

The Green revolution hits a democratic barrier

The Green revolution is a top down revolution. It is invented and enforced by governments and big companies. Whilst a majority of people say they think climate change is an issue, a big majority do not rush to change their own lifestyles in line with the requests and requirements of big government and the green revolutionaries. Most people are happy with gas or oil boilers and or solid fuel fires to heat their homes, and most of us still have diesel or petrol vehicles. Meat eating is still popular and people like flying abroad for their holidays.

Governments have understood that it is easier to force big business to comply with their green agenda than it is to get the public to accept the current approved products and changed lifestyles of green transition. Car companies queue up to undermine their successful past investments in making petrol and diesel vehicles, and to condemn their past products. They do however expect large subsidies to help pay for the very costly investment in making batteries and electric alternatives, and now expect governments to force people to buy these products as not enough want to buy them from free choice. Electricity generators rush to put in wind turbines and solar farms so they can close their cost efficient and reliable gas and coal power stations, but expect priority rules for interruptible renewable power and price structures that favour the new investments. Steel companies plan expensive electric arc recycling works to replace steel production in blast furnaces, but they too need large subsidies to try to get the sums to work.

Governments and companies need to work on how they could create affordable reliable good products that help them in their aim of cutting CO₂. They are going to need much more buy in from consumers to achieve their ambitious targets. Consumers are making it very clear they expect the products to be better and cheaper than they currently are. Government does not have to subsidise or regulate to get people to buy mobile phones or to switch to on line shopping, as those changes are popular with customers at market prices without intervention. Sales of electric vehicles to individual buyers are struggling in many places without large subsidies. Hertz has recently announced difficulties in renting out EVs and decided to sell one third of its present EV fleet to get more in line with public demand.

Worse still for governments and political parties that are keen on the drive to net zero is the growing evidence that parties in government that go too far in forcing unpopular net zero changes lose elections. The Netherlands government lost heavily in the last election because it was trying to cut down animal husbandry and meat eating faster than the public thought acceptable. President Macron's party has had some bruising encounters with public opinion over the level of fossil fuel taxes and diesel prices. The original gilets jaunes protests were about energy taxes which forced a climb down. Recently Macron has had to stop further taxes on agricultural diesel in the face of angry farmers.

When across Europe and the UK fossil fuel energy prices soared, doing the governments' work for them forcing less use, governments rightly saw the need to cushion people from the price impact on this essential. Germany has given into pressure to delay the ending of new diesel and petrol cars. In the US Presidential Candidate Trump is ahead of President Biden in the polls, His policy of withdrawing from the Paris climate change treaty and targets compared to Biden who wants to go further faster is clearly no barrier to his possible victory and may be helping him. Many people do not want to be told by government how to heat their homes, what car to buy, and where to have their holiday.

My intervention on NHS Dentistry: Recovery and Reform

John Redwood (Wokingham) (Con):

Wokingham has a fast-growing population based on building a lot of new homes. So as the Secretary of State rolls out her new plans, will she also ensure that there are incentives to provide dental services on the NHS in areas where a population is moving in and needs them?

Victoria Atkins, (Secretary of State for Health):

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Public sector inflation

The point I am making today is the trading public sector has got a lot dearer over the years. Ministers from governments of all complexions do not seem to exercise much control over costs and productivity of public bodies.

I looked at the 1960 Guidebook to Dover Castle that my family had bought on some long past visit. My computer tells me the Bank of England and successive governments have so devalued our currency that modern prices are 21.5 times higher than they were in 1960 on average. The Ministry of Works government Guidebook gave me some insight into public service inflation since then.

Dover Castle remains owned by the state with its visitor activities run by the charity English Heritage, an evolution from the Ministry of Works. The book says an adult visitor in 1960 would have paid 5p to see the Keep, lighthouse and ramparts, and another 1.25p to go into the tunnels. To do the same today the adult visitor buying a ticket at the site would pay £23.60. That is 377 times the cost in 1960, many times the rate of general inflation.

It is true there are now additional tunnels to see as in 1960 the Second World War tunnels were still out of bounds to visitors. The presentation of the Keep has changed, The collection of medieval armour and weapons adorning part of the interior has been replaced with modern soft furnishings and a bit of wooden furniture with designs taken from contemporary illuminated manuscripts. Whilst as the old Guidebook notes the interiors and their windows had been changed over the centuries the current aim is to present it in its Henry II version as best judged.

The Guidebook itself has experienced a bit less inflation. The old one is considerably smaller with one colour photo and more smaller black and white photos. It cost 10 p compared to £5.50 for its modern and bigger counterpart. That is inflation of 55 times or nearly treble the general inflation rate. There was plenty of good reading material in the 1960 version but the colour photos and art work are much better in the modern one.

