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So welcome to another episode of The Rest is Politics with me, Alistair Campbell.

And with me, Rory Stewart.

First of all, I want to say that I passionately disagree with you about something that you've been saying for some weeks now. Oh my goodness.

Which is that Raphael Baer's book, *Politics a Survivor's Guide*, is very, very good.

I've read it. I've read it from start to finish. I was struck by how much it crosses over with some of the themes of my book. And then I also did an event with him at the Hay Festival, which was very enjoyable. Sorry, you're agreeing with me that it's very good or you're disagreeing with me that it's very good. I'm totally agreeing with you.

Oh, good, good, good, good. Yeah, yeah. However, however, as I said to the several hundred people gathered in Hay, there is something on the front cover of this book that I have to rebut. Because on the front cover, it says, a great work of political analysis.

I agree with that. Underneath that great quote, it says, Rory Stewart dash, the rest is politics, nonfiction book of the year. Now, when was the rest is politics vote?

When did this take place that this book published in the same month as my nonfiction book?

It became the rest as well. It became the book of the year. How did that happen, Rory?

I don't know. I really don't know. I really don't know. But I imagine I probably said in a podcast some months ago, were we asked a question about our book of the year some months ago?

I think we said that you certainly said, because mine was Moses Naim, I think, in the range of power. This was your nonfiction book of the year. But if you look at that cover, Rory, anybody picking that up at the shops? Can I just say what the real nonfiction book of the year is then, just for the record? It's, but what can I do, which is being confirmed as the number one bestseller in the United Kingdom? I think we might be down to number five by tomorrow. That's still pretty good. But I think what's happened here, Rory, is these bloody publishers. All it needs there is a few commas or sericolas or something. But anybody reading this book, that being said, I really, really, really enjoyed it. And I do think anybody who picks that up will enjoy it. He's a smart guy, isn't he? Smart guy. Well, it's also the fact that he weaves in his personal story about surviving a heart attack, his history, his family history, Lithuania, South Africa. And then weaves it around all this sort of stuff that you and I talk about endlessly. Now, today, we're going to talk about artificial intelligence. Yes. You're still in Japan, and you've been spending a lot of time talking to people who know a lot more about this than you and I do. We're going to talk a little bit about the economy and inflation problems for Mr. Hunter, Mr. Sunak. We're going to talk about Spain. It's interesting, isn't it? We talk lots about France and lots about Germany and a fair bit about Italy. Very, very rarely have we talked about Spain. So we're going to have a bit of a deep dive on that. And following my court case appearance earlier in the week, we're going to have a little talk about where we are on the press and regulation and all that stuff.

Absolutely, because you were testifying on Harry and Meghan.

Well, it was quite a strange thing, really. I was a witness in the case of Harry and others against Mirror Group newspapers. And I was called because it transpires that as part of the police investigation into a private investigation firm some time ago, they discovered all these

invoices for stuff paid to an investigator for blagging my mortgage and bank account details around the time that Peter Mandelson was being forced to resign in the end over his mortgage details. So I was called as a sort of, I guess, a supplementary witness. I don't think Prince Harry's name came up once. It was just about as it were establishing that this kind of stuff goes on. And it was, you know, and also the fact that what is clearly emerging in this case. And I saw one of the mirror executives being, I think he was the finance officer being interviewed. And what's clear is quite a lot of disparity between what witnesses were saying to the Levison inquiry when they were speaking under oath and actually what appears to have been the facts of the case. So I think it's one of those things that's going to drag on for some time. But we'll talk about that a little bit maybe in the later in the program. Let's kick off with AI. Well, let me first give my best attempt to try to give a posseed history of where we've got to with artificial intelligence. The story is, and here I would like to make a huge apology to a very brilliant man called James Manica, who has edited a brilliant journal called Deedalus that has brought together the leading AI thinkers in the world. And James has been doing his best to brief me on this, but I will have got a lot of this wrong. So I would encourage, encourage listeners to go to the source and look at look at James's papers. And I would also encourage them to read the latest book by Reed Hoffman, brilliant book by Reed Hoffman's just come out on AI. But the story essentially is this, that people started pushing ahead with artificial intelligence in the 1950s. And there was essentially a debate between people who said, what you need to do is try to build a logical model of thought in the hope that that's the way that human brains works. And you could create artificial intelligence, which would essentially reason its way through things against the second approach, which was about effectively learning through examples. And for a couple of decades, it was the first approach, the kind of logical reasoning approach that dominated. But what we found the breakthrough has come from is the learning through example approach. And that has happened very, very quickly. So again, if we just look at the last 20 years, we will have begun to get accustomed to AI through things like Siri on your phone, where you say, hey, Siri, tell me about what's the exchange rate between the yen and the dollar. We will have been accustomed to AI getting into image recognition. But a loss of that stuff that was happening over the last 20 years was quite intensive in terms of the amount of computational power it used. And it often required humans to check those images, check whether it's a cat or not. The big breakthrough seems to have come in 2017 with a paper from Google. And this paper from Google, which was on, I think it was called the transformer paper. And what it basically brought forward is the idea that attention is all you need. And the notion is that by focusing the artificial intelligence on a particular field, it can learn what's important. So give an example here and then I'll stop rabbiting on. If I said to you, Alastair, I was walking down the street and I suddenly got hit by a bicycle and I tripped over and I hit my head on the pavement. And I broke my knee and I broke my neck. The key bit there is the computer needs to know to focus on broke your neck rather than the rest of the unit. I mean, obviously, it's working in a much, much more sophisticated way than that. But that's the big breakthrough. It makes things much more efficient in computational power. And those developments, and there are three developments in particular, one of them is attention. The second is predicting the next token. So predicting the next word. So if I said to you, the cat sat on the, it trains itself to get to mat the cat sat on

