

George Osborne: Green Growth and Green Taxes

Speaking to an invited audience of senior business leaders in Tokyo today, the Shadow Chancellor George Osborne, will outline a framework for future Conservative Party policy where a greater proportion of taxation will be raised through green taxes.

Mr Osborne will say:

“Conservatives should take a lead in making the changes that are needed to promote green growth. Sometimes the changes will be painful at first. But leadership means facing the great challenges, even if the decisions are difficult.

“I believe we in Britain should move some of the burden of taxation away from income and capital, and towards taxes on environmentally damaging behaviour.

“Let me be absolutely clear. Instead of a tax system that penalises hard work and enterprise, I want to move towards more effective and fair taxes on pollution. I want the proportion of tax revenue raised by green taxes to rise.”

Mr Osborne will say that this important shift in emphasis in fiscal policy must go hand in hand with sustainable green growth in the wider economy. Referring to the environmental record of some of Japan’s biggest companies he will say:

“Not only can environmental protection go hand in hand with economic progress, but it *must*. To persuade the whole world that we should act against this threat, we must show them that they need not put their quality of life at risk.

“I have come to Japan to see for myself. Japanese companies are showing the world how new technologies can not only improve our quality of life, but improve the environment and economic efficiency too.

“In 2004, Fujitsu reduced its consumption of electricity, oil and gas by 25%.

“All this means that Japan has undergone an emissions revolution. Despite having a more industrial economy, Japan emits 90 tonnes of carbon per million dollars of GDP, compared to 125 tonnes in the UK.”

Mr Osborne will continue by examining the wider benefits of pursuing a coherent policy of green growth:

“Our challenge is not just to meet the Kyoto targets, but to set out the next stage of the Kyoto protocol. We need an agreement that brings in the developing giants of the twenty first century. And by making the case for environmental protection with economic development, we must bring all developed nations on board too.

“Our challenge is to ensure environmentally friendly transport systems. Government is intricately involved in the transport infrastructure. And since more than a quarter of our carbon emissions come from transport, without action on transport, action on emissions is limited.

“We already have a visionary Conservative policy to reduce average emissions from cars to under 100 grams per kilometre for all new cars by 2020, and for all cars by 2022.

“But as well as improving cars, we must provide an alternative to cars. That is why I am studying your railways. With a MagLev railway system in Britain we would hardly need domestic flights.

“Railways are the most environmentally friendly means of transport – except of course for the bicycle. And I hardly need to tell you, but trains are twenty times more carbon efficient than aeroplanes.

“So a world-class, cutting edge, attractive railway network is a clear example of improving the economy and improving environmental standards at the same time.

“Chris Grayling, my party’s transport spokesman, is in Shanghai next week looking at their MagLev system. I want us to look seriously at how an ultra-fast rail system could be introduced in Britain.”