

# Cleaning up the litter

This morning I joined volunteers in Swallowfield to help pick up litter. I had soon filled a large rubbish bag with old drink cans, food wrappings, crisp packets and other debris.

Thanks to all those who turned out to help. The place looked a lot tidier as we piled up the bags of rubbish.

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# Winning elections

Conservative briefers are saying the party needs to be united to win the election. I have good news for them. Parties with plenty of internal rows and disagreements always win, as the two main parties who usually win always have MPs who disagree with the leadership. Today's Labour party is badly split over Israel and the Middle East, over a faster move to net zero and over Rachel Reeves OBR austerity economics but that has not stopped them doing well in opinion polls.

In the last 50 years there have been two leaders who have won three elections in a row, a remarkable achievement. Margaret Thatcher did so despite facing continuous opposition from a significant group of MPs called the Wets. They regularly briefed disobliging comments about her personally as well as attacking her policies. They rebelled in Parliament on various measures. They put up a stalking horse candidate against her for leadership. They backed Heseltine as a replacement. He resigned from government to promote himself. She kept winning because she set out and enacted a clear vision of UK revival, economic growth and wider ownership.

Tony Blair kept winning despite facing many media stories of his Chancellor's disagreements and briefings from pro Brown people that wanted the Chancellor to take over. He had to deal with a left wing group of MPs who thought he was not nearly socialist enough. He persevered with the low tax rates the Conservatives left him and avoided recession. Eventually he was persuaded out before his Chancellor's policies put us into a banking crash and deep recession.

If an election were a contest of who is the more united party Labour would be discovered as very split. The truth is millions of former Conservative voters are undecided or currently saying they may stay at home or spoil their ballot paper or vote for someone who cannot win. They do not want a Labour government and see that Labour government would double up on those very policies of this government that they do not like.

To win the Conservative leadership needs to do more things this group likes

and voted for. Start with getting migration well down as now promised and cut back the woke state to free money for more tax cuts. Let people make more of their own choices. Champion the big Conservative success of halving unemployment and allowing so much job growth.

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## **The Bank gets it wrong again**

The Bank of England forecast inflation at 2% when it was going on to hit 11%. So clearly it does not understand inflation and has little ability to forecast it accurately as it is required to do. It tells us the inflation was caused by the Ukraine war and energy prices which it could not predict. So how come inflation was already 3 times target before the invasion? That main part of the inflation was not caused by the war. How come Japan and China kept inflation down to around 2% despite having to import much dearer energy as a result of the war?

Now we are told they cannot risk lower rates because there could be more trouble in the Red Sea. Freight rates and insurance rates are already well up and much shipping has been diverted to the long route, so markets know all about that pressure on prices. Meanwhile the money supply has been squeezed, credit is dear and scarcer, mortgage demand has fallen and the Bank ignores all these obvious signs that inflation will come down.

Worst of all is the gross distortion of its balance sheet. They bought far too many bonds at crazy prices in 2021 only now to want to sell them at huge losses and send the taxpayer the bill. Why? The ECB that made the same inflationary mistake is not doubling the error by selling bonds in the market. The Fed is not getting reimbursement from its Treasury. Only the Bank insists on double austerity with squeezed money and less public spending or tax cuts as the taxpayer picks up the bill of the UK's uniquely bad bond investor, the Bank of England. Never has the Bank lost so much money so quickly for no good purpose.

We need an urgent change of Bank policy, Stop selling the bonds. Cut the base rate by 25 bp. Switzerland, Poland, Hungary, Brazil, China have started cutting their rates.

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## **Wokingham Borough digs a bigger hole**

## over California Crossroads

The Lib Dem Councillors got the Borough to send out a "News release" to tell us what we already know, that the Crossroads are badly disrupted by roadworks they have imposed. The "news" they say is that the work is "on track". Does that mean it will finish on time? What is the promised date to get the roads back? When will the nearby estates be spared the rat runs through to avoid the junction? How much are they spending on all the signs, traffic cones and temporary traffic lights that have sprung up? Is it on budget, large though that is, or will it overrun? This is a junction to the south of my current constituency used by my constituents that comes into the new constituency of Wokingham at the next election.

We are told these improvements come "at no cost to local taxpayers". Is the Council unaware that Borough taxpayers pay a lot of Income Tax and VAT and this money is being used to pay for these works? The Council designed and approved the scheme despite local opposition. The government provides grant from taxation for schemes Councils choose and undertake and does not seek to impose its own alternative view of what is wanted. This is part of the local road network, not part of national highways run by the government. They reveal a wanton approach to tax revenues in this throw away line.