the mat, but it then develops a whole series of other parameters, which allows it to, in certain situations, work out that it's the cat sat on the house, the cat sat on the car. And the third thing is something called embedding, which is this creation, these very, very complex maps. So it's a map where love might be related to desire, but love might also be related for its spelling to the word move. We can also find chronological connections between things and time. All of this stuff, when it's run with a blank slate with 500 billion parameters unleashed on the world, on stuff, generally on the internet, allows it to learn very, very quickly and then produce the stuff that we're seeing in chat GBT. And the stuff we're seeing in chat GBT is only the beginning of it, because what we're playing with when we're playing with it is very, very guard railed. And frequently, it's still struggling to understand our problems. Okay, over to you.

Isn't chat GBT, isn't the sort of basis of that that it's essentially predicting the next word? It's literally just almost like filling out a puzzle. Exactly. And it's constantly predicting the next word and the next word. But I listened to David Runciman has this new podcast called Past, Present and Future. And this, well, last week, he was talking to a guy called Gary Marcus, who apparently is very high up in this AI world. And his other guest was John Lanchester, the novelist.

And as I understood it, and I'm sort of really struggling with this, I'm struggling with the concept and how it works. And I can't work out why people keep saying this is going to destroy humanity. But he gave a very interesting example of where actually it's about the weight of the data in there. So it said that he asked this chat GBT thing, what was the most researched ever, I think it was economic document. And it came out the most researched ever economic document was,

and it gave a title, and then it gave two names, and then it gave a subject matter.

And actually, the one that he'd chosen didn't even exist. It had sort of mapped together a very common title, two guys who've written a lot of economic papers, and then it sort of summarized an economic theory. And hallucinates the reference. And the hallucination is very, very common. It hallucinates references. It hallucinates dates, it hallucinates numbers.

What's the stop you getting into hallucinating driverless car?

Well, so the defenders of AI would say that these things do make errors. But in the case for driverless car, it makes less errors than a human.

Fewer, Rory, fewer. We had a question. We had a question this week. Could Alastair teach Rory the difference? Let me tell you, Rory, let me tell you about it. It's less traffic, fewer cars. Fewer cars. Okay. Okay. So it's the general and the specific. Less is the general and the quantitative. And then fewer is the specific. Okay. But you've just given an example of me making an error. So I suppose the defender of the AI would say humans make errors all the time. The

driverless car is already safer than the average human. Now, we're scared because they're not perfect.

They can still kill people. They'll kill, when I say here, fewer or less.

Fewer, fewer, fewer people. Fewer, fewer, fewer people.

Less or few manatee, but fewer people. Fewer people than the average driver.

Right. And it's also true that when a large language model is working its way through, I don't know, if you set it a task connected to a particular analytical tool to go through the American veterans database to look at health correlations, it will very, very rapidly come

up with an answer and it will be generally more accurate than a human, but it can make errors. So ideally, what you want to do is use it as what people would call a copilot or a traditional assistant where a human then goes and checks it.

Right. You don't generally want to be in the situation of having to choose 100% between one and the other.

I see that Rishi Sunak this week was talking about looking at how this thing gets regulated. And one of the sort of big players in AI, Sam Orman, who runs OpenAI, he's been making all sorts of threats in Brussels because the European Union is saying this is something that is going to have to be subject to regulation. And he's essentially, he seems to be saying, well, if the EU tries to regulate it in a typical sort of EU kind of way, then they would pull out of operating within the European Union. I don't know if that's right or wrong, but I read that in one of the papers a couple of days ago. Now, I just wonder where the very first time we talked about this, if you remember, I think it was the first time that we sort of had a reasonable conversation about it. And we did that thing about, you were looking up saying to ChudgyPT, if I were to ask you for some Rory Stewart jokes, what would they be? And they're quite funny and we read them out and blah, blah, blah. And I wonder if there's a danger that at the moment, it's a bit like when social media first came on. And we thought, isn't this amazing? We can all post pictures of our cats and we can all have a nice time chatting to our friends, et cetera. And before we know it, we sort of say, hold on a minute, social media is giving us Trump and social media is giving us populism and neo-fascism and all this sort of stuff. And I just wonder if this thing is going so, so, so quickly that by the time any form of regulation feels like it might catch up, it's already gone too far. And I just wonder whether we're being played by the big players here. It's an amazing question. And I think very, very difficult to answer. There are basically two schools of thought on this. One is that the engineering is ahead of the science. And that's a way of saying that we still don't completely understand how these things are performing so well. Something seems to happen when you go to scale, which people were not anticipating when they looked at the underlying model when these Google engineers wrote this paper in 2017. They didn't think that they had found something which was going to be able to perform in the way that it does. And what seems to happen is that when you get up to these huge scales, so when you're spending \$300 million and you've got 500 billion parameters being thrown at trillion units of information by these enormous computational power, you're getting these extraordinary results and they're about to do more. And nobody knows what's going to happen is whether it's going to continue to exponentially improve and get smarter and smarter or whether we're going to start hitting

