[The predictable rise and the unexpected fall of Liz Truss]

I always thought Liz Truss would win the leadership election contest. Her stance that the economic establishment was letting us down, that we needed a new pro growth policy was both right and popular. We were living through an inflationary surge created by Bank and Treasury mistakes over interest rates and money printing, and faced shortages thanks to policies which throttled UK output of energy, food and other essentials facing international shortages. So it proved, with a relatively easy victory from the membership. Rishi got more MP votes than Liz on the penultimate ballot, but come the final Liz even had the support of a majority of the MPs.

When I offered Liz economic advice in preparation for being PM I proposed a three part budget, containing tax cuts, spending reductions and supply side measures including transport and energy capacity and amended business regulation to speed growth.

She and her chosen Chancellor made no secret of their disagreement with Treasury and Bank officials. They just replaced the one, the Permanent Secretary to the Treasury, though it seemed they ended up with a replacement likely to stick with the old austerity theory.

When the budget appeared it failed to spell out the spending and borrowing plans. It added to an affordable £45 bn tax cut package a large £80 billion spending package on energy support taking the total stimulus higher than the one I thought affordable. The tax cuts would likely have produced more revenue than official forecasting given the way faster growth always surprises the official forecasters by the rate of increase in revenues. The supply side measures were feeble reflecting a general lack of interest in Whitehall in developing them.

The Bank announced higher interest rates and bond sales to depress the market the day before the budget package. Clearly the daily conversations between Chancellor and Governor did not cover the crucial question of handling market responses, or it did and reflected the disagreement between them about the go for growth approach.

It is not unusual to have some friction between official advice and Ministerial decisions. What is unusual is to see a PM give in at the first challenge to a cherished policy. Because gilts fell, only to recover as soon as the Bank said it wanted long rates lower and prices higher, the PM was persuaded first to cancel one small tax cut the Opposition did not like, then to replace her Chancellor. That turned out to be to dump practically all the tax cuts but not the more expensive energy subsidies.

The Establishment said the Uk had to return to austerity and had to put up taxes to make it considerably less competitive . What is amazing is the PM agreed to all this. As her departing Chancellor warned her, that would mean her end as PM. So it proved. We need to ask why and how this happened. It also has meant as some of us warned higher prospective borrowing, as the recession it brings will depress revenues.