What would turn the world green?

An extract from my book on the green revolution:

Governments this century have taken to meet together to discuss how they can close down a large number of carbon based industries in their jurisdiction and how they can write off the asset values of all those deposits of fossil fuels and of all those businesses that process them or rely on them to power their activities. It is true they meet full of hope that the replacements they offer will unleash an offsetting wave of new investment and jobs. The EU itself as one of the leading architects of the green revolution is preparing programmes and subsidy budgets to tackle left behind communities that used to rely on oil wells and coal mines, on petro chemicals and on traditional industries like cement, steel and ceramics with a high use of carbon based energy. The transition will be difficult and painful for some.

As we have seen , the car and food industries are central to the changes. The existing car makers may not succeed in changing over to making enough of the new electric cars and may watch as rivals emerge with the winning products. Agriculture will take time for many farmers to convert from animal husbandry to the new crops and to tree growing. Many jobs and thousands of traditional factories will be lost as investment hurries into the new fields and as the new jobs are created for those willing to train and change.

Governments tell us there is an avalanche of investment money wanting to go into the revolution. Many of the large quoted companies of the oil and gas and other traditional sectors are keen to sell on some of their fossil fuel assets and move into the new green areas, further impelling valuations of the new upwards. This will assist governments in their quest for the new paradigm.

Meanwhile the questions posed about security of supply by events in September 2021 will need an answer. Governments need to tell us how they will fill the potential energy gap as we transition to a renewable system, and need to come clean on how they will raise taxes as fossil fuels run down and with that lose the heavy tax revenue they carry.

Above all the joint working of governments and companies needs to reveal the range of product and changes to lifestyles that will appeal and be willingly adopted and paid for by the public. Only if a top down revolution fires the popular imagination and becomes a bottom up revolution will the passage to a green future be possible. To succeed green products need to be cheaper and better than the products they wish to displace..

I am delighted to say that *Build Back Green* is now published and available. You can find it at:

High tax rates are damaging

I find it curious that the Chancellor tells us he is a lower tax Chancellor when all he seems to do is put the taxes up. I would like to believe him, as he is right in thinking lower tax rates would be good for growth and the economy. I will give enthusiastic support when he announces the lower taxes.

Unhelpful briefing implies the higher taxes like National Insurance, Corporation Tax and frozen Income tax allowances are some kind of punishment for the PM wishing to increase spending. The polite on the record rationale is they need these rises to get the deficit down post the pandemic spending bulge.

None of this makes any sense. The Treasury has just had to slash its deficit forecast by £50 bn for this year thanks to the surge in growth, with no tax rises yet imposed. The evidence shows if you keep rates down and go for growth the deficit falls. The danger now is the big tax rises will do the opposite. They will slow growth going into the next financial year as the rates bite, leading to a higher deficit.

I urge the Chancellor to do what he says he believes. set lower tax rates to boost jobs, incomes and investments.There is nothing stopping him getting more spending control into areas like railways and test and trace where there have been large increases.

Will they build back green?

This is an extract from my latest book Build Back Green

We live in revolutionary times. A movement to harness the state to root carbon out of our lives has now entrenched itself in government as the prevailing policy. Joe Biden's America joins hands with the European Union in declaring war on carbon dioxide. A clever China agrees in principle and corners the market in many green products, whilst still increasing her output of the unpopular gas.

The protagonists strike an optimistic tone. They assure us the revolution will be carried through with a wide range of new green jobs. They hold out the promise of skilled people running windmill and battery factories, joyously powering the revolution of their dreams. They comment little on the other side, as they effectively sign the redundancy notices of all those in the oil and gas business, in drilling technology, in internal combustion engines, conventional ships, planes and vehicles, gas heating and much else. They have in mind a huge transition from the fossil fuel economy to the green electricity economy. They want us all to dump our diesel and petrol cars,

replace our gas boilers, change our diet away from meat, give up foreign holidays and take to our bicycles.

The conversion to carbon free has not developed the same momentum and pace yet that the petrol and diesel vehicle enjoyed when they were introduced. The problems include a perception that the newer green products are not as good as the fossil fuel products they wish to replace, and a view that the green items remain too expensive. Where the advent of the car, van and bus widened people's choices and offered longer range journeys to people who otherwise had to walk, the arrival of the electric car or heat pumps does not offer the consumer any new service or capacity they do not already enjoy. The problem with the green revolution is it comes from the top down. Government are the revolutionaries, not the hordes at the gates of power urging change. Government is trying to persuade or make people change their lifestyles without convincing them they will be better off if they do.