physical limits on this. Now, that means that some people are tempted to say, look, the engineering is ahead of the science. Let's be cautious. And to be fair to Google, one of the reasons they didn't release their AI search engine was that there were still many people, lawyers and Google engineers who were saying, well, hold a second, let's wait. Let's not release it to the general public till we understand this thing properly. There are other people, of course, in Google who are saying we were crazy because our model is very good and we allowed chat GPT and open AI, which is, you know, you were just talking about Sam Altman, that's his stuff, to get out there and dominate the field so that people now all know about chat GPT and don't know about the Google product. I think the political question though to you, so I'm now going to turn you into a Prime Minister, is if you hear that the engineering is ahead of the science and we don't

fully understand this thing on the one hand, but on the other hand, I say to you, look, we can't stop this. We can't be luddites. If we don't develop it, the Chinese and many others are going to develop it and we're just going to fall behind. And the cat's out of the bag. You can't now pretend you're in a non AI world and try to lock yourself away from it. And our best hope is to put our foot down on the accelerator for the United States and its allies to dominate this field, understand as much as possible about it and build defensive mechanisms using AI to protect against other people using AI. Where would you as the Prime Minister tend to come down? I think it's one of those issues that's going to have to be resolved

through international cooperation. I don't see how you can do this. You could go for the hard-edged economic approach that says this is going to change the world. There are going to be massive opportunities. We have to be in the lead of exploiting them. You could go down a sort of more political route. And it's interesting how I was talking to somebody who spends a lot of time in China who says that whenever he's in the West, he sees AI operating through a kind of vaguely liberal democratic lens. It's a very different feel when you go to China. So is it even possible to think of America and China coming together to think we can put together some sort of international framework for how this thing develops? I think that's unlikely. But if I were the British Prime Minister, I think you could put yourself maybe in a position of seeing whether you could broker something on that. And also, I think you keep mentioning the science and the engineering.

They have to be fundamentally bolted into that discussion. I don't think you can leave this to politicians. I think they have to be part of that discussion.

No, and I couldn't agree more. And one of the things that I found has been a bit frustrating is that when amateurs like me or indeed when U.S. senators start raising concerns about it, there's a tendency slightly from the industry at the moment to turn around and say, well, what are you worried about? And so we kind of bluff our way to try to work out what it is we're worried about. And the engineers have a slight tendency to laugh at us and say, well, why do you think a large language model can do that? I think that's unfair. I think that's a bit like having cancer going to see a cancer specialist and saying, what should I be worried about? The cancer specialist turning it on you and saying, well, what do you think you should be worried about? And then laughing at you when you get it wrong, right? I think it's incumbent on the engineers to say, as far as we can see, there are seven categories of risk. And these are what those categories of risk are. And this is why we think those risks are or are not manageable. Rather than the politicians having to play a game of one American senator saying, well, what I'm worried about is AI working out how to imitate my grandmother's voice on the banking machine and another one saying, well, couldn't AI somehow hack the US military? And the engineers saying, why do you think a large language model could hack the US military? And the answer is, obviously, I as the US senator or I as Rory have no way of answering the question of how AI can hack. Maybe it's a stupid question, but you need the engineers to help you know whether

it's a stupid question. Well, especially as they're going around the place saying that it can do extraordinary things for the good. I told you about the guy who told me that eventually you'll be able to get a justice system delivered through AI. You won't necessarily need judges and you won't need juries, which a lot of people would find terrifying. But most countries at the moment with their justice systems in a state of collapse might think that's a good thing. So

if they can do that kind of thing, why can't they hack a government department?

Yeah. And on that one, again, the argument there is a very interesting one. What they're saying is yes, the AI may make mistakes, but it's likely to be much more reliable. In many cases, in a human judge, there have been these extraordinary studies by psychologists, which demonstrate that it makes an incredible difference what time of day you go in front of a judge. You're more likely to get off before lunch than you are at three o'clock in the afternoon. It's very unfortunate, but it's a massive statistical deviation. And the assumption would be that computers are not vulnerable to having, you know, feeling a bit sleepy after lunch and feeling a bit grumpy or with prisoners. When I was in court the other day, I was told to turn up at two o'clock and there was a witness from earlier who was being cross-examined and then there was another guy. And so I probably was in there a lot shorter than I otherwise would have been. So but this is this is the other point. This guy, Gary Marcus, kept making the point that the stuff that's being put into these things with this great computing power is being put in there.

In a sense, we're putting it in there. This idea of artificial intelligence, they're not necessarily thinking in a way that human beings can think. So you and I are talking now and I can see you. I can see how you're reacting to what I'm saying. You can see how I'm reacting. Computers can't do that to each other. So there's always this sort of element that I think is going to be going to be missing or am I just being naive about that?

