

Too much money – inflation Too little-recession

Yesterday I criticised 3 big boom/ bust cycles that came from Bank action and establishment thinking. In each case they ignored money and credit.

The 1975 inflation high peak followed a doubling of broad money 1970-4 as a result of a badly supervised switch to competition and credit control policy by the Bank.

The 1992 inflation followed a 36% surge in broad money 1989-92, brought on by the dangerous European Exchange rate mechanism. IMF figures clocked broad money growth peaking at 86% when the Bank and Treasury were creating billions of pounds to try to keep the value of the pound down to the permitted target. They then saw it plunge to a low of minus 28% when the Bank was busily buying in pounds trying to get the value back up to the target after the inflation sank the currency.

The 2008-9 banking boom followed and created a 66% surge in broad money Q1 2009 compared to Q1 2005. Over the Labour years 1997 to 2010 money growth trebled.

The more recent inflation followed 30% money growth 2020 to 2023.

I set out the case against the European Exchange Rate Mechanism before we entered. I urged the government to turn down the Bank and Treasury advice. I explained it could lead to excessive money or too little. It led to both. I took the quoted company I led out of the CBI because the CBI refused to accept ERM membership would be damaging.

In the run up to the crash of 2009 I supported the Opposition in Parliament who regularly warned of excessive credit expansion and government overborrowing.

This time round I warned against the continuation of QE during 2021-2 as inflationary. More recently I switched to warning against excessive bond sales as recessionary.

Why do the Bank and Treasury persist with boom/ bust policies?

Update from National Highways on M4

works

Please find below the letter update that I have received from National Highways concerning works on the M4.

Dear Rt Hon. Sir John Redwood MP

National Emergency Area Retrofit – work set to begin on M4 between junction 10 and junction 12.

We are delivering a government commitment to add more than 150 more emergency areas to motorways across the country including several sections of the M25 and surrounding motorways.

I am writing to update you on what this means for the M4 in your area. Between junctions 10 (Wokingham) and 12 (Theale) we are adding 12 new emergency areas to the existing 10, providing drivers with more places to stop if they need to in an emergency.

The work is expected to start from Tuesday 7 May 2024 and is due to be completed by March 2025. Whilst we will do our utmost to maintain these dates, these dates may be subject to change.

There are major upgrades already underway at junctions 10 and 28 of the M25, as well as regular roadworks for maintenance and renewals. We know just how busy this section of the motorway network is and are working tirelessly to coordinate all this work closely and keep disruption to an absolute minimum. You can find out more about these projects, including a series of planned weekend closures on the M25 junction 10 project on their webpages:
<https://nationalhighways.co.uk/our-roads/south-east/m25-junction-10/>
<https://nationalhighways.co.uk/our-roads/south-east/m25-junction-28-improvements/>

To carry out the work safely, lane one (the left lane) on the four-lane motorway, will be closed throughout construction. Lanes two, three and four will remain open with a 50mph speed limit in place. Existing emergency areas through roadworks will remain open and a free recovery service will be in place throughout the roadworks.

The traffic management for the working areas will be installed overnight when the traffic flows are quieter. We always do our best to minimise disruption and we apologise in advance for any inconvenience these works may cause to your constituents.

It may take a few weeks before the roadworks appear as preparatory work is completed. We will regularly publish information about the upgrade and the roadworks on our website at www.nationalhighways.co.uk/emergency-areas.

The new emergency area work will mainly be carried out Mondays to Fridays from 7am to 7pm. There will be occasions when we need to close lanes, slip roads or the carriageway between junctions for construction activities and

deliveries to the work sites, but this will be overnight and at weekends when traffic flows are at their lowest. Should there be a need to close overnight there will be clearly signed diversion routes in place.

We are in close contact with local authorities through coordinated collaborative meetings to minimise the impact of roadworks as much as possible. A summary of all planned closures on the strategic road network is available at: Road closure report – National Highways.

Emergency areas provide a place to stop in an emergency if drivers cannot exit the motorway or stop at a motorway service area. They are clearly signed at regular intervals along the motorway and have bright orange road surfaces to help identify them. At 100 metres long, they have plenty of space for even the largest lorry plus a recovery vehicle and they are equipped with emergency telephones linking directly to our control rooms to get help on the way quickly.

You can find out more about what to do if your vehicle breaks down on the motorway here: <https://nationalhighways.co.uk/road-safety/breakdowns>. This investment in extra emergency areas, along with technology like stopped vehicle detection, more signs, and clear advice about all lane running motorways online and in an updated Highway Code, will help road users feel safe and be safer on our roads.

Through all the work we are doing, we are determined to further improve public confidence in driving on our motorways and to continue to build and operate one of the safest and best performing road networks in the world.

Drivers can visit Driving on the motorways – National Highways for more details on what to do in the event of an emergency, including how to use an emergency area.

We are encouraging drivers to plan their journeys and check before travelling and we would be grateful if you could consider re-sharing our posts and information on your channels and with your audiences to help increase awareness about the work.

For more information you can follow National Highways @highwaysseast and <https://www.facebook.com/HighwaysSEast> .

I hope you find this update useful.

Yours sincerely

National emergency area project sponsor

Service to constituents and journalists

A journalist has asked questions about my service levels as an MP, so I am sharing the answers in case others are interested.

Letter from Minister – School building condition improvements

Please find below a letter that I have received from the Minister concerning Schools which will benefit from funding improvements to buildings.

Dear John Redwood,

Condition Improvement Fund Outcomes

Further to the letter from my right honourable friend, the Secretary of State for Education, about our funding to improve the condition of school buildings, I am delighted to confirm that there are 2 projects which will be funded in your constituency. The list of successful projects has been published online and includes projects at:

- The Forest School
- The Coombes Church of England Primary School

The successful schools in your constituency have also been informed today, and officials will now be contacting schools about the terms and conditions of projects and delivery and payment schedules. Further guidance and information can be found at: www.gov.uk/guidance/condition-improvement-fund.

Data on the amount of funding provided for projects in each region is available at: Condition Improvement Fund: 2024 to 2025 outcome – GOV.UK (www.gov.uk). We will also publish project-level funding at a later date, only once a sufficient number of projects from the round are complete, to avoid influencing the local commercial tender processes before that point.

For any schools in your constituency that have not been successful, we will provide feedback to support them with future applications. We will publish guidance for any applicants who may want to appeal their outcome. Schools will be able to find this guidance on our online CIF Portal.

If any schools in your constituency have further enquiries, they can enquire via the Education and Skills Funding Agency customer help portal:

<https://customerhelpportal.education.gov.uk/>

Yours sincerely,

Baroness Barran

Minister For the School System and Student Finance

The threats from Iran

President Biden changed US policy towards the Middle East in 2020. He pulled out of Afghanistan too suddenly, losing a crucial air base and undermining his allies. It led directly to the Taliban taking the country over, after 20 years of the west losing lives and spending huge sums to stop them. He then tried to get a negotiated settlement with Iran. President Trump had negotiated successfully with the Gulf states to achieve their peace with Israel and to try to do the same with Saudi. All agreed Iran was a threat.

President Biden has ended up with worse relations with Saudi and the Gulf states, with OPEC pushing up oil prices by withholding production and now with US forces shooting down Iranian drones and missiles. Iran was always constructing a ring of hostile forces to the west with the Houthis in Yemen now firing on civilian cargo ships, with Hezbollah in Lebanon , Iraq and Syria and Hamas in Gaza.

The UK needs to be super vigilant to stop terrorists gaining access, to continue to work closely with allies to ensure good intelligence