It is a paradox that a revolution should come from the very establishment that is threatened by it. Car companies making a good living selling excellent diesel and petrol cars queue up to decry their old products and promise a new range of electric cars as soon as they can get round to making them. Governments that enjoy huge revenues from oil and gas taxes, vehicle excise and fuel taxes sacrifice them with abandon, pretending that electric cars or electric heating will come tax free in contrast to their predecessors. The elite who have enjoyed dining out on the finest cuts of meat complain about the number of cattle on grassland. The powerful who have lived a charmed life flitting by first class jet to another five star hotel in a remote country warn us off such a lifestyle. The press delights in uncovering hypocrisy, as some of the staunchest advocates of a new austerity or restraint in lifestyle fall foul of their own recommendations to others to cut the carbon miles.

It is time for a proper debate about this ersatz revolution, these grand plans often drawn up by people who think they should have some kind of exemption from the rules they set. So far the green movement has spawned so many long haul flights for delegates to arrive in air conditioned five start hotels to urge the world to stop international flights and much else that many aspire to. It is now at the point where it has to translate aspirations into practical policies, and vague distant targets into shorter terms targets with bite. It will only do so if it unleashes a range of popular products that are affordable and better than the ones they seek to displace.

Government appointments

Paul Dacre gave up on his application to become a public sector regulator, reporting how impossible it would be with conservative attitudes to get through the civil service screening. Press reports imply some Ministers were

sympathetic to his candidature but are apparently prisoners to the system of public appointment.

Talking to Ministers who are appointing people to public posts they mainly sound resigned to being asked to select from a limited choice of centre left establishment figures well known to the civil service who will not manage or challenge the quangos and boards they are asked to lead in any new way. Where Blair and Brown used their powers to populate quangoland with people who shared their outlook, Conservative Ministers are bamboozled or threatened into continuing such outlooks for fear of accusations that they are appointing cronies or friends to Boards. There are also a good number of talented and experienced people who have Conservative sympathies who do not fancy being straightjacketed into public sector ways of thinking in such Roles.

If Conservative Ministers cannot find a way of getting good people into quangos willing to follow a Conservative agenda then they need to take back control of what the quangos do. Time to slim the numbers of these bodies and limit their activities. Time also to place them under more regular guidance and review.

When I was responsible for the NHS in Wales I abolished the post and office of the Chief Executive and ran the service through the two top health officials already in the department.

Keeping the lights on

I have long thought keeping the lights on by ensuring sufficient energy is available at all times is the crucial prior demand of a successful energy policy. A good energy policy also needs to balance affordable cost for people and business alongside environmental objectives.

I posted here my latest public questions to Ministers. I think they need to announce more additional electricity capacity for the balance of this decade as they push through their electrical revolution. I want them to see the logic of their use of gas as a “transition” fuel and see that it is safer and greener to rely on more UK produced gas rather than imported LNG or natural gas from the continent. We have just seen how we face extremes of prices by relying on the world market. Surely we need more domestic contract gas at longer term prices which smooth the volatility.

This week the Secretary of State told me that the answer to my fears will be more nuclear. It is true they have one large nuclear plant in construction that will bring us more power this decade. Hinckley C will add 3.2GW to the system. What he did not point out is they also plan to close all but one of our current nuclear stations by 2030, so the amount of power generated by nuclear will fall over the next eight years even allowing for the new

opening. The closures will reduce our old nuclear capacity by 8.1GW, or a net loss of 4.9 GW allowing for the new opening. If the government wishes to keep nuclear at 17% of our total electricity generation, its current level, they will need at least one extra large new nuclear plant and a fleet of the smaller plants they are now trying to work up to approved systems and products. If they want nuclear to take over more of the work currently done by gas and help meet the rise in demand as more cars and heating systems convert to electricity there will need to be an even bigger expansion of nuclear.

So let me accept the government's assurance that come the next decade there will be more small nuclear sets, more large nuclear stations, and the nuclear industry will be able to meet rising demand after say 2035 once it has replaced all the current stations to be closed. That still leaves us with more than a decade when nuclear will not be the answer to keeping the lights on when the wind does not blow and the sun does not shine. I repeat my questions. Will they procure more stand by capacity? Will they keep the old coal power stations available as an ultimate reserve, as they needed to use them this autumn and again today as I write this ? Will they expand gas generating capacity as a gap fill? How long would it take to bring on more pump storage and hydro schemes to supplement wind and solar?

Can we have some numbers please from the government to reassure us the lights will stay on at all times without rationing or special measures?