Well, I think there's something missing, but it may not be missing in the performance. So if you think about the driverless car, you may be much angrier with the driverless car that makes an error than you would be with a human, even if the driverless car makes fewer errors, because you empathize with the human, you kind of understand with the human, oh, maybe they were

tired, maybe they had a hard day, maybe they were distracted by something. Humans hold everyone, machines to a much higher standard, and probably actually other species, other animals to different standards to the standards we all own humans at. And what AI is becoming? And I think that I really do think there's no putting the genie back in the bottle. It does seem that, and this is a great analogy that Reid Hoffman uses, he says you need to think about it in the same way as you think about what STEAM did in the Industrial Revolution to our sort of physical power. It's going to do that to our mental power. And quite quickly, it's going to do, it's very, very close already. I mean, I've been looking at some of the more advanced models. It's very, very close already to being able to produce an essay answer, which is very, very good. I mean, it's scoring 85, 90% of the in the New York bar exam at the moment, but it's very close. If you ask it, any of the kind of things we discuss on this podcast, it's going to be already can produce a very solid, well-argued, interesting response. Pretty soon, it's going to be producing original creative responses, which will be better than you and me. But the question is, is that going to upset us? Because already computers can play chess better than the two of us. And yet, as Reid points out, there are more humans than ever before watching humans play chess with each other.

They

don't watch computers play chess with each other. Yeah, they play against the computer. But also, the, I think I said, I've told you before about this guy, an academic who says that they can spot the students who are using chat GPT for their essays, and then then say to them, look, we're not convinced that you've written this. And then the guy goes away and he says, the next time he does the essay through chat GPT says, can you put in three spelling mistakes,

two factual errors and a really stupid opinion? So they could do that as well. And you mentioned that, you know, Google had sort of held back a bit. And yet it's the guy from Google, Jeff Hinton, who has made the biggest noise about having been on the inside of this is now on the outside, and issuing some pretty stark warnings about his worries about where it's going.

Yeah, I mean, I, let me just sort of finish, because maybe we've been on this for a long time, but I think the one thing that we cannot get away from is the potential, the positive potential of this is staggering. The positive potential, for example, in medicine, if you were to let an AI system into a database with all the risks that that entails, you could end up with the most extraordinary results, they would begin noticing fields, correlations, relationships that no human researcher would be able to pick up and they would pick them up in an instant, you will suddenly start noticing that, you know, having kidney stones has a consequence on life outcomes that nobody had ever considered before simply by these machines, being able to tie a large language model

to an analytical tool. Google Translate, you know, I'm here in Japan. And for the first time on a foreign trip, I can go to a medieval Japanese scroll, point my Google lens at it and get an immediate translation. And the last one I did it on managed to produce the phrase, agree disagreeably,

go on then, which causes a motto of our podcast. Exactly. And you want me to try to do that, you want me to try to do that in Japanese. I'd like to hear in Japanese. Okay, so it is and that's disagree agreeably. Sorry, I got it the wrong way around. I'm, I'm, it's, it's almost 10 o'clock at night here. Disagree agreeably. So it was, I was, I was in this beautiful room where a man was mating a very ornate bamboo tea whisk for the tea ceremony, this great sort of long Japanese ceremony. And I looked at the scroll, pointed my phone at it, and suddenly found that the motto of the rest is politics was up on the Japanese scroll, thanks to Google Translate using form of artificial intelligence. Well, I can give you because I did an interview about my new book, but what can I do with a Dutch newspaper? And

we've got in touch, which you probably collect, we should collect disagree agreeably and as many languages as we can. Somebody was asking the other day how many countries you've been, you've actually recorded the rest of his politics from. I think I'm about, I'm about half a dozen, but I think you're about, you're way past that. I think I'm maybe 20, maybe 20.

Now, Alistair, should we get on to, should we get on to a little bit of Harry and Meghan before we get to our break and then get on to Spain and inflation? Tell us about, tell us about your court appearance. Well, I, I don't quite know where it's going, but I did get the feeling just from dipping in and out of it. And I've been following, because I knew I was going to be giving evidence, I've been following it a little bit. I get the feeling that Prince Harry is absolutely determined to go the whole way. What the, what the newspapers are now trying to say. And what's he going the whole way on? I'm sorry, what's, what's his case about? What's he trying to do? Essentially, just about the levels of intrusion and the breaches of privacy and the, and the criminal activity that he believes has been waged against him and others. And there are other people involved in this case, Ian Wright, the former footballer, there are, you know, there are several people on this case. And then in the background, you've got lots of other people, I'm among them, who have also been shown evidence of criminal activity against them, who are all making up their own mind as to whether to take it further or not. Is this different from, from hacked off and all the stuff that was happening there? Well, let's rewind back. So the phone hacking

