



Village people

Why it's cool to look for a cottage 24-page property pullout



Caitlin Moran's Celebrity Watch

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Bonanza for Britain as cash floods into Europe

Pound and shares surge on trillion-euro rescue

David Charter Frankfurt
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More than €1 trillion will be injected into the eurozone to halt an alarming slide into stagnation, it was announced yesterday. The stimulus will herald a new era of cheaper holidays and cut-price imports for Britain, experts said.

The pound soared to a six-year high against the euro after the European Central Bank announced the massive buy-up of government debt to revive the moribund European economy. The pound was at its highest level against the single currency since the global financial crisis began to bite. Wall Street jumped and European shares climbed to a seven-year high.

For tourists, the falling euro and strong pound would be an "unalloyed bonus", meaning Britons' holiday money "will now go much further", said David Lamb, a senior dealer at Fexco, a foreign exchange firm.

Economists described the quantitative easing as a "big bazooka" for the eurozone, which has experienced falling prices in the shops, dismal spending, low growth and chronic unemployment.

The ECB had been under pressure to act because the eurozone faced zero growth and deflation, accelerated by the slide in the oil price. The announcement was made by Mario Draghi, the president of the bank.

The ECB will spend €60 billion a month buying member nations' debt in an initiative that could last until September next year, totalling up to €1.1 trillion. It will begin in March and continue until inflation is back to the ECB's target of just under 2 per cent.

By creating a vast quantity of new

money, the ECB's actions will push down the value of the euro. British exporters could feel the pinch, however, because their products will become more expensive.

Nancy Curtin, the chief investment officer at Close Brothers, the merchant bank, said: "The eurozone was in need of shock and awe tactics from the ECB to combat the prospect of a prolonged period of deflation."

The jury was out last night on whether the injection would work. Some, including George Osborne, warned that it could have the opposite effect and give some countries an excuse to avoid painful fiscal reforms.

The chancellor said that quantitative easing would not be enough on its own to save the 19-nation single currency from a vicious cycle of low growth and high unemployment. "We want to see this accompanied by clear plans to make the European continent more competitive to back business in Europe, to create jobs and to make sure public finances are in order," he said.

The CBI, the employers' organisation, suggested that the impact on the British economy could be positive if it did stimulate a recovery in Europe so that companies started investing and hiring again.

George Soros, the hedge fund manager famed for breaking the Bank of England on Black Wednesday in 1992, criticised the plan. "I'm concerned that the exclusive reliance on monetary policy will increase the inequality between rich and poor, both as regards to countries and people. In the long term that will create some policy backlash," he said.

Mr Draghi pledged two and a half

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Blackmail plot Eoin Morgan, England's one-day cricket captain, with his girlfriend, Tara Ridgway. Morgan was the subject of a £35,000 extortion attempt. Page 5

Historic move to safeguard cyclists

Kaya Burgess

Cyclists will take centre stage in Britain's transport network after plans were drawn up for the first government safe cycling budget.

After decades of being sidelined as the poor relation to roads and railways, cycling will be treated as a "legitimate form of transport", campaigners said.

The move marks a significant victory for *The Times's* Cities Fit for Cycling campaign, which has, since 2012, called on the government to invest long-term in safe cycle routes as a means of reducing congestion and reaping up to £6 billion a year in health benefits.

Under pressure from charities, MPs and this newspaper, the government has added an amendment to the Infrastructure Bill, due for final scrutiny in the House of Lords on Monday. It is designed legally to oblige ministers to



The Times has called for a long-term investment in safe cycling

create a "cycling and walking investment strategy" with dedicated funding, as is the case for railways and highways.

Chris Boardman, the former Olympic champion cyclist and policy adviser to British Cycling, described it as a "massive shift". He said: "If passed, this bill will mean that cycling can no longer be ignored as a legitimate form of transport. It makes the transport secretary directly responsible for setting targets and putting in investment."

"This isn't just about roads — it could require railway stations, offices and retail parks all to accommodate the needs of people on bikes. I expect all MPs and peers to do the right thing and vote through this amendment."

The bill previously included plans for roads but none for cycling or pedestrians. The amendment, made by Patrick McLoughlin, the transport secretary, will require "a strategy for a period of more than five years" that must be regularly reviewed. It adds: "A cycling and walking investment strategy must

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IN THE NEWS

TV debate for Greens

David Cameron's main reason for not taking part in television election debates was removed after broadcasters said that they had invited the Greens to take part. Page 4

Duke's public denial

The Duke of York dismissed claims that he was involved in an orgy with a teenage "sex slave" as he appeared in public for the first time since the allegations were made. Page 7

Scalextric roads

A network of "electrified motorways" could be created to charge electric and hybrid vehicles on the go and boost the sales of environmentally friendly cars. Page 11

King Abdullah dies

King Abdullah of Saudi Arabia has died, state television confirmed last night, adding to turmoil in the world's largest oil exporter as it faces a jihadist insurgency. Page 30

Support for referees

Mike Riley, the head of English referees, has hit back at a recent barrage of criticism by insisting that standards of officiating are better than ever. Page 72

