[My Intervention in the Autumn Statement Resolutions (2)]

John Redwood (Wokingham) (Con):

Underneath the exchanges of words, I welcome the outbreak of agreement, given that the Labour party now strongly supports the idea of helping more people into work. I suspect that the Opposition will not vote against the main items in the autumn statement because they understand that the Government have had success in keeping so many people in work and promoting employment over the years, despite some extremely difficult situations. They also understand that that is an important thing for a responsible Government to do, and not just to get the benefit bill down. As Labour has eloquently said, life can be so much more worth while when people have suitable work, suitably supported, that gives them a sense of purpose and of contributing to their communities.

I wish to draw brief attention to the issue of getting inflation under control and the inadequacy of forecasts by the Office for Budget Responsibility and the Bank of England. It is extremely difficult for Ministers to conduct consistent policy when the forecasts are zinging around so much and giving different and often misleading ideas of what is feasible and what is not. I welcome the other place's most recent report on the Bank of England, which highlights how the Bank has been unable to come up with realistic inflation reports over the last three years and has therefore taken inappropriate action. First, it loosened monetary policy in the covid recovery phase, and now its monetary policy is too tight as it seeks to adjust its past mistakes. I hope that the Bernanke review will get on with the important task of adjusting the Bank's models and coming up with a better answer to help guide our counsels, and particularly those of our Ministers. I find it odd that we have a Monetary Policy Committee that is not interested in money and credit. As the other place's report suggests, perhaps it should look at putting money and credit into its thinking—more diversity of thought is recommended—and into the models to try to get them to work. What is the point of the committee sitting around trying to make decisions if the main data it is using—namely, what it thinks the inflation rate will be—can be massively out? It thought that the inflation rate would stay at a pretty consistent 2%, when it was en route to 11%. That was why, for many months, the Monetary Policy Committee did not take appropriate action to rein in potential inflation. Now it is pretty sure that inflation will come under control, but it still has had difficulties and is constantly having to change its inflation forecasts in the meantime, as has the OBR.

The review rightly points out that when looking at money and credit in the economy, we need to look at the experience elsewhere in the world. Of the five most important central banks of the world, including the Bank of England, those in Asia have lived through exactly the same big escalation in food and energy prices as a result of the dreadful war in Ukraine. The two major central bank economies in Asia are very vulnerable, because they import a lot of food and energy, but their inflation stayed around 2%, whereas the three western central banks, including the Bank of England, took much more aggressive monetary action, printing a lot of money and buying an awful lot of bonds, and experienced the inflation rate going up to around 10%. They should pause and ask why.

The review also rightly says that the Bank of England should be more accountable to Parliament—not to the Government, in any way to prejudice its independence—because it is in the process of losing us the most colossal sums of money. Successive Chancellors have guaranteed the Bank of England against all losses from their bond buying programmes, which started under Labour at the end of the first decade of the century and were escalated by the current Government in response to covid. We are now looking at a possible loss of £170 billion, based on the latest figures that it has revealed. Every penny of that has to be paid by the Treasury on behalf of taxpayers as and when it is incurred.

There is absolutely no need for the Bank of England to make those losses bigger and more immediate by wading into the markets at the moment and selling those bonds in a hurry, at very depressed prices—prices that the Bank has deliberately depressed in order to get interest rates higher. It could follow the European Central Bank, which wisely is not selling its bonds at a loss in the market but is awaiting their retirement when they fall due for repayment, when the losses will be less but it can still shrink the balance sheet, which is the main thing it wishes to do.

I hope the Government will look at that, because it has always been a dual-controlled policy: the bond buying required the signatures of successive Chancellors of the Exchequer. It is a matter of legitimate concern for this House when the losses are so colossal, and there is a direct impact on all public expenditure figures, public borrowing and so forth, excluding the Bank of England. As many in the debate will know, we look at the figures both cum the Bank the England and ex the Bank of England. The ex the Bank of England figures look very poor indeed.

