

## The USA and China avoid all specifics on decarbonisation

The world's two largest producers of CO2 met to discuss what to do about many governments backing net zero. Both governments now believe that man made carbon dioxide is the world's most pressing problem. Both now commit their countries to reach net zero, the USA by the fashionable 2050 and China by the more laid back 2060. Both commitments mean little and are cheap to promise.

This year the EU, the U.K. and other global hawks on the topic are out to pin countries down to meaningful targets for reducing CO2 by 2025 and or 2030. These are more meaningful as they require immediate actions to wean people and business off petrol and diesel vehicles, get them out of fossil fuel planes, change their coal oil and gas heating and change their diets away from meat and dairy. The USA has promised a credible plan by November for COP 26, the big UN conference for pledges. China is not yet ready to commit, still reserving the right to mine more coal, burn more fossil fuel and expand her industrial reach further for a few more years.

It is most important that the U.K. does not sign up to a one sided deal which leaves countries free to take our business away by continuing with the cheaper fossil fuel option. Take steel for example . How does it help if we close down all our blast furnaces and fossil fuel based capacity, only to import steel from countries that do not do the same?

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## Upward revision to numbers of migrants

The Migration Observatory reports this week that the official figures for migrants coming to the UK need to be amended, as it seems many more migrants came from the EU over the last decade and fewer from the rest of the world. The suggested changes to the figures show a 76% increase in EU numbers from 2012 to March 2020 and a 31% decrease in rest of the world numbers. Instead of the EU being a minority they accounted for 64%. The overall total also rises. The ONS is having to change its way of estimating the numbers. It has in the past used passenger surveys, but now recognises these were not accurately capturing what was going on. It appears net migration has been running at around one third of a million a year. It is clearly difficult to pin people down about their plans in a system of free movement when interviewing them on arrival.

It is most important that we have more reliable data. as many policy decisions flow from how many people are coming to stay in our country. We need better figures to work out how much health and education capacity we need, how much more transport capacity, and above all how many additional

homes. We want all who are coming to have access to good services and the opportunity to rent or buy a suitable home. Assuming more than 3 million additional people have come over the last decade, as seems likely, that means we needed another 1.25 homes assuming the same average household size of 2.4 people per home as the current population. For some purposes we also need to look at gross migration, as the newcomers may want different housing in different places to those leaving the country. Some leaving the country still keep a residence in the UK and might return years later as their life draws to a close.

An answer to the Green wish to reduce the claim on resources, to cut pollution and reduce the production of CO2 would be to cut the rate of growth of the population. The UK needs to expand its output of CO2, make more claims on minerals and food and take more land for houses because the population has been growing rapidly over the last decade.

I want to live in a free society so I have no wish for government to stop couples having babies as they choose. Nor in a decent society should we say No to asylum seekers seeking a haven from violence and oppression. The UK has gone well beyond these central rights and decencies, welcoming in millions of people to take on low paid jobs. The UK state has also recruited many to come here with great skills and qualifications from lower paid countries. There is a strong case for a new model. We need to grow more of our own skills base by excellence in education and support for those who will make the commitment to gain the qualifications. Is it really sensible to bid away more great people from a poor country than would come naturally, only to have to do more by way of overseas aid to support that country that is missing some of its natural leaders and qualified people? We also need to move to a higher pay higher productivity model of working. More of the low paid jobs should be backed with better machinery and automation to enrich the job in many ways. We want more interesting and better paid jobs which more automation and digitalisation can generate.

In order to have a good migration policy there needs to be accurate data. In order to plan service and other provision there needs to be good data. No wonder we have seemed short of homes, short of transport capacity, short of NHS capacity, if we have been catering for more people than the official figures say are here. Migration Observatory also thinks there has been a further net increase in EU migrants since the Brexit vote up to March 2020, despite claims that the opposite would happen. They also think that far fewer people left the UK last year than some have suggested despite the collapse in many lower paid jobs owing to the closures of many businesses in response to the pandemic.

These large errors in the official figures had consequences. It meant the government was constantly blamed for failing to control migrant numbers from the rest of the world, when it turns out they had done much more than recognised. It also meant pro EU commentators and politicians could claim EU migration was not large or important, when the numbers were understated by 76%.

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## The Duke of Edinburgh

Tribute to the Duke of Edinburgh from John Redwood

Many people's lives were touched by the Duke and the work of the organisations he created and supported. Some enjoyed and benefitted from the Duke of Edinburgh Award scheme. Many met him when he came as a visitor, as he travelled to show interest and curiosity at home and abroad. His energy was spent in many areas from helping young people aspire to better lives, through science and technology to sports and the environment. As a boy I first became conscious of him when he spoke out for better treatment of wildlife. I wanted sufficient wild areas for animals to be able lead their own natural lives free from human interference and was delighted to learn of a powerful force to help bring that about. Later in life I met him in my roles as a constituency M.P. and as a Minister and saw how he supported the Queen and served the nation through charities .

Many have shown their respect for him. We join the Queen in mourning his loss, as she tells us just how important he has been to her own exemplary conduct as monarch.

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## The cost of wind farms

The Global Warming Foundation put out a piece of work yesterday claiming that 6 offshore wind farms share £1.6bn between them in annual subsidies. It went on to argue that the renewables obligation now costs consumers £6bn a year and the capacity market £1bn a year. They object to income transfers to the wealthy they think own the windfarms from lower income consumers and are worried about grid stabilisation with more intermmittent wind power.

Clearly there is a price for making capacity available whatever the fuel. The costs also depend on which power station and fuel type of allowed to run the most, which affects the unit costs of power delivered. I have not had chance yet to check these figures, but would be interested in reactions to them, as they do show high costs and prices which makes the U.K. less competitive and is hard on family budgets.

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## Lower rates brings in more revenue

I was pleased to see the Cato Institute yesterday wade into the debate about how to get more tax revenue from business. They have studied the OECD figures for tax raised 1980-2020. These show that in the 1980s the leading 22 countries of the world charged an average Corporation Tax rate of 46.2%, and collected 2.4% of GDP from this. In the last decade they charged an average rate of 26.7% which yielded 2.9% of GDP. It's more evidence of the case I have been making that cutting rates can often produce more revenue. The Treasury accept the principle of the Laffer effect, but think the optimum rate for revenue is far higher than it is in practice.