

Letter to Net zero Secretary

Dear Grant

I am glad you have decided that it makes sense to grant licences to get more oil and gas out of the North Sea instead of importing more. As you say, that means more tax revenue collected here, more better paid UK jobs, less transport costs and less CO₂ for the world as whole. LNG is particularly CO₂ intensive compared to domestic piped gas given the amount of energy needed to compress, cool, transport and convert back to gas.

The same logic should apply to other areas where some want to stop the UK making materials and products that entail substantial fossil fuel energy use. If instead of making them here we just import them, world CO₂ production will increase by at least the amount created by transporting them longer distances and in some cases by the less fuel efficient processes in overseas factories.

The imposition of high carbon taxes in the UK is closing factories here to transfer the jobs and energy consumption elsewhere. It would be a good idea to reduce our taxes on industry using energy to stem our losses of plant and activity. To get inflation down we need to produce more, not less.

The UK also needs to cut down on public spending and borrowing, whilst ensuring enough money well spent to provide better quality public services. The energy money go round is a good area to look into. Subsidies chase windfall and carbon taxes, as government tries to offset the damage done by high taxes leading to uncompetitive energy harming business. We need to disarm both the excessive taxes and the consequential subsidies.

I understand the government and Opposition wish to lead in green transition technologies. We are still in the early stages of a world debate about whether transport and industry should shift all electric, or go to hydrogen, or to fossil fuels with carbon capture and storage. We are still seeking the affordable popular electric vehicles that more people want to buy and can buy. We are in the early phases of trying to find non fossil fuel heating systems for homes that are affordable and good. There are still big debates to be resolved about how you store wind and solar energy for times when the wind does not blow and the sun does not shine. What combination of pump storage, hydrogen and battery storage or other methods will be needed?

These are world issues. The answers have to work in the big CO₂ producing areas, China, the USA, India and the EU as well as in the UK, otherwise your efforts will be of no avail. The UK government should not be trying to fund all these technologies itself before it has a clear idea of the winners and the industries are closer to commercial roll out. The UK should avoid spending so much on say carbon capture and storage before the world commercial interests have got further. The UK is good at raising capital and can incubate many starts up and ventures that might be able to come up with the right answers to these energy issues. The UK government is unlikely to

pioneer commercial successes on the back of large financial commitments to projects with no current stream of underlying customer revenue.

Yours

John

Letter to Business Secretary

Dear Kemi

The UK government rightly wants to grow the economy and cut inflation. As Business Minister there are crucial changes you could make to help both aims.

The proposed ban on new petrol and diesel cars will destroy our car making capacity prematurely without replacing it by as much electric car output. Only the UK is proposing such an early write off and closure of so many factories with loss of jobs. Businesses are going to put their remaining petrol and diesel capacity elsewhere. From 2030 UK buyers will import nearly new petrol and diesel cars instead of buying UK ones. Lift the ban to rescue the car industry.

The UK is losing capacity in energy intensive industries like steel, ceramics, glass, fertilisers and much else thanks to having the highest carbon taxes in the world. These drive up prices and progressively close factories. Suspend the emissions trading and carbon tax regime. You can then save the big subsidies you are forced to offer as partial offsets. This action will save a lot of UK jobs and boost other tax revenue.

As the leader of Ministerial efforts to cut out needless regulation, bring forward the repeal of EU laws laying down product specifications. Keep a strong safety law and allow all goods of merchandisable quality to be offered for sale. This will boost innovation and competition.

Co operate with the Energy department in expanding UK supplies of cheap reliable energy. You cannot have a successful industrial strategy with dear power, unreliable power and import dependence.

The EU with an overzealous net zero policy has hit our industry hard whilst boosting world CO₂ by relying too much on imports with extra CO₂ in manufacture and transport. Please back made in the UK, and change these damaging policies.

Yours sincerely

John Redwood

Save money and cut CO 2 by less green subsidy, bans and taxes

My critics here complain that I urge a big rethink of the UK government's green policies without challenging their CO 2 beliefs. As I explain so often I am out to get urgent and necessary change so need to find common ground with Ministers.

I can now show some proof that this can work. By making the argument that we will help cut world CO 2 by getting out more of our own oil and gas instead of importing LNG government has been persuaded to change its policy. They now need to get on with production licences for Rosebank, Cambo and the others. These will bring more tax revenue, more well paid jobs and big balance of payments savings.

I and other MPs have persuaded the government to drop the damaging idea of a hydrogen tax, a further levy on already high energy bills. They should also drop the state spending. Hydrogen technology may well prove to be a good way of fuelling transport and storing renewable electricity. Let the market decide. Let venture capital and large company investment develop it.

Given the large proposed borrowings and the need for tax cuts to cut inflation and expand capacity the government should reconsider its planned huge spend of £20 bn on carbon capture and storage. This is a world challenge where once again we need more private sector investment to see how it can work. At least delay it for a couple of years whilst inflation is brought down and growth improved.

They could suspend the roll out of free smart meters. Most who want one have got one now. Going forward those who want one could agree to its costs being added to future bills, spread out over a suitable time.

Too few producers, too few growers and makers

We need a supply side revolution. The Bank is shifting us from too much money chasing too few goods, to too little money chasing too few goods. It does not solve the underlying shortages.

The whole government needs to engage in a policy to curb inflation. An urgent substantial reduction in legal migration is needed to curb demand. It would

also help them with their net zero plans. We need less demand for homes, water, food, electricity, transport and the rest from inviting in so many extra people. Put up the minimum pay a lot that someone needs to earn before they qualify for a work visa. Concentrate on inviting in well skilled and entrepreneurial people.

The government needs to tell the Bank to stop selling bonds at huge losses which taxpayers have to pay. This policy is driving up mortgage rates more.

The government needs to speed the implementation of its new policy of licensing more oil and gas output from the North Sea. I am glad I and others have persuaded them so now do it. It brings in lots of tax that otherwise is paid away to a foreign supplier and cuts CO₂ for them.

It needs to shift farm grants away from stopping food production to boosting food growing.

It needs to allow the water companies to get on with new reservoirs and the grid company to speed more capacity.

It should delay the big planned spend on carbon capture and storage. We need less spending and lower taxes, not more costly state disruption of our energy markets.

It should suspend the smart meter roll out to save £1bn a year.

It should impose a freeze on all new external staff appointments in the government employ other than front line workers like nurses, teachers and police.

We need growth and investment in capacity. We need tax cuts paid for by spending reductions and other revenue growth.

My appearance on BBC Question Time Brexit Special – Clacton

<https://www.bbc.co.uk/iplayer/episode/m001n3px/question-time-2023-22062023>