

The Israel/Palestine crisis

I am receiving around 15 emails day from the two sides in the conflict seeking U.K. support for their respective positions.

The U.K. is working with the USA and the UN to favour a diplomatic solution where Hamas stops its rocket attacks on Israel and Israel stops her military attacks on Hamas. Both sides would then show a willingness to enter talks under independent chairmanship to try to sort out answers to the many outstanding disagreements. The UK regrets all loss of life in this conflict which is why it supports a ceasefire and talks.

The Transatlantic exchange of ideas

The UK and the US both have an active world of think tanks and commentators on government. There is often cross fertilisation or influence across the Atlantic. In the days of the close political relationship between President Reagan and Prime Minister Thatcher the US came to the UK to find out how we were developing our new approaches to government and the public sector. I remember in particular a delegation arriving at Downing Street when I was Chief Policy Adviser to find out why and how we were privatising nationalised industries, as well as other exchanges to understand our approach to regulation and labour market management. Under Tony Blair the transition to President Bush was potentially uncomfortable, so the UK accepted the US pressure to back their military interventions in the Middle East. These proved damaging to Mr Blair's reputation and popularity. David Cameron accepted the thrust of Obama's policies and direction, and persuaded the President to become a Remainer. They both supported the international rules based order as interpreted by the EU and others.

Today there is plenty of pull from across the Atlantic for Big government. The Biden Administration has to date decided on a radical left wing strategy of a large expansion of the state. There are the three reflationary packages. The Covid Recovery package of \$1.9tn has been enacted. The American Family Plan which wants to extend more benefits much higher up the income scales has been launched, alongside a large Infrastructure investment programme which takes a very wide ranging definition of infrastructure. These latter two will add another \$4tn to spending over the years ahead if they can be legislated in full. They come with a big programme to boost unionisation of the workforce, and a strong wish to press the Green revolution . The UK government will be willing collaborators with the Green strategy, and will reflect some parts of the recovery plan based around extra state spending.

It is important for the UK government to understand that President Biden is taking the easy way out with his left by giving into most of their wishes. It

may be that he thinks their wilder dreams will be voted down by the Senate, or can be bargained away by the need to win votes in Congress. This assumes he is more of a moderate as his words implied before election. Alternatively it is possible he was always hankering after the large state agenda he is now revealing, but kept quiet about the full magnitude of it before the election. Either way this is time to agree with the US President when it suits us or he is right, but to keep our own supply of ideas going to ensure a strong recovery and a full exploitation of our new freedoms. There is a danger that the US overdoes the deficit and money printing bringing forwards faster inflation and the need for a policy rethink.

[The laws of government \(consolidated text\)](#)

The first law of government is the law of continuous expansion.

In a democracy good causes line up as lobbyists demanding government gets involved. They lobby for government to intervene in areas it does not currently manage. They demand new laws and controls on things they do not like. They demand more money and supply of things they do like from the state.

The official government machine encourages lobbying for more as they like growing their tasks. Ministers often dislike constantly saying No to lobbies and buy them off by offering them cash and laws to help them.

Oppositions usually take up lobby causes and press the government. If the government gives in they claim some credit. If the government resists they claim the government is mean, tough, insensitive or worse.

The media join in, running campaigns on behalf of lobby groups and behaving like Opposition parties.

There are very few lobbies the other way. The causes of a smaller state, less government control of our lives and even of lower taxes have very few lobby groups arguing for them as a counterweight. They are chronically under represented in the media.

The second law of government is the Treasury is usually weak at spending control but gets blamed for underfunding.

The Treasury is hopelessly outnumbered by spending departments in government. It can only hope to exert effective control if the Finance Minister and PM or President work together, and if spending decisions are mainly taken in bilateral meetings between the Treasury and the relevant spending department rather than in a wider forum .

Government departments can get more money by running things badly and demanding bail outs near the end of the year. They can get more cash by claiming it for crises or issues which come up in year. They can work with lobby groups outside government to create pressure for increases. Some are good at securing money for their next year's budget under headings where they know they are unlikely to spend it all. They then vire this approved spending to another purpose later during the year, securing cash for something which might not have been approved if asked for originally.

It is commonly believed in government circles that a Treasury has too much control over spending and that a Treasury makes spending judgements that prevent other departments doing a good job. This is usually a dangerous myth. It comes from the proposition that new initiatives or demands need new money to pay for them. In practice there are often falling demands or waning initiatives elsewhere in each spending department. There should be a more active pursuit of the things the department no longer needs to do at the same time as finding new things it is desirable to do. Old government initiatives rarely die. They rest in some distant corner of an administrative office, and keep their budget line.

The third law of government is its expansion is built into all the policy programmes of centre left and left parties.

It is easier being a left Minister as you are going with the flow of continuous government expansion set out in the first law.

The left welcome the idea of higher taxes to pay for more government. They see higher taxes as a good in themselves. They enjoy inventing new ways of taxing success and attacking independence and enterprise.

The left seek to monopolise the votes of public sector workers by being a kind of extended Trade Union for the state sector. They constantly seek better conditions of employment for public bodies, and more staff to carry out tasks, at the expense of the private sector.

