

Public views of net zero

If someone believes the most pressing issue facing the planet is excess carbon dioxide, and if they believe each one of us and every country has to do more to prevent "climate disaster" you would expect them to vote Green, the one party who put this issue above others. They demand much more is done immediately to bring about these changes and criticise the other parties programmes which allow continuing use of fossil fuels without the restrictions and tight shut down timetables the Greens would like.

In the 2019 General election in the U.K. just 2.7% of voters voted Green. In last week's local elections the Greens were in seventh place in numbers of Councillors elected.

You would also expect those who want rapid action for fear of disaster to rip out their gas boilers and scrap or sell their petrol or diesel cars. Again, it is a tiny minority that has taken both these steps.

When I ask constituents for their views the overwhelming majority accept that CO₂ is a greenhouse gas. They are not sufficiently persuaded of the urgency to make a sacrifice to get rid of the car or find the big sum to replace the boiler. Some argue that all the time India and China carry on expanding their coal based systems world CO₂ will rise whatever we do. A minority do not believe man made CO₂ will do the damage envisaged, or it may be offset by less sun intensity or water vapour and cloud changes or other variables. Many await better technology answers and cheaper and better products to help them eliminate their own CO₂. Today many see the price and availability of gas and oil as more pressing issues that concern them.

The Treasury should give back some of its windfall profits from energy taxes.

The biggest winner from sky high oil and gas prices is the government. Half the pump price you pay is duty and VAT. The VAT has surged as oil prices rose. If your petrol came from North Sea Oil the government has also taken another slug of tax from the oil producer, charged as a windfall profits tax at double the standard corporation tax.

Those who shout for a windfall profits tax on oil companies to give back to consumers should demand such a hand back from the government instead as they are ripping you off for driving and home heating with their taxes. BP made an overall loss of a colossal \$20 bn in the first quarter. Yes the company made

more on selling petrol but it had to write off its huge investment in Russia. In 2020 thanks to lockdown the group also lost \$20bn for the year as a whole. Labour did not suggest then giving them a subsidy or tax rebate to help them out.

I have tried before to get the oil companies to put the government take on the pump and show it is many times the oil companies profit. They did not want to do so. That is a pity as it leaves some motorists thinking the bulk of the high price is extra profit when the bulk of the high price is a government tax rip off. No government is about to stop these taxes on petrol so they could at least give some of their windfall back to consumers as tax cuts on other taxes.

If the U.K. gets a reputation for still higher and erratic taxes it will put off investment and make it more difficult to increase domestic supply. Surely the best answer to our struggles is more home output?

[A Written Answer from the Treasury](#)

I have received the below written answer from Ministers at the Treasury:

Treasury has provided the following answer to your written parliamentary question (158849):

Question:

To ask the Chancellor of the Exchequer, what analysis he has undertaken on the potential impact of recent tax rises on consumer confidence and retail sales. (158849)

I received the following answer. It is extraordinary there is no reply on the huge plunge on consumer confidence and a reassertion of out of date OBR forecasts.

Tabled on: 25 April 2022

Answer:

Lucy Frazer:

The Office for National Statistics (ONS) publish monthly statistics on retail sales. According to latest data, retail sales volumes in Great Britain decreased by 1.4 per cent on the month in March 2022 but remain 2.2 per cent above February 2020 levels. The ONS does not publish official data on consumer confidence.

The Office for Budget Responsibility (OBR) set out its latest assessment of the impact of tax changes on the economy in the Economic and Fiscal Outlook, published at Spring Statement 2022. In its latest forecast, the OBR expects

household consumption to grow by 5.4 per cent in 2022.

Further details can be found in the OBR's latest Economic and Fiscal Outlook published in March 2022:

<https://obr.uk/efo/economic-and-fiscal-outlook-march-2022/>.

The answer was submitted on 28 Apr 2022 at 10:47.

The Treasury and Bank will make the economy worse

The Bank and the Treasury have decided to take it out on us because they allowed inflation to go too high. The latest forecasts from The Bank suggests the growth of the economy will slow to zero and unemployment will rise. Both organisations are reaching for their austerity playbooks when they should be looking to help expand capacity and offset more of the real income falls.

The government needs to wake up and tell them they are wrong. The Chancellor should stop the tax rises and explain to Treasury officials why their debt and deficit based advice is wrong and will make the deficit worse, not better.

Russia and China make bad mistakes

The violent invasion of Ukraine by Russia has done great harm to the people and buildings of Ukraine. It has also done grave damage to the country's standing in the international community, hurt its domestic economy and rattled its main ally, China. The democracies are now settled on a path to remove more Russian oil and gas from their imports, end trade in many other products, cease investing, withdrawing businesses from Russia and blocking access to the western payments system. The reluctance of Germany and some eastern European countries to speed the ending of Russian energy purchases owing to their substantial dependence on them makes it possible for Russia to carry on financing her war, but the direction of travel to cut Russia's earnings from these sources is clear. The outlook for Russia with continuing sanctions is not a good one. China may in due course buy more Russian oil and gas but that will require more pipeline capacity to Asia and or more LNG capacity, requiring large investments with delays built in.

China must be most unhappy that President Xi signed a comprehensive pact

with President Putin during the winter Olympics in Beijing in February, only to see their best ally and friend launch a military campaign four days after the Olympics which has so far badly miscarried and has awoken the West to the threat from the autocratic regimes in both Russia and China. China sees the Ukraine problem through a lens trained on Taiwan. Any thought of military action against the island must now be more remote. China will have seen how an independently minded people can dig in against what looks like a large military machine and inflict considerable damage on it. They will also have noted the more robust response of the West than expected which would probably be even more true of any attack on Taiwan.

China has compounded this error by sticking to its zero covid policy. As new waves of the disease hit a population with low levels of vaccination so more cases flare up. China responds with draconian lockdowns, forcing people to stay home and sending basic state food and other supplies to keep them going. Those with the disease are removed to isolation facilities they share with many others. This is resulting in more interruptions to Chinese production and transport of goods, hitting world trade. It is creating a Chinese reputation for unreliability after years of creating a good report for timely and affordable products delivered along long supply chains especially by container ship.

China could still opt for the western approach to covid of encouraging near 100% take up of the vaccines and allowing free movement in the expectation that most who catch the disease after vaccines will get mild versions which can be managed. There is no current sign of President Xi wanting to try this, and reports of vaccine hesitancy by Chinese people. They have been instructed to believe this is a dangerous disease which needs to be eradicated by lockdowns of any area where there are infected people. China will be reporting poor economic figures from this April until zero covid is re established. It's another headwind for world trade and for economic growth more generally. These events force China and Russia closer together with more opposition from the West to their actions. China is not getting the support of a militarily strong and shrewd ally as it hoped. Russia is not getting all the support it needs to dig itself out of the Ukraine tragedy with any success to report.