

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

Wokingham Borough opens Wokingham up to more development

I have worked with a group of MPs to secure the promise from Mr Gove of the ending of top down targets for more housing set in Whitehall. This now allows a Council like to Wokingham to have more say over how many new homes will be built in the years ahead in our area. In order to control the numbers the Council needs to produce a new local plan setting out how many, where and why.

The Councillors in charge of Wokingham Borough have wasted time and delayed bringing forward the necessary plan. If a Council does not have an up to date plan developers can apply for permission where they like and then appeal if they are turned down. On appeal the Inspector may well grant permission. Only if there is a clear modern plan covering forward years will the Inspector be guided by local wishes embodied in the plan. Without it the Inspector is more likely to be guided by the need to build more somewhere. The Council does not like the current ageing plan which expires soon, so why the delay? The current plan offers no protection for building after next year.

In opposition the Lib Dems were fiercely against too much development, and promised a No when it comes to Hall Farm as a location. Now in charge of the Council they fail to set out limits to development, and are reported to be

considering major housebuilding on Hall Farm. Why? Why do they always let us down and override clear wishes expressed by the public in consultations? Why have they not moved promptly to take advantage of the new approach?

Why do no other MPs want to stop the Bank of England mistakes?

The political classes seem incapable of understanding why we have so many boom bust inflationary cycles. I want more MPs to be demanding a change of policy by the Bank so we can have a growth policy with lower tax rates and better funded core public services.

It is no accident or external force which gave us an inflation in 1975. It was the Bank conducting a policy called competition and credit control badly leading to fast money growth and a secondary banking crisis. In 1977 it was an overspending over borrowing Labour government which ended with a humiliating trip to the IMF to bail us out.

In 1990-92 it was Bank and Treasury policy to put us into the European Exchange rate mechanism which ballooned the money supply backed by PM Major and gave us more inflation.

In 2007-9 it was Bank and Labour government policy to allow commercial banks to lend much more which led to inflation, egged on by high public spending and borrowing.

In 2023-4 the inflation came from Bank Quantitative easing and a big boost to the money supply.

In each case the Bank over corrected for its errors pushing us into recession.

Why doesn't the Bank learn from this string of errors and give better advice?

Gradual introduction of a smoking ban

The Commons is being offered a free vote on the introduction of a smoking ban. Over many years the ban would gradually extend from young people to older people.

I have received little feedback on this topic. I am interested to hear from constituents who have strong views either way on this proposal. I would like to take into account constituency opinion before voting.

The Bernanke Report

Let's start with some agreement. I agree the Bank needs to improve its forecasting and the communication of its findings.

I do not agree that all Central Banks made worse forecasts over covid and Ukraine. Mr Bernanke seems to ignore China, Japan and Switzerland who kept inflation down despite the swings of oil and food prices. Their forecasts remained nearer the mark.

I do not agree that more highly paid people and more spending will provide the answer. The Bank has a lot of intelligent well qualified people. They need to correct their errors and change their thinking. The models need improving, but they have the people to do that.

It would be a good idea for a Monetary Policy Committee to look at the quantity of money being created and the velocity of circulation, and to provide comment, if only to say they have a good reasons to think creating lots of money will not be inflationary or destroying lots of money will not be recessionary so others can challenge this. Those outside the Bank that did look at the ballooning of the Bank balance sheet and money supply and warned it could prove inflationary got the forecast right even if the Bank is still sure they got the reason wrong. It would be better to have this argument around the MPC table. Why did the MPC who think inflation comes from other sources not manage to predict what happened? The MPC itself needs greater diversity of economic thought. Having someone on it who got the inflation outlook right in recent years would be a good start.

It is also a big disappointment that Mr Bernanke did not consider the impact of the waxing and waning balance sheet of the Bank. Decisions about the bond buying and selling need careful consideration as well as the interest rates. Their strong connection to public finances is also important for their impact on the economy.