

What answer should the Attorney have sent to my letter about the draft treaty?

When I sent my letter I was still hoping to persuade the government to announce it could not get its Withdrawal Agreement through and to process to the free trade WTO exit route. A good answer would have been along these lines:

Dear John

You are right that in order to try to get an Agreement with the EU the UK did make various compromises. It also asked for an extension to our membership for a 21 month or two year period which came at a price over money and powers. The government thought this the best answer, but it is now clear people and Parliament do not agree.

We are therefore now looking at an expedited exit from the EU without signing the Withdrawal Agreement. We will be tabling a comprehensive free trade proposal, which the EU Commission has indicated it will consider.

Yours etc

I also thought I might get a whitewash brush off letter:

Dear John

Thank you for your letter. Whilst we do not agree with your interpretation of what might happen were we to sign the EU Withdrawal Treaty, I acknowledge as you mainly point out that in the transition period the UK will continue to make budgetary payments and observe EU laws. This seems to the government to be entirely fair and to give the UK more time to adjust to exit. I do not accept we will necessarily be in transition for almost four more years, nor accept that we will have to stay in the customs union indefinitely owing to the backstop provision. The powers and charges that last beyond transition are proportionate and reasonable.

You need to accept that compromises have to be made and this was the best deal the UK government was able to negotiate.

Yours etc

The argument over which of two Ministers might reply indicates to me a certain unhappiness about having to deal with the individual points highlighted in the letter, and a recognition that the draft treaty does indeed keep the UK under the full control of the EU for at least 21 more months and maybe much longer depending on how things work out. It is on any reading a Stay in not a leave agreement. The argument is over how long it might last and what it does to any eventual leaving, given the way it removes

many of the UK's best bargaining levers. The backstop threatens permanent customs membership and other clauses have an impact well beyond the next 21 months. It does not unequivocally let us leave at any future date, and binds us in to more EU controls and bills without vote or voice to protest. Under it you can be sure we are locked in on bad terms for an unspecified period, with no easy way out and under huge pressure to sacrifice yet more to try to get out.

[The latest opinion polls](#)

Looking at the latest European election polls, I am urging the Conservative government to change its approach to our exit from the EU.

A large majority of the public do not see the Withdrawal Agreement as a good deal for the UK, or as Brexit. It unites Remain and Leave voters in opposition.

It is urgent not just for the Conservative party but for our country that either Mrs May accepts the Agreement cannot proceed, or a new PM takes over who starts by telling the EU the Agreement is unacceptable. The Conservative-Labour talks as predicted are not helping either party. We need to leave now, responding positively to the EU offer of talks on a free trade agreement. We should not be holding these European elections as we do not want to have another 5 years as members of the EU. The 2017 Conservative Manifesto was right to say No deal is better than a bad deal, and to propose exit on 29 March 2019.

[Trust in the establishment? We dont believe you...](#)

One of the big themes of my book is the breakdown in trust in Establishment forecasts, remedies and ability to even identify what people think the problems are. In a healthy democracy there are always sceptics, campaigners trying to change the agenda, and differences of expert opinion. In recent years there has been a bigger reduction in trust in establishment analysis and priorities, allied to more concerted attempts by the establishment to crowd out any alternative narrative or policy approach. They have got better at spinning as they have got worse at managing.

In the area I know best, economic forecasts and policy making, the banking

crash and its aftermath was a major knock to confidence in official forecasts and their ability to make policy for prosperity. The widespread adoption of austerity policies, especially the extreme ones in the Euro area, added to the disillusion. It is true that the UK Treasury and Bank had a very disappointing record prior to the Great Recession, but that for many was the final straw.

Most of my adult life I have been a critic of successive Treasury policies by the changing governments who usually perish through economic incompetence. In the 1970s I was urging more prudent policies on spending and borrowing, only to see Labour humiliate our country by having to go for a bail out at the IMF and bring on a nasty recession.