and particularly the, eventually the phone hacking of Millie Dowler, murder victim, was what led to the Levison inquiry. The Levison inquiry came up with all sorts of recommendations for press regulation, which have not been implemented. And in fact, the second part of the inquiry has not even taken place. So what I think a lot of people saw as an opportunity to get our press, you know, operating according to some sort of acceptable agreed standards has fallen by the wayside. And were you in favor of Levison? Did you think it was the right thing? Or did you think that was like many journalists that that was too much for suppression of press freedom? I mean, the newspapers didn't like it, obviously, for obvious reasons. Well, of course they didn't. I agreed with David Cameron when he said that as long as the ideas aren't bonkers, we should implement them. And they weren't bonkers, they were perfectly sensible. And I'm afraid that what's happened is that the government has become, as it so often does, scared of the media going for them and has bought all the sort of lines and says this is about press freedom. So Cameron and others just got scared, but they basically should have implemented Levison? I think it was your friend and heroin Theresa May who finally pulled the plug on it on the second part, which was all about the criminal activities involving police and newspapers. And so what's happened is the news, so the news of the world got closed down. News group, the Murdoch Empire, were the ones that the rest of the media said that it was, remember their line was it was one rogue reporter. It turns out it was the whole culture inside the place. And now it turns out that there are lots of other newspapers involved as well. And if I remember correctly, Hugh Grant was a very active leader in a gathering of group of people together. That was the Hattoff campaign. Hugh Grant is now also, he's been given the go ahead to make a case against the sun because what the newspapers are now arguing is that a lot of these cases that are being brought forward are so long ago that they should be out of time. But the reason I think that the lawyers were interested in my case is because mine was one which actually didn't lead to anything being published at all. My mortgage details and my bank account details weren't actually published. But it doesn't mean that those same private detectives who were getting paid and their invoices were for inquiries relevant to Alistair Campbell and Fiona Miller, they did, we don't know what other stories might have been coming that way. So the point is the point of principle about whether newspapers which have denied being involved in any criminal activity, when that criminal activity is clearly exposed, what should happen to them. So this is a civil case, Harry and others. Meanwhile, these newspaper groups have been paying out lots and lots and lots of money to different groups of people and individuals to just settle out of court. And what Prince Harry is making clear, he is not remotely interested in that. He is going to, he wants his day in court, he's going to get his day in court quite soon. And he's going to set out what he says, he sees as a widespread criminal activity against him and his family, which he explains, he would probably argue, this isn't a matter of the court, but I think probably he would think it explains why they have become quite so vile about him and about Meghan. And I think he's got a point. I think he's got a point. And I think if he wins, it'll be a big, big moment in the history of our media culture. So this court case moves beyond the newspapers doing a case by case out of court settlements with individuals that happen to spot it and will force them to come clean on everyone that they did it to and do a massive settlement to everybody. It's very hard to know. It's very hard to know because, of course, they'll be terrified about the costs. I mean, they've paid out, you know, seven, well into seven figures already. I got a

payout from the, from the news of the world. Others have had far, far bigger payouts. The mirror had been paying out to quite a lot of people. And this one literally just sort of, this is quite, you know, relatively recently is this year that I got informed about this one. And it was interesting giving evidence because obviously the mirror group lawyers have to defend the mirror, but I didn't feel I was given a very, a particularly hard time. I think it's quite, when you've got invoices alongside. And the irony here is that you worked for the mirror, right? Well, it's one of the reasons why I was a bit, you know, loath to take action. But I think having taken action against the Murdoch group, I think you do have to operate on a basis of principle. And, you know, they've denied it so many times that they were indulging in real activity. Right. It turns out the mirror was involved as well.

Absolutely. And the other thing that emerges is that, you know, Piers Morgan, who was the editor at the time and his diaries are full of accounts of conversations with us. Now, I think he's admitted that his diaries are very much a sort of, you know, written after the event as it were. But there's such a discrepancy between the facts as they would now appear to be and the facts as they were being set out to us at the time and also in his subsequently published diary. And Sly Bailey, who was one of the, I think she was chief executive, she was giving evidence the day before me. And so I sort of kept an eye on that just to see if anything relevant came up. And I mean, it was a sort of combination of, oh, I didn't know anything and nobody told me. And then the finance director was pretty much the same thing. I got the feeling that there was a lot of kind of, you know, look over there, it wasn't me going on amongst all of them. And I don't, I believe, I don't think Piers Morgan is, I think he's decided not to give evidence. Well, well, well, well, okay. Well, time for break. And then we should come back on Spain. Great.

So, welcome back to the Restless Politics with me, Rory Stewart.

And me, Alistair Campbell. And Rory, how are you feeling about your rare loss of temper?

Yeah, rare loss of temper, Jonathan Powell. Well, anyone who wants to see the rare loss of temper and actually some very interesting reflections on many aspects of government and peacekeeping, Jonathan Powell, who was Tony Blair's chief of staff, good friend of Alistair's, very much part of, with Alistair, of the founding, you know, band of sisters and brothers that were at the core of the Blair Project is out on the Restless Politics leading, so search leading Jonathan Powell, wherever you get your podcasts, if you'd like to hear Jonathan Powell, who then went on from the Blair government having done an extraordinary job in the Northern peace process. And we actually we interviewed him in Ireland to do a loss on peace processes worldwide. And another of our recent interviewees, Rory George Osborne, I see has been called to the COVID inquiry. I might, I think we should send them our exchanges on austerity, but it seems that the inquiry wants to quiz him about whether his austerity policy had anything to do with the lack of preparedness for a pandemic. Ah, very interesting. We'll see how that comes out. Now, it's quite rare that we get overtaken by events. We're normally quite prescient on the button, but because Rory was in Japan, we actually recorded the podcast on Saturday. And we're going

on now to have a pretty interesting discussion about politics in Spain. Very presciently, one of us, I think it might have been me, indicated that the regional elections taking place, what is now last weekend, but for the purpose of our discussion on Saturday was this weekend, have led to the man we've been talking about, Pedro Sanchez, the Prime Minister of Spain or the President, as they

