

# My Contribution during the Committee Stage for the Health and Social Care Levy (Repeal) Bill

**Rt Hon Sir John Redwood MP (Wokingham) (Con):** I disagree with new clause 2 and new clause 1. I welcome very much the legislation. One of the objectionable features of the original proposal was hypothecation, because I do not think it is possible to identify a single tax that just happens to meet the costs of a particular service, let alone a tax that would then have revenue growth at the right pace to take care of the needs of that service. This one was particularly misleading. There was no way that the amount of tax to be levied got anywhere near paying the full costs of social care. It was misleading to make people feel that social care might be as cheap as this particular tax, although the tax itself was burdensome on all those who go to work.

There are still strong elements of hypothecation in new clause 2, which I would equally object to. Again, we should not mislead people into believing there is a simple, relatively low tax that takes care of a huge problem—social care. Indeed, when the Government compounded the difficulty by saying that in the first instance the tax would be mainly used for the health service, and by some magic that would drop away and it would go to social care, it all became incredible to me. That is why I did not like the idea in the first place. It is very good news that we are sorting it out.

The challenge of new clauses 1 and 2 is a perfectly fair one, and I think the answer is straightforward. Social care does need more money to go into it, and it will need progressively more. If we fund our social care better and expand it, it will release some of the pressures on the NHS. There are some people who could vacate a bed quite safely and get better social care if that were available, so this is worthwhile expenditure from that point of view as well. Above all, it is worthwhile expenditure because people deserve better care and better treatment and that should be funded out of general taxation.

The Government are right now to abolish the hypothecated specialist tax, to give up the idea that there is a single, relatively low tax that solves all the problems, and to accept that social care and NHS provision together is a major claim on the general taxation of the country. If the general taxation of the country does not reach total spending—it does not seem to at the moment—it is also a claim on borrowing.

On that last point, we should remember that for the previous two years the Office for Budget Responsibility grossly underestimated the revenues that came into our economy, and we borrowed considerably less than it was forecasting. It may not be so wildly wrong this year, when it looks perhaps as if its borrowing forecast is a bit on the low side, but we must remember that the way to pay for these services is to grow the revenue. That was what we were doing last year and the year before, and that is what we must do next

year, to take care of the need to spend more on the NHS and social care.

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## [The IMF sees a third of the world in recession by end 2023](#)

The IMF revised its forecasts for world growth down for next year at its annual meeting. It now expects Germany and Italy to show negative growth next year, with the UK up by just 0.3% and the USA by 1%. The IMF revised UK growth for the current year up to 3.6%, ahead of USA, China, Japan and Germany. It reflected many other forecasts in expecting inflation to fall throughout the advanced world next year including the UK.

The IMF expects the UK' central government net debt to be at 68.5% of GDP next year, and down to 56.5% by 2027, well below the levels forecast in the USA, France, Italy and Japan but above Germany. Those who value external independent forecasts might like to take this into account when commenting on the UK economy.

The IMF thinks one third of the world economy will be in recession between today and the end of next year. The IMF does warn countries against wide ranging schemes of price controls and subsidies, worrying that these stop price acting as a signal to put in more capacity to increase supply, and blunting the impact of price on demand. They warn that long periods of price control and subsidy lead to shortages of supply, refusal to invest in new capacity, and black market activity.

They also rightly warn Central Banks both against too low a money policy to fuel the inflation, and against too tight a policy to produce a recession.

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## [How green are electric cars?](#)

There have been various studies to try to gauge the different impact on CO2 output of electric versus petrol or diesel vehicles.

There is general agreement that making large car batteries for the electric vehicle greatly adds to the amount of CO2 during the manufacturing of the new vehicle. The electric car may produce twice as much CO2 in its manufacture than the petrol or diesel similar vehicle. The amount required to make the rest of the vehicle apart from the battery is very similar for a comparable vehicle with a different power system.

There is also general agreement that if collectively we scrapped diesel and petrol cars early before the end of their working lives to replace with electric vehicles, that would generate more CO<sub>2</sub> as a result of all the extra manufacture.