I welcome measures in the autumn statement to promote more growth, which is crucial. The way to get inflation down faster is to promote more capacity, so any measure that gets us more capacity is welcome. That is why I am particularly keen that we be much kinder to the self-employed and small businesses. They can do more work immediately, but some of the tax penalties still weigh on them, preventing them from getting self-employed status or winning contracts, or preventing small businesses from growing quickly enough. I repeat my urging for Ministers to look at that: more capacity would be the best way to get inflation down.

I will put in one final plea to Ministers to find some money to cut the taxes on energy. They are making us extremely uncompetitive and are keeping inflation higher for longer. It would be a win-win to get some of the taxes on energy down.

My Intervention in the Autumn Statement Resolutions (1)

John Redwood (Wokingham) (Con):

Noting the good words from the Chancellor in favour of self-employment, and noting the national insurance measures to help, are there things that the Department for Work and Pensions is doing, or can do, so that self-employment is an option for people who are currently without work but who may have a lot to offer?

Mel Stride:

My right hon. Friend is right to draw attention to the self-employed and to the national insurance changes that my right hon. Friend the Chancellor announced in his autumn statement. Of course, my Department does a huge amount to support the self-employed. Many of our programmes are open to self-employed people to ensure that we are there to support them with the wages that they are able to bring home in self-employment, and we will continue to do exactly that.

My Intervention in the Autumn Statement Resolutions (3)

John Redwood:

Does my right hon. Friend agree that the problem is that the OBR's forecasting never gives any credit for cutting a tax rate in order to get more revenue? This could be a good example of where that would work.

Mr Ellwood:

My right hon. Friend is absolutely right. The Centre for Economics and Business Research suggests that there is £10 billion to be made in lost GDP at the moment, as we are not attracting overseas visitors because our taxes are higher than those of our continental counterparts.

The Elgin marbles

The British Museum bought the marbles from Lord Elgin and is the custodian of them. They will need to make decisions about their future. The Prime Minister does not control the future of these statues.

When considering their future the Museum has researched how the marbles were obtained. Evidence suggests that Lord Elgin got the permission of the Turkish authorities who controlled Athens at the time to erect scaffolding and carefully remove some of the statues. The Parthenon was in serious decay and remained at risk. Some fragments were resting beneath the building where they had fallen off. It had suffered from Turkish and Venetian military activity. It would not have been possible to have spent all the time and trouble on removal, transport to the docks and loading onto a ship without the agreement of the authorities. Removing them helped ensure their preservation which was less assured given the negligence at the site. These were large heavy objects that needed careful handling and could not have been stolen or smuggled out.

Athens displays the marbles it owns in a museum and does not wish to put them back on the building. Athens has copies of the marbles that are held in the British Museum and other overseas displays as part of its display of what the frieze would have looked like. So to say it is like cutting up the Mona Lisa is not true. Half of the statues are permanently missing or destroyed from the local wars and lack of maintenance in the past. The other half including fragments are split between Athens, London, Paris, Copenhagen, Munich and Wurzburg . No-one thinks the full frieze exists, nor can it be restored to the building. The British Museum has made clear over the years that these sculptures are an important part of its world collection, properly come by. Athens rightly displays all it can close to the Parthenon along with copies to give visitors there an experience of what the Parthenon looked like before the wars and the lack of care gravely damaged it.

Department of Transport Answer to my Written Parliamentary Question on Road Maintenance

The Department for Transport has provided the following answer to your written parliamentary question (2439):

Question:

To ask the Secretary of State for Transport, how much funding his Department plans to provide to Wokingham Borough Council for (a) fixing potholes and (b) other road maintenance in the (i) 2023-24 and (ii) 2024-25 financial year. (2439)

Tabled on: 20 November 2023

Answer:
Guy Opperman:

The Department will provide Wokingham Borough Council with a total of £8.053 million for highways maintenance activities over the two years in question. The funding can be spent on activities including (a) fixing potholes and (b) other road maintenance in the (i) 2023-24 and (ii) 2024-25 financial years.

A Written Ministerial Statement has been laid in both Houses, and the Secretary of State has written out to Parliamentary colleagues advising them of the uplift to highways maintenance funding. In addition, officials from my Department will be writing out to all Chief Executives confirming their grant funding allocations shortly.

The answer was submitted on 28 Nov 2023 at 14:24.