

# The German Constitutional Court tries to assert German power over the ECB and the European Court.

In a sweeping judgement the German Court dismissed the judgement of the European Court as a “view”, and gave its own instead.

At issue is the right of the European central Bank to print billions of Euros, buy up the bonds of member states, and keep interest rates around zero. Many Germans think this is a very damaging policy, hitting savers and dragging German taxpayers towards responsibility for the debts of other countries with less prudent financial management. Various German interests brought this court case to demand Germany is insulated from the debts of Italy and Greece, and from any inflationary threats were the ECB to overdo the money printing.

At issue is also the powers of the EU Institutions themselves. Elsewhere in the EU – including the UK when we were a member – domestic courts accepted the superiority of the European Court of Justice, and accepted all EU policies and laws emanating from the Commission, Court and Parliament. The German Court has always tried to maintain a different doctrine, limiting the EU’s powers to the massive range and depth of powers bestowed by Treaty but keeping open the possibility that there is some power they claim that goes beyond their Treaty entitlements.

The German Court has up to this point found very little and has not been that willing to pursue German powers instead of EU powers, as the German Court generally supports the EU federal scheme. That is what makes this judgement so much more revolutionary, claiming as it does that the ECB and EU has acted ultra vires in such a dismissive judgement.

It is one thing to say this, and another to turn it into any kind of reality. The detail of the judgement gives the ECB a three month period to show it has used its powers proportionately. Only if the ECB fails to satisfy the German Court and government on that matter will the judgement become a declaration of some independence, and only then will the ECB have to change its bond buying policy to avoid schism.

Maybe this German judgement will turn out to be just another “view” in a bitter row about how much money the ECB can print and how much of a free ride it gives to financially weaker countries. It is likely to mean more Euro austerity and smaller increases in bond buying, as the EU moves to head off a more radical declaration of German independence in these economic areas.

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## Three tests to relax lockdown?

Each day we can witness some graphs of the progress of the virus in the UK. Two of the series of numbers that are produced are likely to be an important part of the decision this week about whether and to what extent the current strict controls on our work and lives are lifted.

The aim of saving the NHS is embodied in the graph of use of NHS Intensive Care beds and patient numbers. This graph has been coming down for some time, and is now well below NHS enhanced capacity to cope. So much so, we are told the emergency large hospitals built to handle more Covid 19 cases will be put on hold with no patients. The government should state that short of a major upsurge in cases way beyond the first surge, the NHS can now cope.

The aim to save lives is charted by the death rate. The graph of this is also now coming down, despite the changes to the numbers that boosted them. Given the decline in patients admitted with the disease to hospitals you would expect a fall in hospital deaths.

This leaves the third uncharted number that Ministers place great stress on – R or the rate of transmission. The absence of a regularly updated graph of R is disappointing, as we need to see how it changes over time. The verbal indications from the advisers is that it has fallen a lot and is now under 1, as it needs to be to slow the spread of the infection. Ministers should ask for more information on how R is calculated and how it has been trending, and tell the rest of us. It seems that much rests on the particular calculation and estimation of R and its trends.

I was pleased to read that they are now going to sample test the population for the presence of the virus, which should give a more reliable figure for R when you have several sampled tests over time. I trust this will help guide future changes to the controls on us but not delay getting more people back to work safely as soon as possible. Our prosperity and liberty requires us to relax these controls and there is now the opportunity to do so.

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## Update from South Western Railway

I have received this update from South Western Railway:

Dear Sir John,

I am conscious that many of you have been contacted by constituents concerned that they have not received refunds on their season tickets. I thought it would therefore be useful to give you an update on where we are, the challenges we face and what we are doing to ensure customers receive their

refunds are quickly as possible.

We value all our customers and understand the ongoing uncertainty that COVID-19 is creating for many families whose personal circumstances may have changed dramatically in recent weeks. We understand how important it is for people to receive their refund, but we also need to ensure the safety of our colleagues by following the Government's guidelines on social distancing.

As you can imagine, we have received an exceptionally high number of requests for refunds – around 26,000 so far. In order to process these refunds, we have opened a dedicated refund processing centre, where our team is working from 6am to 10pm every day of the week, including on bank holidays. We are processing every single request as quickly as possible, however every refund is different, and calculating and processing these payments takes time.

We have recently expanded the refund processing centre by opening a second space to allow more members of the team to come in, and by allowing other colleagues to work remotely. This has enabled us to move from processing around 500 refunds a day, to around 700 a day last week. We expect a further increase in the daily total this week.

The refund requests are being dealt with in order of application date, but with season tickets being prioritised due to the higher values involved. Currently, we have around 16,500 refunds outstanding, with the average time for a claim to be processed standing at around 33 days (five days longer than the usual 28 days).

