



Rt Hon Peter Lilley MP

Member of Parliament for Hitchin and Harpenden

House of Commons
London SW1A 0AA



Mr Bob Ward
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Dear Mr Ward,

Thank you for your reply of 22nd Feb on behalf of Lord Stern.

Despite your patronising tone (invariably a symptom of a lack of convincing arguments) together with your systematic misstatement of my criticisms and a great deal of obfuscation, I am grateful to you for confirming that the four criticisms of the Stern Review which you previously failed to address are indeed correct:

1. Lord Stern does compare part of an apple with the whole of a pear. He compares the cost of measures to prevent the concentration of CO₂e exceeding 550ppm with the theoretical benefits of preventing any increases in CO₂ - those that have occurred in the past together with those projected in future - above the pre-industrial level of 280ppm.
2. The economic losses which Lord Stern predicts will *not* occur "each year now and for ever" but largely some centuries hence. Even on his estimates it will be more than a century before the cumulative costs of measures to prevent global warming will be exceeded by the benefits.
3. Lord Stern does use a different and higher discount rate for the costs of decarbonising the world economy from the very low discount rate(s) he uses for calculating the benefits of preventing global warming. Where in modern public economics, of which you claim superior expertise, is the use of different discount rates for costs and benefits recommended?
4. On the worst case illustrated by Lord Stern, even if we take no action to mitigate CO₂ emissions, people will be three times as rich as today in 2100 and 7 times as rich as in 2200. As you mention, Lord Stern did not include in these projections any losses from "migration and conflicts" probably because it is hard to see why people who do not migrate to, or take up arms against, their neighbours at present levels of poverty will do so when they are several times as rich as today, largely urbanised, no longer dependent on subsistence farming, and far better equipped to adapt to climate change.



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Should Lord Stern wish to continue this debate I would be grateful if he would write under his own name. Although I disagree with his treatment of the economics of climate change I have great respect for his economic expertise whereas I believe yours is in the field of public relations.

Yours sincerely