called it, calling a snap election because the elections that we talked about turned out to be really, really bad for him. So they're going to the polls on July the 23rd. And it's an interesting thing, which I think we should probably come back and talk about next week, because basically, normally you would think, well, we'll have to keep going and try and sort of dig ourselves out of this hole. But he's basically said, no, we're going to have to go to the country now, so that Spain can decide the direction it wants to go into. Now we can go back to Saturday and here's me and Rory talking about Spain back then. Now, you wanted to do a bit of a deep dive into Spain. And I think your idea was that we don't talk much about Spain. We hardly ever talk about Spain. And it's quite interesting what you think about it. It's a pretty major country within the European Union. Okay, it's not France or Germany, but it's in that sort of second order. Nearly 50 million people. Exactly. I mean, it's a big country. It's a reasonably prosperous country. And we've also got these major connections, not least the fact that obviously Brexit has sort of played havoc with this, but almost a million people living in each other's countries, it's almost half a million in each. So there's all that connection. And yet, I think if you went, I think I just think most of our listeners would without doubt be able to name the French president and the German chancellor. Would they all know that Pedro Sanchez was the, and they call him the president? That's the other thing. They have a king just as we do. But nor, I think, will most of our listeners have heard of the great kind of dominant figure who created modern Spain. So the guy that from 1982 to 1996 dominated Spanish politics, which is Philippp González. Yeah. But they would be able to name Shirak, Juscadestán, Helmut Kohl, Arnau Branschmitt. So just to give people a sort of sense of what's happening in Spanish politics, and we're recording this at the weekend where the Spaniards are going to polls in regional elections. And it's become much, much more complicated than it was. Do you know how many parties there are in the Spanish parliament? No. What is it, five? 18. 18. And Sanchez, the prime minister, he became prime minister on 24% of the vote, which gave him 34% of the seats. So he now has this rather strange coalition. So he's a kind of, you know, fairly pragmatic labor leader. We would identify as a new labor type. Well, probably less new labor than he was because he's had to go into coalition. He said before the election that he would never be able to sleep in his bed if we went into coalition with Podemos, but he's gone into coalition with Podemos. And and Podemos are the far populist left. Yeah. Yeah. And then there's another one even further to the left of them called Sumar. But his vice president, deputy prime minister, is actually probably the most left-wing person in European government anyway. She's a communist. And so he's got this pretty, and it's a minority coalition, by the way. He doesn't have a majority. The Tory party, the PP, they don't really recognize Sanchez in the way that they don't really see him as legitimate, partly because he came to power by losing his own position as labor leader. He then did this rather effective campaign around the country, building his own profile up and storming around in his battered old perjure. And then he came back and he forced a vote of no confidence against Rahoy, who was that rather kind of sort of intellectual looking bearded chap who was the Spanish prime minister for a while. And he won the vote of confidence, including with the help of parties that were, you know, it was a bit like if you imagine Sinn Fein taking their seats to bring down a Tory government, it was that kind of thing where these Basque and Catalan parties were coming in on his side. So they got rid of the government. They got rid of Rahoy of PP. Sanchez becomes prime minister.

And the PP just explained a sort of conservative party, right?

Correct. And they, but they have been under massive pressure because of Vox, which is a very right-wing party, populist right-wing party.

Okay. And sorry, I'm going to do my boring thing for listeners again. But my understanding situation, correct me if I'm wrong, because you know much more about this than I do, is that Spanish politics initially, so Franco goes mid-1970s.

And everybody's heard of him.

Yeah. Democracy comes in, but Spain has Franco right the way through to the 70s.

Democracy comes in, King comes back. 82, Felipe Gonzalez, who's from the left wing sort of labor party gets elected, dominates to 96. And then conservative party basically comes in in 96, man called Jose Maria Asna, who I guess is the guy that you were mostly dealing with when you were

in government.

Yeah, absolutely. Yeah.

And we then have what seems to be a sort of two-party system. So in British terms, the kind of labor party and a conservative party. But from 2004 onwards, it begins to splinter and you end up effectively with five main parties. You have a sort of far left party, you have a labor party, you have a centrist party, you have a conservative party, and then you have a far right party, roughly right. And then somehow what seems to have happened, unlike France, where these big parties, the traditional socialist party and the traditional conservative party, have kind of collapsed and disappeared, leaving only the sort of centrist and the far right and the far left.

In Spain, the opposite seems to have happened. The more traditional left and right parties are a bit stronger than they were. And these far left centrist parties are less strong than they were.

I think it's more complicated now. I think it's become much more atomized.

And I think that we underestimate, because every country in the world was focusing on its own circumstances out of the global financial crisis, I think we underestimate the extent to which Spain was amongst the most damaged in the world. They led to a chronic housing crisis. You see these half-built houses all over the place now, banking crisis. And I think that's what allowed the kind of populist virus to come in there pretty strongly as well. And Vox has now become a very normalized part of the political landscape. It's not impossible to imagine Vox being the main party sometime down the track, depending obviously upon what happens now.

But it's a pretty shaky coalition that they've got at the moment. These relations happening now will be very, very interesting. Because Vox is obviously the right wing party, so people would normally compare it to Le Pen, for example, in France. But again, it's got a different Spanish inflection, because a Catholic country, it's got a bit of sort of conservative Catholic sentiment.

There are some elements in it, which are just sort of a bit sort of voce, sort of pro-Franco.