The left believe public delivery of goods and services is morally better than free enterprise doing the job.

The left believe that people and families allowed to make their own choices and allowed to keep more of their own money to spend will make bad ones. Government is necessary to restrain and tax the successful whilst making the less well off dependent on the all providing state who can then control and direct their lives. They hope for gratitude for state hand outs they conjure, but rely more on making false claims about the threats to people they allege the right represents. They seek to create a myth that right of centre parties enter politics to harm others.

The fourth law states that governments use the international rules based order to bind themselves into aims and policies which they place outside democratic control.

Some think governments undertake the international rules based approach to

satisfy the vanity of rulers. They like to perform on the world stage, and are happy to sign grand undertakings to show their collective importance. There is more to it than that. International rules and commitments built into Treaties strengthen the powers of unelected officials and advisers, and reduce the number of areas that elected politicians can in future change. Officials negotiate much of the detail and pre-empt future choices and options for Ministers and new governments.

In its most developed form, EU membership, incoming elected governments have so much less scope to change and improve things than in non EU countries. They inherit a vast amount of EU law which remains as a given with no EU level impulse to repeal or reduce. As Euro members they inherit an economic policy largely determined outside their state, with interest rates, budget deficits and other matters settled or controlled from the EU centre. The EU requirements are enforced through an EU controlled court with the power to fine, to withhold access to EU money and to impose other sanctions. It greatly reduces what elections can alter.

Some of these international bodies allow independence of thought and action. NATO, for example, leaves members free to decide whether to join a NATO mission or not in any given case. The WTO is a series of rules for freer trade with a dispute settlement procedure, where any penalties have to be proportionate to the infringement and of the same kind. The international Treaty obligations around climate change are mainly enforced through moral and political pressures. Increasingly the Climate Change framework does pre-empt policy and decisions in a wide range of governmental areas from energy and industrial policy through transport to agriculture.

The international rules based system has two main weaknesses. The first is that the alternative world view held by China, Russia, Iran and their allies allows them to behave in very different ways and sometimes to find and exploit weaknesses in the West's approach. The open statement and predictability of the West's approach is seen as a weakness. The second is how the rules are applied by an elite of well paid unelected officials acting as legislators and enforcers can cause a rift between a majority of the electors and what government is doing and saying. The more Treaty commitments a country makes the less power electors wield to demand change. The most important clause in a Treaty which dictates policies and laws to us is the exit clause.

The fifth law is Ministers who wish to make a difference have to find ways round the first four laws of government.

I have recently set out how Ministers can, for example make a difference by supervising and influencing quangos, or by taking back control from external bodies by legislation.

There are three main roles for Ministers to perform when supervising and sponsoring quangos or so called independent government bodies.

The first is to supervise the expenditures of public money. These bodies often rely on substantial grant income which needs to be agreed with

Ministers and approved by Parliament as part of the annual national budget. A Minister can reasonably ask for a budget meeting with the quango to discuss their financial needs and to indicate to them likely financial support levels. There may need to be follow up exchanges depending on the negotiations within government with the Treasury about what is affordable. The budget meeting is a good opportunity to review the aims and resources of the body, to press for better value for money and to define precisely for the following year what is expected and what is needed by way of financial support. This is a process which gets reported to Parliament and can be subject to debate if the budget of a quango becomes a matter of public or Opposition concern.

Some of these quangos depend in whole or part on money they raise from charging user fees and licence fees on those who use their service. Usually the fee levels are regulated under legislative powers by Statutory Instrument. Often these bodies want annual fee increases which will need SI amendment and therefore Ministerial and Parliamentary approval. Under weak Ministers there is a tendency to accept any fee increase proposal the body requests, and to hope that the Opposition in Parliament will not bother to query or debate it. As left of centre oppositions rarely object to higher public sector fees and charges it is particularly incumbent on Conservative Ministers to be vigilant in the public and user interest. This is another variant of the budget review and conversation.

The second is to review and report on the annual performance of the body to Parliament. The Minister can ask to see a draft copy of the body's annual report to review, or can require a meeting with the body after it has submitted its annual report to the sponsor department. This is another good occasion to review the aims and achievements of the body, to thank them if they have done well or to ask them to do better if they have not. It is a good idea for a Minister to show interest in the performance targets to be set for the ensuing year and in the performance achieved in the year under review. Again Parliament may if it wishes receive, read and debate the report of a government body.

The third is to require additional special meetings if the government wishes to change the aims and demands on the body, or if the body needs to report unexpected problems and difficulties, or if the Minister has become aware of a body of complaints and criticisms that are or will become public that he or she needs to answer. Such matters should of course be reported to Parliament unless there is some special good reason for confidentiality because for example matters relate to a vulnerable individual or to possible legal proceedings that must not be prejudiced..

Ministers are also entitled to become involved with recruitment to Boards of these bodies and to some of the senior management positions. If there is to be a change of chairman or chief executive this is another good opportunity to review performance and ask questions about aims and targets for the future.

