our import dependence this decade whilst trying to get renewable and new nuclear to catch up with needs sometime in the next decade.

Ministers have recently accepted that we need more gas this decade whilst we await the coming of nuclear and more wind storage systems, and accept that the greener and cheaper option for the UK is to produce more of our own. We should use the opportunity of Brexit to break free from dependence on an energy short EU and should make ourselves self sufficient, with enough reliable energy to keep our lights on at all times. Leaving the common energy policy will be a big win. The EU has to contort its foreign policy to keep the Russian gas flowing. The UK could enjoy a lot more tax revenue if it produced more of its own oil and gas instead of relying on dearer imports where foreign countries got the tax revenue on production.

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## Brexit wins – change at the Treasury?

We were always told during our time in the EU by its UK advocates that Tax was a reserved matter which stayed under UK control. This was one of many untruths as proponents of the EU sought to play down the extent of the power transferred instead of arguing for a vision of a united Europe where enough power did rest with the centre to allow EU government. The EU required us to legislate for VAT, and set requirements on which items must be taxed and on minimum rates. It started to impose a number of new environmental taxes. It controlled customs duties. It used court decisions to circumscribe company taxation.

The first task must be to re-establish full control over our tax policy, and to make some tax changes that are desirable in themselves and important to show that we have regained control. This government that wishes to be green should take VAT off insulation materials, draught excluder, boiler controls, solar panels and other green goods. Stopped from doing so by the EU, what is now stopping them? It would be good to remove VAT from domestic fuel all the time the price is so high, to assist with the cost of living crisis.

The government should review rules relating to Corporation tax that have been changed by European Court judgements, and reinstate the tax base Parliament thought it had legislated.

The new Freeports should be given a better offer over Business rates. A Freeport should be created for Northern Ireland. There the Corporation Tax rate should be aligned with the Republic of Ireland at 15% to attract more investment to the Province.

The Chancellor should review again the economic policy framework. The modifications to the Maastricht debt and deficit controls still leave in place versions of the old debt and deficit rules. These are leading to bad policy to hike the tax rates of NI and Corporation Tax. Instead we need to build the inflation target given to the Bank into the policy requirement of the Treasury, to engage them when the Bank creates too much money and credit as it did again in the later months of 2021. It should supplement it with a Growth Target. This would help avoid policy error going for too much austerity. As the last nine months have shown the way to get the deficit down more quickly is to grow faster, not to put up tax rates. We need to cancel the NI rise which is driven by the Maastricht debt criteria.

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## Brexit wins

As we now have a new Minister charged with the task of securing some of the many wins the UK can enjoy from its freedoms out of the EU I will be writing a few pieces setting out some of those opportunities again to assist the government's task.

Today I wish to look at a few of the particular laws and ECJ decisions of the EEC/EU which were opposed by the UK at the time and were damaging to UK interests.

There was the Factortame case, the first one where an Act of Parliament was struck down by the ECJ. The ECJ prevailed and prevented the UK's Merchant Shipping Act from boosting the UK fleet. We should reinstate measures to expand our merchant marine and fishing fleets as other independent countries do.

There was the EU legislation to damage the competitive position of the UK auction houses and to impose the droit de suite payments, helping US rivals. This could be amended.

There was the EU railway legislation requiring the separation of track and trains, which needs changing to allow a reconfigured railway with single accountability for track and train where appropriate.

As we were leaving the EU imposed a Ports Directive which the UK government and the industry disagreed with. It should be repealed.

The current "transition" for our fishery still leaves too much of the catch for EU boats at the expense of our own industry. EU policy led to a big loss of UK based fishing activity, and a move of the UK from being a net exporter to being a net importer of fish.

There was the set of decisions of the ECJ that reduced the UK tax take from Corporation tax, as with the case that decided continental losses could be offset against UK profits which the Treasury had contested. The Treasury should review the cases and legislate where it wishes to impose the original intention.

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## Security Certificate

I told the web service provider about the Security Certificate notice which also blocked me. It seems to have been sorted out.

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## Resolving the Northern Ireland trade issues

Next week the EU is likely once again to try to force its wrong interpretation of the NI Protocol onto the U.K. negotiating team. Once more the EU will wish to ignore the mutual enforcement proposal from the U.K. which could free GB/ NI trade from EU restrictions whilst offering U.K. enforcement to prevent the on sale and delivery of goods into the EU from NI that are not compliant with EU rules.

The EU has violated the Protocol in three main ways. It has used it to divert trade from GB/NI to NI/EU. It has damaged the Good Friday Agreement with the First Minister vacating his office over the EU attitude to the Protocol. It has failed to maintain the support of the Unionist community for the EU approach because the EU does not respect NI's place in the U.K.

The U.K. government should move now to offer NI some of the Brexit benefits. NI should be offered a large Freeport to promote investment and trade with a range of tax concessions and facilitation for growing businesses. Why not offer to match the Republic of Ireland's low Corporation tax rate? The government should remove VAT from all green products and from domestic fuel, and legislate for this to apply in NI as well as the rest of the U.K.