But what it doesn't seem to have is the strong anti-immigrant feeling that you have in many other European countries, in part because a lot of the immigration to Spain is still Latin American immigration. And I guess, religiously, culturally, that's been less threatening or disruptive to Spain. I think that's changing. I think that's changing the way I do. I would say that the Franco thing is not quite as sort of voce as it was either. I think they're becoming much more emboldened. And they've got this very charismatic and rather sinister leader, Santiago Abascal, who like a lot of these parties have like Farage here or Vildas in Holland. They populism attracts these kind of characters because they're people who are prepared to pretty much

say whatever needs to be said in the moment to exploit the divisions that are there. But the divisions are now really real. And of course, the other big complicating factor in Spanish politics is, I mean, okay, we have Scotland in the context of UK, but they have the Basques and the Catalonians. And they have their twos. If you take, for example, within the national parliament, you have the Catalans who are either far left separatists or centrist nationalists. What you don't have is anybody really sort of fighting for Spain, as it were. And then likewise with the Basques. There's something very interesting going on in this particular election with the Basques thing. There's this party called Bildu, which is, I guess, again, they would see themselves as a bit like Sinn Fein with the political wing of the IRA. This is the political wing of Eta, which was the terrorist organization in the Basque territory. They've disbanded. But 17 of their convicted terrorists announced their candidature in the regional elections. And this has created such an outcry that they've actually stood down, but their names are still on the ballot paper, including with some of them, their nicknames that were used as terrorists. And of course, the right wing, the PP party, they are basically, you know, even though they supported the peace process that led to the disbandment of Eta, they are now saying that this is all about Sanchez being in-hop to terrorists and so forth. So it's becoming a very quite fibrile and populist debate. And where it goes in the next few years is, frankly, anybody's guess. Meanwhile, this question on Spain and immigration is very interesting. So, I mean, and actually, it's a reason why we should be cautious about demographic predictions. I mean, demography really matters. I'm speaking to you from Japan, which is facing a total existential crisis with its collapsing population. You know, couples are barely averaging one child at the moment in Japan. And there's no immigration in Japan. And growth has been stagnant now for over 30 years. And I'm talking into the tour guide that's showing me around. Her house was worth \$2 million in 1989. It's a suburban house outside Tokyo and is today worth less than \$400,000. But Spain, in 2000, the population was projected to massively decrease dropped by 10 million over the next 50 years. And that suddenly began to be turned around since 2015, when they started setting, bringing more and more migration. So in 2019 alone, they brought in 453,000 people. That's similar to the 500,000 people being brought into Britain with a smaller population. So it's one of these classic countries where it's getting older, where the percentage of working age population is set to decline from kind of 65% sort of 50%. And where they're very, very heavily dependent on migration to try to keep growth going and keep people looked after. There's another very big issue at the moment that is troubling people there. And that relates to the judiciary, because a bit like their system of judicial appointments is much closer to the American than ours. There is a political process. And so it means that when you have long periods of socialist party government, you tend to get more socialist judges and vice versa. And what's happening at the moment because of the makeup of the parliament, the PP are effectively blocking the judges that the socialists want to appoint to the court. And it means that there are all these vacancies, which means then that there's this huge, people getting back to AI here, there's this huge backlog of cases within the criminal justice system, which is creating all sorts of problems. And it feels a bit like America, where the right just will not do anything to help the left. Yes, but also where the left seems to have been doing some pretty peculiar things on judicial appointments, which has led to Spain being downgraded. And

some of the lists on whether it's a full functioning democracy. And this judicial appointment stuff also is obviously connected to some of the debates in Israel, right? Yeah, I think that's about the fact that they can't run an effective system, because they haven't appointed enough judges, because the political deadlock is not allowing the appointment of the judges that they want to put on to the court. There's one other issue, Roy. And that is, we've got through the whole episode, I think, without mentioning the dreaded B word, Brexit. Oh, yes. Yes, we've got to get that in. Yeah.

Now, do you remember which was the first area to declare in the Brexit referendum?

First, no, I don't. What was the first area?

It was Gibraltar. Gibraltar.

With 95.9% in favour of remain.

Yeah. And again, for listeners, and I know you're going to tell me they all know this, but just to remind people, Gibraltar is not as many British people think an island, it is a peninsula, it's part of Spain, which was a very, very important British naval base in the 19th century helped dominate the Mediterranean for the British, for important in the wars against France, which has remained attached to Britain, but is completely dependent on Spain for almost all its basic services, supplies, and where if Spain wants to play around on the border between Gibraltar and Spain, they can cause complete chaos for Gibraltar.

And occasionally they do. But here's one for you, Roy. So there's the Gibraltarians, they all vote massively in favour of remain.

For that reason. Yeah.

Now, guess which part of all the areas that were involved in voting for in the referendum, guess which part has not been signed off under the trade and cooperation agreement?

I guess the answer is Gibraltar.

They're now going into the 14th round of negotiations on how to resolve this.

And the problem, it seems, is that it's as ever a question of sovereignty.

So the Spaniards sort of recognise the sovereignty on the rock, but where the airport is, they're not quite as sure.

And it looks like where these negotiations are heading as we head through the 14th round into the 15th round is actually about where the actual security is placed in the airport.

So they're going to have to move an awful lot of fences and buildings.

It's very problematic.

And it's crazy, crazy, crazy, crazy stuff.

I should say, by the way, I mentioned it and Raphael Bear, your friend Raphael Bear will bear me out on this. As you know, every audience I do, I ask for a show of hands for anybody who thinks Brexit is going well. And in the last few weeks, I've seen several thousand people. And hey, we finally had a hand raised for going well.