I know some of your constituents are also waiting for the promised December strike compensation. I want to reassure you that they will get the money to which they are entitled. It is just taking longer than we had hoped, as we have had to prioritise season ticket refunds, because we know how important it is to customers whose circumstances may have changed in recent weeks.

These are unprecedented times and we at SWR are doing everything we can to meet the joint challenge of keeping key workers moving, while also getting refunds back to customers who are no longer travelling, and instead are staying home and saving lives.

Please do not hesitate to contact me at should you have any further questions.

Yours sincerely

Mark Hopwood  
Managing Director  
South Western Railway

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## [Businesses – Parliamentary Question on the Resumption of Trading](#)

I have received this answer to my recently submitted Parliamentary Question:

Department for Business, Energy and Industrial Strategy provided the following answer to your written parliamentary question (38407):

### **Question:**

To ask the Secretary of State for Business, Energy and Industrial Strategy, what assumptions a business should make on when they can resume trading so they can produce a meaningful budget and loan proposal when seeking a loan under the Coronavirus Business Interruption Loan Scheme. (38407)

Tabled on: 21 April 2020

### **Answer:**

**Paul Scully:**

The Government has now taken further steps to ensure that lenders have the confidence they need to process finance applications swiftly. We have changed the viability tests so lenders are only required to assess whether a business was viable pre-COVID-19. Any concerns over its short-to-medium term business performance due to the uncertainty and impact of COVID-19 cannot be taken into account in the loan decision. The applicant must however still satisfy the other eligibility criteria of the CBILS.

The answer was submitted on 05 May 2020 at 12:37.

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## [My speech during the debate on Public Health, 5 May 2020](#)

**John Redwood (Wokingham) (Con):** These measures are doing great damage to the livelihoods and incomes of many of my constituents and people around the country, and they are also damaging to our freedoms and liberties, so I urge the Government to find safe ways to get more people back to work as quickly as possible. It is great news that the NHS has much enhanced capacity. It has tackled the covid-19 waves so well so far and has plenty of capacity, so we must now think about how we get many more people back to work so that they can restore their livelihoods.

It is all too easy for us Members of Parliament, with a guaranteed high salary paid into our bank accounts every month, whether the economy does well

or badly, to be a little too dismissive of the struggles faced by people who may be furloughed but are not getting their tips, bonuses or commissions. Some may already have lost their job, while many are living in fear that the company they work for will run out of cash and not be able to trade.

My first piece of advice to the Government is to not make a person's return to work conditional on them having had the virus. The right to work cannot become a macabre lottery whereby people have to prove that they have had a certain illness before they have the right to return to their job. If safe working can be arranged for that person, they should have every right to do it, even if they belong to the majority who the Government assume have not had the virus.

I also want to look at the Government's method of making the decisions on the basis of statistical and scientific advice. We all see the graphs that are presented every day by the scientific advisers, and some of the numbers used to address whether or not we can return to work worry me considerably.

The crucial figure, we are told by the Prime Minister and others, is the transmission rate, which they call  $R$ . We have all learned that if that figure is well below 1, we can relax much more because it means that the virus is waning and is not being passed on to enough people by each person who gets it, which means that it will wane further and we can think about returning to normal. We are also told that if it is over 1, we still have a problem because it is growing in scope.

The problem is that in recent discussions we have been given a range of values—from 0.5 to 1—of what  $R$  might be. If we look at how they calculate it, we see that it is an estimate, not a precise number. I find it surprising that over the past six weeks we have not been reproducing, through testing, a representative sample of the population. Surely the way to get a more accurate transmission rate is to see over time how the total number of cases, as represented by a sample of the population, is trending.

I am pleased to read in a newspaper that we are now doing a series of random tests over time. Will they please speed those up? That is not as good as having six weeks of back data, which is a pity. I trust that Ministers will cross-examine scientists carefully to see what proxies they have for a proper set of random tests over time, because if the figures are to be an important part of the decision, we need to make sure they are as accurate as possible.

We then have the so-called comparable death rates in different countries. The death rate is important, because clearly the national death rate is part of the decision-making process. Again, it is very disturbing that the basis on which deaths are registered as being with or related to covid-19 has changed over the series, and of course the series has been greatly changed by moving from just hospital deaths to a wider range of deaths, including those in care homes.

Will Ministers please ensure that when they make decisions based on death rates, they clean up the figures and understand that over the six or seven-week period of the intense duration of this virus, we need comparable and

accurate figures? That is what they should concentrate on and try to construct.

We then have the figures for hospital admissions, which seem to be the closest that we have to reliable figures. They look as if they are showing an extremely good story indeed, so I trust that Ministers will focus considerably on them.

They argue that now is the time to let more people get back to work in as safe a way as possible. Industry and commerce are very willing to amend the way in which they operate so that they can get some revenue and start serving their customers again. If we do not do this, the whole thing will be completely unaffordable and the pressures will mount economically, which will not be good news for our health policy either