

## Sterling and stock market rise

Yesterday sterling and the stock market rose after the resignation of Mrs May made leaving without the Agreement a bit more likely. That's a blow to those who think No deal is bad, or those who think markets mainly respond to the endless Brexit wrangles rather than more normal considerations about interest rates, growth etc

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## The next Prime Minister and the EU

The next Prime Minister has one immediate and urgent task – to get us out of the EU. Unless the Conservative party delivers soon on its promise in 2017 to take us out the substantial loss of votes to the Brexit party suggested in recent Westminster polls will be confirmed or may accelerate. We are long past the position where we need a new leader to find a compromise between Leave and Remain, or who thinks that a few tweaks to the Withdrawal Agreement will enable it to pass. Only getting us out by October 31st at the latest is going to get the government and the party the right to a hearing again from voters, and the space and authority to press forward with all the many policies we can then offer based on the freedoms Brexit delivers.

Any new Leader has to understand the depth and range of feeling in the country that the outgoing government and the official opposition have let the country down badly, by delaying, diluting and querying the whole idea of Brexit. We have just witnessed a huge tidal wave of support for getting on with leaving, and against signing the Withdrawal Agreement. Mrs May's Agreement was designed in Brussels by the EU, and met with great opposition from Leave and Remain voters alike.

I tried hard over many months to persuade her to go back to the EU and tell them the Agreement could not be sold to UK voters and had to be changed. I argued with her to stand up to the EU and tell them if necessary we would just leave without signing the Agreement. In the later stages of her tenure as PM I urged her to do herself a favour by dropping the Agreement, to ease the obvious strains on her of the repeated disagreements and negative votes. I was amazed at her resilience in defence of a proposal which the country had already rejected by a large margin, and which this Parliament was unlikely to accept.

Some say we cannot leave without signing the Agreement because Parliament will not allow it. The only hope this Parliament has to reconnect with voters who have left both main parties in droves is to leave. A new PM can do so. Best would be to go to the EU, say we have messed them around for too long and we wish to leave immediately. If the EU agrees it can be done as the delay in our exit was done by agreement between the new UK government and the

EU. We should offer a comprehensive free trade agreement which would enable us to leave with no new tariffs or trade barriers whilst over the months after exit we seek to work out and sign the detailed proposal.

If the EU would not agree to an immediate exit, then we need to wait until 31 October. Parliament has legislated for our exit then. A new PM just has to ensure Parliament does not legislate to keep us in. Government has plenty of powers to do just that, which Mrs May declined to use last time because she had herself decided she wanted to delay our exit if she could not have her way and sign the Agreement.

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## [Mrs May to resign?](#)

According to the media she will resign this morning. Comment here if you wish. The sooner we get a change of policy on Brexit, which clearly needs a change of leader, the better.

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## [The Cyber curtain coming down across the world](#)

Mr Trump's policy of banning Huawei and drawing attention to possible security issues with Chinese technology products and services may create a digital divide in the world. China claims to be the advocate of a more open approach, wanting access to western technology as imports, and seeking to sell her product into complex western systems. The President points out that any Chinese company can act as an agent of the Chinese state.

When I last wrote about this a majority of comments took the view that Mr Trump was right and the UK should back the USA up over the issue of Huawei access to western networks and systems. There is the question of limited western access to Chinese technology markets, and the way China enforces her own censorship and disciplines on the use of the internet in China to consider as well.

It looks as if both the USA and China, for different reasons, will conclude there has to be two different systems in the world, a Chinese one and a US one. China will want to block access to western material on domestic phones and computers, and the west will want secure channels and systems for its own security – as doubtless so will China.

There is already a protective cloak around Chinese internet use. As this

dispute develops we will see a more obvious cyber curtain come down between east and west. Countries within the Sino-Russian orbit may gravitate to Chinese systems, whilst all the countries in the US orbit will be on a US standard. The digital divide will be made of electronic firewalls, and extended by a refusal to connect each others components and equipment for fear of contagion.

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## The last days of Mrs May



Yesterday more authority drained away from the Prime Minister. By the time she got to her Statement of her revised offer on the Withdrawal Treaty the Conservative benches were much more than half empty. Those of us who stayed explained again why we opposed her draft Treaty. The front bench contained mainly her hard core pro EU supporters, Philip Hammond, David Liddington, Amber Rudd, Greg Clark, Rory Stewart and James Brokenshire. It was a fitting visual backdrop for a Statement which failed to appeal to new votes in a Commons which has already voted it down on three separate occasions.

I gave the PM the opportunity to say something to Leave supporters around the country, explaining again to Mrs May that many who voted Leave do not regard the Withdrawal Treaty as leaving. It binds us into EU rules, payments and the rest for a further 21 to 45 months with no guaranteed clean way out at the end of that period. She had nothing to say to us. She repeated the mantra that her Agreement was leaving without tackling the strong hostility to it in the country and the obvious facts that it locks us back into making big payments, accepting all their laws and allowing freedom of movement for many more months.

I find it curious that the Cabinet has not yet moved to explain to the PM that she cannot continue. A number of the Cabinet want to run for Leader, and some are actively running proto campaigns for the role of PM. They should first remove Mrs May. It is against the spirit of decent conduct to be campaigning to replace her whilst in cabinet saying they support her and her policies. It may also make it much more difficult for any of them to win, as their first leadership task is to show they know how to secure the exit of the PM they wish to replace. By evening we got word that at last one member of the Cabinet resigned because she could not go along with the Withdrawal Treaty Bill after all. Still we are not allowed to see the Bill, so worried is the government about it.

If Mrs May somehow manages to struggle on into June and puts her Withdrawal Agreement Bill to the vote, those who vote for it will demonstrate they do not understand the mood of the nation or the nature of task of rebuilding support for the government.

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