It says the work will create "an appealing and safe centre ". We already had an appealing and safe centre before they dug it all up. The long works are doing grave damage to local businesses which many people have used in the past but now cannot get to owing to closed roads. The Council has failed to help or reimburse these important local businesses. Locals want to keep them and many need cars to get to them.

If instead of ignoring the consultation replies against the scheme the Council had been interested in how existing users would like improvements the number one ask would probably have been a larger car park. The present car park before road closures could just about handle the shops traffic, but could not handle all the cars needing access to the school at drop off or pick up times of day as well. The Council clearly ignores the needs of parents or believes they should all walk with their children whatever the weather and the distance.

I have often used these shops and garage as a driver and as a pedestrian after parking. Cars went through the old junction at a slow speed so if anyone stepped onto the road to cross the car would stop. The junction allowed the flow of a large number of vehicles safely and successfully. The Councillor says this was "an unloved road junction, which has been dominated by traffic". It was far from being unloved as the high volumes of car and pedestrian use and use of the shops and school showed. The Councillor implies that the new junction will take less traffic. If so it will make the local facilities less loved with fewer visitors and mean fewer people to keep them going.

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## We need a new way of forming budgets Conservative Home article

The two main parties are locked in a budget battle. They are dug into OBR provided trenches and fighting over the odd couple of billion here or there for a Non Dom tax and a Vat on private school fees tax.

£2 bn is under 0.1% of our economy and around 0.2% of revenues. Even when they get so far as to argue about a £10 bn tax cut or spending increase they are still only talking about a sum under 0.5% of GDP. More to the point they are arguing over small rounding errors in the error strewn OBR forecasts of the deficit. The OBR regularly has to revise its deficit forecasts down by several tens of billions.

I understand the need for parties to behave in a fiscally responsible way. They have to live down the huge spending rises necessitated by excessive lock downs as the preferred way of tackling covid. Labour was the bigger offender, always demanding the economy produced less and was subsidised more, always wanting longer and harder lockdown, encouraging huge bills taxpayers could not afford. I do not understand why people think following the OBR will give us fiscal prudence, as they cheered on the covid excesses and now favour an economic austerity that will stifle growth and so depress revenues.

However, in resigned acceptance of the cross party and establishment's wrong approach to necessary prudence I have set out before how there could be substantial cuts to public spending without damaging core services like the NHS and education. Within misleading OBR rules government could find plenty of headroom to boost growth with tax cuts and or cash for investment for those who prefer that public sector led route.

We start with my old friend the heavily loss making Bank of England. They have lurched from creating inflation by printing too much money and keeping rates too low, to causing a shallow recession by destroying too much money and by driving bond interest rates too high. They have lost us £50 bn since 2022, all reimbursed by taxpayers. Stop the bond sales and follow ECB policy over bank reserves to make a big reduction in the losses and taxpayer subsidies.

Abolish the expensive and useless UK Government Investments . Get Ministers to supervise their departmental monitoring of the nationalised industries and state owned shareholdings that report to them. They already duplicate the UK Government Investments work. Put in management that can stop the huge losses at the Post Office and Network Rail. Dispose of holdings as with Nat West to bring in cash and cut risks. Sell other assets. Mutualise the Post Office. Achieve a substantial reduction in the £33 bn cash injection this year into a heavily loss making railway.

Get an accurate figure out of the Treasury/ OBR on early year capital costs of providing a low wage migrant with a new social home, NHS capacity, school places for children and the rest. Identify the top up benefits , tax credits and public service running costs to support a low paid new arrival. .Increase current targets to cut legal migration by 300,000 and reduce future spending accordingly.

Remove the £20 bn carbon capture spend from future budgets. There is no need for this transitional spend which just makes existing electricity dearer. Press on with cheaper functioning low carbon alternatives. The UK may have good carbon storage facilities so make these available for neighbouring countries producing too much CO<sub>2</sub> financed as a future profit making private sector opportunity.

Speed up policies to get more of the millions of working age not in work back into the workforce. The DWS has some good ideas to reduce the numbers of working age people not in jobs by suitable support, more home working and realistic pay.

Build on the announcement in the budget of a major public sector productivity drive. The 6% collapse in public service productivity since covid can be recaptured before embarking on an ambitious spend to save AI led programme of work. The immediate task should be to impose a recruitment ban on civil service and public sector admin posts to recover 2019 numbers and levels of productivity.

These measures offer scope for up to £100 bn of savings through recaptured productivity, lower losses by state concerns, more private green investment and fewer low wage migrants. These things warrant more debate. The odd £2 bn is an OBR fiction that will be washed away in their forecasting errors.