The degree of saving on running the vehicles is also not a straightforward win for the electric vehicle. Clearly if the electric vehicle is owned and used in a country that does generate all or most of its power from renewable sources there is a considerable saving on CO<sub>2</sub> from use. In practice most of the large vehicle using countries like China, the USA, Germany, UK still depend heavily on gas and coal for generating substantial amounts of power, so there is much less of a CO<sub>2</sub> saving from using an electric vehicle. If an electric vehicle is recharged from coal based electricity there could be an increase in CO<sub>2</sub> compared to a diesel or petrol machine.

It requires a driver to use the electric vehicle for above average miles each year in a country with a reasonable amount of renewable electricity in the mix for there to be a decent saving of CO<sub>2</sub> from electric car purchase and use. When it comes time to get rid of the old battery of an electric vehicle that also generates more CO<sub>2</sub> in its disposal. There are also environmental issues about mining the minerals needed for battery production.

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## [Visit to Winnersh Primary School](#)

I am grateful to the staff who hosted me at Winnersh Primary School yesterday for a visit. I was made to feel very welcome. The School prides itself on providing a friendly and positive approach through teamwork and valuing every pupil.

I was asked to talk to the top year group of pupils about my work as an MP. I briefly explained how an MP is elected, how the MP represents the local community in Parliament and puts its case to the government, and how the MP seeks to explain or criticise government policy to the constituents. I talked in neutral terms about paying for schools and education, about how people have changed between Labour and Conservative led governments in elections, and about the four parts of the UK given the current topicality of the movement for Scottish independence.

I left plenty of time for questions. I was asked a series of questions which seemed to have been pre prepared and were often written down about the UK's progress to net zero, and about single use plastics.

During the course of answering a teacher challenged my statement that the U.K. has cut its carbon emissions more than any other major economy. I seek to be careful when making factual claims. I have since checked the figures which underwrite the point I was making and are reproduced below for the 30 years from the 1990 carbon dioxide baseline:

## Increase or decrease in output of CO2 1990-2020

China +381%  
India +302%  
South Korea +129%  
Brazil +97.9%  
Mexico +40%  
South Africa +38%  
Australia +38%  
Canada +19%  
Spain - 7%  
Japan -8%  
USA -10%  
France -27%  
Russia -30%  
Germany - 37%  
UK -46%

It was also put to me that the UK had a high per capita output of CO2. The figures provided on Worldometer below show that there are 19 countries with more than double the UK's output per head, and there are many more above the UK including large economies like Germany, Japan and China.

Per capita emissions in tons USA 15.5, Russia 11.44, Canada 18.58. South Korea 11.85, Saudi Arabia 15.94, Australia 17.1, Taiwan 11.72, Kazakhstan 13.01, UAE 23.37, Kuwait 25.65, Qatar 37.29, Oman 19.61, Turkmenistan 14, Trinidad 25.38, Estonia 17, Montenegro 25, Luxembourg 17.5, Brunei 18, Bahamas 11,

UK 5.5 tons per capita

I hope these figures are useful to pupils as they study these matters.

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# Who generates the most CO2 per head?

Some people argue that the UK has a duty to cut its CO2 output more than others because we generate a high level per head. The latest figures available on the Worldometer show that some countries do indeed generate far more per head than the average, but these do not include the UK. The highest figures naturally come from the world's leading exporters of oil and gas, but they also include large manufacturing nations like Germany and China, as well as some countries with high incomes per head like Luxembourg and the USA.

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Is it right that all countries with high output per head, say over 10 tons each, should be made to cut more than others? How do we allow for the need for the export of oil and gas from some producers to other countries who need these fuels pending the roll out of the renewables based electrical revolution?

Most forecasts believe the world will still be burning 100m b/d of oil in 2030, given the growth in fossil fuel based activities in the major developing countries.

If China cut her CO2 output to UK per head levels total world CO2 output would fall by 7.5% or by 7.5 times total UK CO2 output. CO2 campaigners should turn their attention to China. Those who want the UK to produce less CO2 than current levels should support stopping more migrants coming here, as more people generate more CO2.