

## David Lammy's unreal speech

David Lammy made his first Foreign Secretary speech at Kew yesterday telling us the overriding problem of our times is climate change. This is "the most profound and universal source of global disorder". Recognising many of us might think the wars in Ukraine or Gaza, or the terrorist attacks against shipping might be important, he went on "The threat may not feel as urgent as a terrorist or imperialist autocrat. But it is more fundamental". Pandemics are apparently more likely if it gets warmer. All extreme weather of whatever kind is down to CO<sub>2</sub>.

There was no evidence to back any of this up. There was no learned statement of where he thinks the world is in getting to the point where CO<sub>2</sub> starts to reduce. There was praise for China's renewables with no mention that they account for more than 30 times the amount of CO<sub>2</sub> put out by the UK or that we assist them to do this by buying so many imports from them. There was no analysis of why there had been plenty of climate change in the world before mankind arrived, and more again before mankind invented petrol cars and gas boilers.

He did tell us the IEA thinks the world will get to peak fossil fuel usage by the end of this decade. No great sense of urgency there then for most countries but no complaint from Mr Lammy about the big CO<sub>2</sub> producers who are increasing their output of what he sees as a devilish gas.

China, India and Russia are leading the way to more CO<sub>2</sub> this decade. Some think fossil fuel use will still rise after 2030 as emerging market countries continue to develop, drawing on more coal, gas and oil.

He had grand words for the need for the advanced world to do much more to help the emerging world go direct to renewables and electricity, missing out oil and gas based growth. Yet he also reminded us how many in low income countries still have no access to any electricity, and pointed out how much more grid will be needed before the renewables can be connected.

He recalled the promise oft repeated that the advanced countries would make at least \$100 bn a year available to emerging economies for green matters. He was unable to tell us when and how that would happen. Turning to the UK all he could pledge was a £900 m guarantee for the Asia Development Bank. He indicated support for the idea of increasing the capital of the International Bank for Reconstruction and Development but did not mention any Treasury approval to ship them some cash.

So David Lammy, who are you kidding? It is very unlikely the UK herself will be producing all carbon free electricity by 2030. It is a racing certainty the world's use of fossil fuels and carbon output will continue to climb while he is foreign Secretary. His speech was empty of detail and free of any further UK financial commitment. I agree with him in not offering more cash. I would be happier if he made world peace and prosperity his mission rather than net zero, and took seriously the issues of Ukraine, Gaza and the growing

restrictions on trade from tariffs, bans and windfall taxes. How much longer can senior members of the government deny the reality that they are not going to hit U.K. targets for net zero and that most of the rest of the world has no intention of closing down all its fossil fuel based activities. There is still no U.K. government estimate of the costs of all this.

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## Finding money down the back of the OBR sofa

If the Chancellor wanted to pay pensioners their winter fuel allowance she could do so. If she wanted to avoid the threatened tax attacks on enterprise, investment, home ownership and pension savings she could do so. The crocodile tears from the government that they do not want to do these things but have to owing to the budget situation are false.

If the Chancellor is bright and understands the OBR and Bank as she should she can see as I can see how you could make different choices, avoiding the unpleasant spending cuts and damaging tax rises. Finding £20 bn would easily fix it. So here are some of the ways she seems to be turning down.

1. Ring the Bank of England and tell them to stop selling bonds at huge losses and sending the bill to taxpayers. No other Central Bank is doing this and the Bank of England says it is not crucial to its monetary policy.

2. The main austerity check is the need to get public debt falling as a percentage of GDP by year 5. For some unknown reason they use public sector debt excluding the Bank of England. If they used the wider definition including the Bank of England, debt would be reduced by the huge cash payments the Treasury is currently making to the Bank, as that cash reappears as an asset at the Bank.

3. Recapture the £20 bn of public sector productivity lost since 2020. just stop external recruitment of admin, civil service and back up staff and run the numbers down by natural wastage.

4. Implement the excellent Labour slogan that if people can work they should work. Provide the support, training and incentives to get more people out of long term worklessness.

Taking the fuel payment away is a calculated political decision. Letting a wide range of threats to the self employed, to strivers, to savers and go investors worry people for 2 months before a budget is also a political choice. It is driving people abroad, leading people to sell assets, get out of being landlords and selling U.K. shares before the attacks materialise. The danger for the Chancellor is it may prove easier to undermine confidence and depress people than to pick them up again after a nasty budget.