If there is a good series of meetings for the more important quangos Ministers should avoid nasty surprises about the conduct and performance of

these bodies, and the leaders of these bodies would stay well informed about the overall government policy context in which they are working and about the likely level of resources they will enjoy to carry out their tasks. The bodies should remember they are governmental and part of a greater whole answerable to Parliament. Ministers should remember they are not the day to day managers, they do not have quasi judicial powers over the regulatory work of these bodies and should not normally intervene in individual cases.

Ministers also need to be careful about accepting binding commitments in international Treaties. If they agree with the aims of a new International proposal they can state their intentions to follow it and to meet domestic targets without making an irrevocable commitment which will make it difficult for a future government to alter it.

There needs to be a strong Treasury dedicated to productivity and quality improvements in public services and capable of challenging moves to expand the areas of government activity.

Building growth of government into the language and budgets

The first law of government is that it continuously expands, and the third is the way left of centre parties make that their main cause. The process is aided by the way much of the media conducts the public debate, by the balance of lobby groups, by the very language used about government and by the budgeting systems used.

The media parades lobby groups who want more spent and more done by government as their daily diet of political news. They rarely give time to the few groups who want citizens to do more and for citizens to have more freedom. Anyone seeking a tax cut is asked what spending they will cut, whilst anyone wanting more public spending may not be asked what tax they wish to put up.

The language of politics deployed implies government is virtuous and uniquely able to do what is right. Any abuse or inequality brings forward strong lobby groups for a government answer even though some of the abuses and inequalities have been created by previous government interventions. A mistake by a private sector company is exposed and pursued whilst larger errors by public services are often excused or glossed over. Any train problem for example is wherever possible directed to private train companies away from nationalised Network Rail and the public regulators.

The budgets are rarely expressed in pounds in the way the rest of us have to budget against a background of a fixed net income. They are recast in so called real terms. Commentators assume inflation linked increases and often

require a special and higher inflation figure to be included. They often also assume already agreed increases. Politicians usually concentrate on so called new money, meaning a further increase in sums agreed over and above the base budget. The dishonesty of budgets distorts the debate, with debates always being about cuts yet public spending goes up every year. The complex ways of claiming increased money is a cut also makes it difficult for most people to join in, as a privileged public spending elite pursue their own arranged figures for their own benefit. All my political life I have heard about cuts, yet there has been a huge cash increase and substantial real increase in overall spending.

The public sector gurus dismiss the idea of productivity gains in the public sector, or pencil in low figures for them. Whilst it is clearly true that to have a high quality health service you need plenty of good quality nurses and doctors, the rise of ever better technology should allow productivity gains. Many parts of the public sector are large administrative systems where computer technology should allow substantial productivity wins.

The Oxford Union believes the right can represent the working class.

On Thursday I was one of the speakers at the Oxford Union debate on the motion "This House believes the right cannot represent the interests of the working class". I was dismayed by the dated, arrogant, condescending and foolish motion. It was as if we were still living in the mid nineteenth century, with Marx telling us all to see things through the prism of class. Then there were three classes of rail carriage and liner cabins, in an age when people with money hired domestic servants and many adults including all women still did not have the vote. Today most of us are workers, and many workers now work with brain and computer. Machines dig ditches, speed the construction of buildings, make things in factories where before hard labour was needed from the hand and arm of man. All adults have the vote, and many adults aspire to what a class campaigner would call a middle class lifestyle. The many want and expect a good home of their own, a family car, tv, washing machine and holiday away that were the prerogatives of the better off seventy years ago.

The proposers of the motion elided "working class" with poor as the left seeks to do. There was no allowance in their backward looking view for the better paid workers, and every assumption that the minority that is temporarily on benefits is the norm and the core of their "working class". There was no recognition that centre right parties often get elected, represent the workers and go on to get re-elected. There was even less understanding of why that should be. The left in the UK have never forgiven Margaret Thatcher for having great appeal to many of their chosen working

class. They ignore the popularity of policies which allow people to keep more of the money they earn, to own their own homes and to gain a stake in the wealth of the nation through their savings, pension plans, ISAs and the rest.

The arrogance of the motion was poignant a few days after Angela Rayner's important quote that "for too long we (Labour) have given off an air of talking down to people and telling people what they need, or even what they should want or what they should think." The Oxford union narrowly voted down this archaic foolishness. Many people want a hand up, not to live on hand outs. Politicians should not seek to lecture people on what they should believe, think and want, but should seek to compete to offer people more and better service related to their problems and above all to their aspirations. The aim of debate is persuasion, not stern correction. Most people aspire to live in a better home they own, to own a better car, to have some money in the bank and to have more freedom to choose. Few aspire to live on benefits in a rented flat under the control of the state as paymaster, landlord, policeman and social worker. I pointed out that the students at Oxford, assembled from so many backgrounds and all income levels, are surely united in seeking a better life for themselves through personal effort. By excelling at school and College they aim for well paid jobs and comfortable homes. Why seek to deny this upward mobility to others or pretend that the right does not have policies that can help achieve these aims?