Affording tax cuts Conservative Home article

A lot rests on the budget

The polls show there are many former Conservative voters refusing to commit to Conservatives again who do not trust Labour or want a Labour government. They say they will not vote, or will vote Reform. When pressed they say they want the government to do what it promised and what they expect Conservative governments to do.

Defining this and delivering is therefore the task of Prime Minister and Chancellor. They recognise they need to curb migration, as the 2019 Manifesto promised and as the Prime Minister has pledged. As they lower the excessively high rates of legal migration this year they need to make sure the Treasury and OBR accounts for this in an accurate way. They should put in many economies on public services, as cutting migration by 330,000 as promised (legal and illegal) reduces pressure for school places, for health treatments and above all for subsidised housing. It should make it easier to honour the pledge to get the waiting lists down in the NHS. The EU in 2016 said a new migrant cost a state Euro 250,000 in capital to provide a home, and in costs to offer good public services.

The government understand that winning people back is above all about the economy. Three of the Prime Minister's own five pledges are to lower the debts, halve inflation and grow the economy. That is the right emphasis. People expect from a Conservative government prudent finances, lower taxes, more jobs and decent growth. They know from bitter experience that past Labour governments end with burgeoning debts, higher unemployment and downturns. The 1964-70 Labour government devalued the pound and had to go for austerity. The 1974-9 government ran out of money, had to borrow from the IMF and created a recession. The 1997-2010 government allowed an inflationary banking bubble, created a deep recession and ran out of money. This government and its Conservative predecessors since 2010 have created 800 extra jobs every day they have been in office, got unemployment down, and presided over faster growth than the larger European countries. Even the shocks of covid lockdown and the Ukraine war did not undermine the good record on jobs, essential to people's living standards and self esteem.

All this makes the budget crucial to plans to win back lost voters and to show the economy is on track to deliver that faster growth, lower inflation and controlled debt people expect. The big inflation was a blow delivered by the Bank of England, making similar mistakes to the US and EU Central banks. If only

they had kept money under better control as Japan and China did we could have been spared that agony. Labour of course supported the Bank's bad policies throughout.

The task of growing the economy with low inflation is made very difficult by the very institutions that are meant to bring stability, wisdom and competence to the task. The Bank has followed its inflationary monetary policy phase with overdoing the correction. It now needlessly sells bonds at big losses to sandbag the Treasury and taxpayer with huge bills. The OBR pads the figures with bad news, usually exaggerating the future deficit and borrowing and acting as a shop steward for more public sector spending. It ignores the productivity collapse in the public sector and assumes all the current spending is worthwhile.

The Chancellor needs to cut through all this unhelpful policy and commentary. It is not money well spent to send the Bank of England £34 bn so far this year to pay for their losses. They should stop selling the bonds they bought so badly at a loss and hold them to redemption. They should copy ECB policy on the payment of interest on commercial bank reserves to curb the running losses on their ill judged portfolio.

He should demand more care with quango and nationalised industry spending. Why are Post Office managers paid so much for losing the state a small fortune and for treating their sub postmasters so badly? Why do the railways need £12bn a year of subsidy when they run so many near empty trains that people do not want to use, and fail to run trains people do want because they cannot get on with their staff? Why do large projects like HS 2 and the nuclear plants overrun so badly?

He should speed up and intensify the work he has asked the Chief Secretary and Cabinet Office Minister to do to win back the big losses of productivity in public services. There is around a £30bn extra cost to deliver the same things as in 2019 before allowing for all the extra costs of inflation on top. Where is the stop to all external recruitment into the civil service and administration of other public services to start winning back lost productivity? Why has the explosion of managers and Directors in the public sector resulted in so much worse productivity?

He needs to review value for money and desirability of the various policies for net zero. £20 bn for carbon capture and storage is a huge sum. This idea should be largely financed by the private sector with limited and phased taxpayer money. The Government car service has one third of its fleet now as electric cars, which cost 18% more than the ICE cars they would otherwise have bought. Is this value for money? Why can't the government concentrate its net zero spend on obvious wins like proper insulation and controls on heating and lighting in its vast public estate? Spend to save money as well as cut energy use would be a win win.

Labour tells us we need more nationalisation, starting with the

railways. As they are largely nationalised already they see a way to do this without having to compensate existing owners. Which features of nationalised HS 2 management does Labour think would help with the rest of the railway? Or is it the Post Office model of computerisation and treating staff that appeals?

Armed with better cost controls and an attack on some of these areas of needless spending Chancellor and PM could show how you get more public service for less cost under Conservatives. That would mean money left over for tax cuts to boost living standards and make it more worthwhile working. That is what all these reluctant Conservatives want.