In the 1980s I successfully battled against submitting the UK to the boom bust torture of the European Exchange Rate Mechanism, only to lose the battle at the end of the decade. The scheme did even more damage than I imagined, plunged us into recession and threw the Conservative party out of office for 13 years as a result.

In the period from 2005 I was one of many warning of excessive debt and credit building in the system. After 2007 I was a lonely voice urging a less severe approach to sorting out the banking system, watching the authorities break some banks and trigger another large recession. That threw Labour out of office. Today I remain a critic of the over tight money policy and the damaging tax policy of the current government, which is slowing growth too much.

The Referendum campaign was another major blow to expert opinion and trust in government financial institutions. Their stupid pessimism for the economy if we dared to vote to leave the EU was soon disproved by events. It confirmed critics in thinking official forecasts are politically rigged to suit the establishment.

[Oxford talk Friday 17 May "We dont believe you" The assault on establishment views](#)

On Friday 17 May at 2 pm I am giving a talk on the collapse of great parties and the rise of scepticism about establishment opinion at All Souls College, High Street Oxford.

All those interested in coming should email myles.larrington@parliament.uk so we can tell the Lodge at All Souls to let you in.

I am happy to take questions on anything from migration to climate change,

from Brexit to the trade war.

All change for the trains? Further evidence for the Williams Review

I wrote the minority report on how to introduce private capital into the nationalised railway when I was in government. I proposed keeping track and trains together. The majority went with the idea of splitting the ownership and management of track from trains. This just happened to be the EU view, which became a requirement. My main objection to the split was it created a massive monopoly track and stations provider which would be unresponsive to the ultimate customers, the passengers, and not especially responsive to the smaller and temporary franchise companies running the trains.

It was bound to lead to rows over who was to blame when a train is late. Was it poor track, bad signals, the requirements of the network provider? Or was it poor trains, driver problems or other issues from the operating companies? As I feared there were plenty of delays and plenty of disputes about who was to blame. Poor signalling and network management was often the cause, but so was poor labour relations by the train companies.

It was also likely to push the network provider back into the public sector. Such a large concentration of power invited Ministerial intervention. The perceived need to continue to subsidise the railways meant a stream of cash going from taxpayers to the industry, with the network provider likely to be lobbying. One of the main reasons nationalised monopolies often served their customers badly was the perception of their Boards and senior management that their customer was the government, not the people using the service or buying the product. They looked upwards for taxpayer cash and Ministerial directives. They did not look down to find out what customers wanted and to treasure their financial contributions.

I recommend that the government examine ways to reconnect track with trains under common management. That way the investment programmes can be compatible and co-ordinated, and passengers know who to blame for poor or insufficient service. The train company can be responsible for the whole experience, on the station, on the train and the train's performance on the track. They would have more incentive to make those smaller but timely investments in better signals, better information systems, short passing places and the like that could revolutionise train service reliability and add to capacity where needed. One of the big constraints on train traffic growth today is the nationalised network providers inability to supply sufficient train slots at busy times for more popular services.

The integrated companies in turn must not be unchallenged monopolies otherwise they too will be less responsive to customers and more minded to play political games around subsidy and government led structural decisions. The main rail company owning a given line or region of track would have to treat the track as a common carrier and be prepared to lease train spaces to rival companies. There will need to be an independent access regulator to ensure this is observed and practised fairly. Challenger companies should also have the right to add track to the existing network, again with suitable regulatory supervision of revenue sharing, safety and other matters. It is possible to design decent sized integrated companies that leave open competition between lines and services. The obvious case of East coast versus West coast mainline is not the only one. These lines should be owned by different companies.

Train companies will need subsidy in some cases. There needs to be clear rules over subsidy allocation. The things to avoid include a subsidy system which protects a fossilised service, keeping routes which would be better replaced by new services. It is also a danger that the maximum subsidy goes to the least used service, providing a perverse incentive to run unpopular services because they have always been services.

(to be continued)