Was it Boris Johnson?

He wasn't there. He was in America talking to Donald Trump about Ukraine, because he's a serious global statesman. You probably know that.

Yeah, the two of them together. It must have been a very serious moment.

Hey, by the way, you followed that Elon Musk has now come in behind, tried to do an interview with Ron DeSantis on Twitter.

The technology, the technology worked about as well as ours has worked today with the technology collapsed, collapsed, collapsed all over the place.

Anyway, let's let's move on just finally, just to touch before we close on inflation.

But the final thing before I do it is, you know, as I said, population is very difficult to predict.

You know, you can predict in 2000, the country's population is collapsing.

And then in 2015, it's taking off again.

But a UN report that's just been released is suggesting that Spain is one of the countries along with Italy and Japan that will see its population half over the next 80 years.

Wow.

By which time one in 10 children born in the world will be born in Nigeria.

Now, just before we leave Europe, very, very briefly, I think we should mention Greece, because the election there, this just shows you how electoral systems can do crazy things.

Prime Minister Mitsotakis, the new democracy party, he gets over 40% of the vote.

He's 20% ahead of his nearest rival. And he's not able to form a majority.

So they're going to a second vote on June the 25th, because none of the smaller parties are willing to form a coalition with each other.

And the other relation we should keep our eyes on is Slovakia.

Because what's happening there, you're looking at a pro-Putin leader currently leading in Slovakia.

Very good.

Well, I hope we've at least done some justice to Spain.

We've had quite a few Spaniards saying to us, you never talk about our country.

So we have, and doubtless we'll come back to it.

Now, shall we talk about the...

We've talked about George Osborne's problems with the COVID inquiry.

What about Jeremy Hunt's rather more pressing problems?

Well, the fundamental problem in Britain is inflation, which of course is at the heart of cost of living. Cost of living is basically inflation combined with stagnant wages.

And he's saying, he's signaling that he would support the Bank of England raising interest rates, even if it completely might even drive the country into recession to try to get inflation under control.

Now, here's one for you, Rory. We talk a lot about how to handle difficult questions and manage the media. He was in Washington, I think. Do you think he was just tired?

I mean, I think he maybe gave that situation more legs than he intended to.

So he gets a direct question, so you're prepared to support them putting up interest rates further, even if it means driving us into a recession.

How would you have answered that?

How would you have answered that?

Well, I think now that I've been trained by Alistair and the comms director,

I'd say we're very, very clear in the government that we are committed to growth and to reducing inflation.

And stopping the boats.

Yeah, absolutely.

You wouldn't have said that, would you?

But you know what? I mentioned the Financial Times, which is the only paper I've written

in the last couple of days. And they track what they call core inflation, which is inflation, which excludes energy and food prices. And they track it in 33 different countries in the world. And we are now right down, well, at the top, we're at the top of the inflation league, alongside Argentina and South Sudan, in terms of the increases that we're suffering. We can't quite be at the total top. Presumably, I'm hoping that there is, well, sorry, this is unfair to countries like Zimbabwe, but their inflation rates, I think are completely insane.

No, I don't think it's about the rates. I think it's about the increases.

So, and the other thing that I think people should take a look at in the Financial Times, a piece by Helen Barnard from the Trussell Trust, which, you know, is a charity that supports food banks. And in fact, as we speak, Rory, Fiona is down at a food bank in Camden that seems to get bigger every single time we go down there. And this piece quotes research by the Joseph Rowntree Foundation that between 2017 and 2019, destitution in the UK rose by 54%. And NHS bosses have now written to the Chancellor warning the cost of living crisis is about to become a health service crisis because of the impact of poverty on people's health. And the point she's making is that this has been rising steadily over several years now. And it does feel that there is a level of poverty now that she's saying the charity simply cannot deal with. That's a big, huge issue. Well, on that slightly depressing note, I think, Anna, so we've done our time and we're coming towards the end. I'm coming home, I've done my time. You're coming home, yeah. All that's really, I must say, just a quick sort of finish, because I'm in Japan, this is the most extraordinary country. As I say, it's facing this unbelievable challenge of having no young people and 30 years of stagnant economy, but it is still completely astonishing. I mean, it's astonishing in terms of how wealthy it still seems despite not having grown in 30 years. And also how incredibly, I mean, I consider myself a conservative interest in tradition, but I've spent the last two, three days going to sweet shops, meeting potters, meeting people making bamboo whisks, meeting people doing tea ceremonies. And in almost every case, people are saying to me, my family business has run for 400 years. I am the 16th or 17th generation of my family to be making these pots. And it is really extraordinary because I, very, very few countries, I don't think any country is a world where you can imagine this. Most of us, I guess, would feel that by the time we were the 17th generation of the family, we might go off and do something else rather than continue to make sweets or make pots or whatever everyone had been doing for the previous 16 generations. So anyone interested in travel, I really could not recommend Japan highly enough. Well, the season has two weeks in a row, you've mentioned potting. I think you're going to be a potter when you're growing up. No, you're right. I love you. Honestly, you're absolutely right. It's the one thing I really, really want to do. And if I ever had time, I'd like to learn how to be a potter. Okay, well, thank you for your time. Take care. Bye-bye.