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## [Paying for clothes](#)

Why did a MP earning a good six figure salary with an intelligent and capable wife need a rich man to buy clothes for them both? Why when he accepts free clothes for his wife did he not automatically register the gift? He would of course have known of his wife's good fortune.

Any MP knows that gifts and grants worth thousands of pounds all need to be registered promptly. It is not as if he forgot, as he registered his own gift of clothes. He decided a gift to his wife did not need the same prompt treatment, then his office decided rightly they did need to register this.

This is a bigger issue because we were promised greater transparency and honesty from the new government. Labour in Opposition were eternally vigilant for the slightest error or questionable judgement by Conservative Ministers and MPs . We were promised a new puritan era of government staying well within the tight rules. I remember being challenged because I had not declared an article I had written for the FT. They were so disappointed when I explained that I refused payment so there was nothing to declare.

The U.K. does not give the PM's wife a national role as First Lady with official engagements and an admin office to organise events. We have a royal family to do that. Only occasionally does a PM's wife accompany her husband when he has a work engagement. She is not the focus of attention and it would be a distraction if a PM 's wife wanted to make her fashion sense the talk of the journalists rather than the event they were attending. A PM 's wife can dress well from any store or mail order retailer at affordable prices and can wear suitable garments on more than one occasion. There is no need to rely on a donor for a fancy wardrobe. Mrs Starmer has her own senior role in the NHS paying her a salary.

This is one of those gifts that comes with a big political price. It jars with many voters when it is the background to taking away £300 of heating help for pensioners. Well paid Labour MPs charging taxpayers for energy bills on their second homes also sits uneasily with the present news.

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## [Energy is doing huge damage to this government](#)

It is difficult to comprehend the stupidity of this government. Dear energy and inflation helped bring down the last government. The Labour opposition

hammered them for the rising prices, the impact on people's budgets. They supported energy subsidies and wanted them to be bigger. Now they are in office they have presided over a 10% increase in managed fuel bill prices and taken away a crucial winter fuel grant from many low income pensioners. Their whole energy policy is based on pricing fossil fuel out of use.

They have put Miliband in charge of energy policy. He has set about destroying the U.K. oil, gas and residual coal industry. He is taking measures which will leave the U.K. more dependent on imports, more vulnerable to power cuts and facing the reality that more renewables with the necessary fossil fuel back up will be dearer, not cheaper. He no longer promises the £300 off bills as more renewables come in that was offered in the election.

Labour has taken on the de industrialisation policies of the last government. It has dumped the softening of the policies when the past government re opened exploration and development licences for our own gas and oil. The last government was in favour of getting out our own metallurgical coal. It did heavily subsidise residential energy bills. It never considered taking fuel payments away from pensioners.

The public wanted change. I wanted a policy more directed to energy security and to affordable energy. Instead the new government has decided to be greener and nastier than the government they displaced, Taking away pensioner fuel payments after a big hike in rigged energy prices and against a background of overtaxed dear energy is a bad error. It antagonises many Labour voters and is opposed by energy and industrial Unions.

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## [The strange case of the missing Industrial strategy](#)

Woven into Labour's broad message of change in the election was the roll out of a superior industrial strategy. We were told Labour would not accept the loss of jobs in steel despite large state subsidies, and would want a manufacturing revival.

Instead Labour has signed off the death of steel making in blast furnaces at Port Talbot and looks likely to do the same at Scunthorpe. Instead of it dismantling the penal taxes and carbon charges the EU and the last government imposed they are intensifying those. Like the last government they will pay large sums to subsidise some more steel recycling in the U.K. after a hiatus when we import all the lost steel from the closures. We are told we need to wait until next spring for a steel plan, carefully delayed until our present steel making industry has been closed down.

We also wait for the general Industrial Strategy. Any worthwhile one has to start by addressing the huge extra costs U.K. industry has to pay for

electricity and gas compared to the Chinese and US competitors. Much of this extra cost is the direct result of extra taxes, carbon prices and regulations, and the high cost of trying to replace much of our generating capacity with renewables.

The government should work hard to try to avoid a closure of the Grangemouth refinery. The U.K. does need to be able to produce its own petrol, diesel and other fractions of oil instead of turning all that productive activity over to imports.