

Preface: The Tory Revival

The last ten years have not been the easiest time to be a Conservative. Yet even in the most difficult periods in politics relief comes through the knowledge that there may be a change in political thought and fashion which will bring about the opportunity for recovery.

I believe we are at such a time and that recent events inside the Conservative Party have hugely improved our ability to take advantage of it. A renaissance of our political thought has occurred. It has become permissible, once again, to state openly the philosophical case *for* conservatism. Conservatism has rediscovered its ideological self-confidence – and not a day too soon, given the damage which Labour is inflicting on our way of life.

Conservatives must not fight their political battles on the ground of Labour's choosing. Rather we must reaffirm *our* own identity. This will not just be a matter of explaining how we will change things – but of explaining why they must change.

The challenge will be to bring the details of public policy into the soul of a voter – and to regain the initiative on that level. Because Labour is transforming the society we live in, and transforming it for the worse – taking control of our lives, and depriving us of our freedoms.

The political battle in Britain today is still a battle for hearts as well as minds.

The Tories and Freedom

Many of the problems faced by this country today owe much to the erosion of individual freedom and the growing power of government. Not the first time, the Conservative Party will have the responsibility for restoring these freedoms. Throughout the last century the

Conservative Party quietly, but with resolution, set itself against the utopian promises of the collectivists and of those on the Left who put their trust not in the people, but the State. As a result they were elected to govern by a people who shared their scepticisms and supported the Party through bad times and good: in 1924 when they returned them to power, having rejected the false promises of ‘a new heaven on earth emanating from Whitehall’; in the 1940s when they closed ranks behind Churchill’s promise of ‘blood, toil, sweat and tears’; and, most recently of all, in the 1980s behind Margaret Thatcher’s resolution to set the economy and the people free.

Along with Sir Keith Joseph and others, she battled to redefine the terms of the debate. The debate focused on the balance to be struck between the State and the people. Margaret Thatcher and her close allies argued passionately that control over vital areas of national life - the economy, industry, jobs, public services – should lie, not with the State, but the people.

Her triumph was to persuade voters that they should no longer accept the ‘lowest common denominator’ that the State was prepared to offer. Her legacy was the proof that there truly was another way. This is a battle to be fought once more, but this time for keeps.

Back to the ‘Pocket Money’ Society

Twenty-five years ago, Sir Keith Joseph warned that Britain was becoming a ‘pocket money society’. Government taxation was appropriating more and more of people’s take-home pay; earnings were in effect becoming children’s allowances.

It was a lucid insight into 1970s Britain – and one which still has great relevance today.

As well as leaving people with less and less of their own money, the Government in the 1970s was taking out of their hands the important decisions that affected them and their families. From the education of their children to saving for retirement, the big decisions

were passing increasingly to a State with a rapidly expanding officialdom. Like pocket money, people's earnings –or what was left of them – were to be spent, not on the essentials of daily life (big brother took care of them) but on the trivia.

Keith Joseph's penetrating comments on the 'pocket money society' were based on the harsh economic realities of the 1970s, but they also contained a powerful moral dimension. Only when people are trusted with responsibility are they likely to act responsibly.

Anyone observing Britain today can see that it is drifting back again to the 'pocket money society' of which Keith Joseph warned.

After two decades in which successive Conservative Governments first halted, and then reversed, the onward march of the State, it is expanding again.

In 1979, the Government spent 45 per cent of our national income. By the time Conservatives left office in 1997, its share was down to 39 per cent, and falling. Six years on, it is back up to 42 per cent, and climbing. What, in practice, does this mean for people?

The hard-working taxpayer found in April last year that take-home pay had gone down for the first time in nine years, because the Government had put taxes up very substantially. Small businessmen and women have found they need to work six hours a week more just to stay on top of the increase in official paperwork. Patients and their doctors in the NHS find more and more obstacles in the way of vital treatment, as Whitehall all too often puts targets before the needs of their patients. Even pensioners who have worked hard all their lives and steered well clear of the social security system, now find they are drawn into a Kafkaesque world of forms and officialdom. They must now lay bare their lives on an official form, and go cap in hand for welfare in retirement – a fate that has now befallen 60 per cent of all pensioners.

Instead of extricating ourselves from its grasp – as a nation of our wealth should be able to do – we have been tied down ever tightly by an ever greedier and more dominating State. The intrusion of government into our lives is not diminishing; it is becoming ever more pervasive.

It is not just that the Government is taxing more; taxes are reaching into every nook and cranny of life: new taxes on pensions, new taxes on business, new taxes on homeowners. Working life is now regulated to such an extent that a nursing home manager with 30 years' professional experience is now required to go to night school to get an NVQ if she wants to keep her job. There is now a threat that safety regulations will be extended, making it compulsory for every new bath to have a thermostat. Speed cameras mushroom, not around accident black-spots, but on clear stretches of road – and they are there not to improve our safety, but to lighten our pockets. Even a circus must get an entertainment licence costing £500 for every new venue where it pitches its big top. Following post-war collectivism, when the Left rationed bread, we now have their 'new millennium madness', when even circuses are taxed.

A Muddled Morality

The Labour Party's transformation from the collectivist party of the State into New Labour has not been as clear-cut as many of its current advocates tend to claim. Labour today aims to bind people into an ever more powerful State through centrally provided welfare services. The programme mapped out for a *total* system where welfare and public services were owned, run and determined by the State – a programme closely associated with Professor Titmuss and the social engineers of Britain's post-war era – finds its echo in the prophet of 'The Third Way', Anthony Giddens, one of New Labour's founding fathers. His essay on *The Third Way* states:

‘There will never be a common morality of the citizenship until a majority of the population benefit from the welfare state.’

This is a far cry indeed from Churchill's vision of the welfare state to act as 'a net beyond which none shall fall'.

For many on the Left, expanding the State is a moral imperative. They make the bold claim that this will re-moralise our people. But the reality is rather different. The aim is just the same as that of other Parties which have increased the role of government: to gain control by using the state apparatus. They do not want a future in which greater, shared prosperity enables people to become more independent of government; they want people to be tied to government. As a result, economic intervention now extends way beyond taxation and public spending to an agenda of complex means-tested awards to draw the middle classes into the welfare state – for example, through tax credits for those earning £55,000 a year or baby bonds.

And with the economic project for a bigger State comes the moral case for a bigger State. Under New Labour's 'third way' system, people are made to feel ashamed of their most virtuous aspirations. The successful are punished for their affluence. There is a sinister, destructive and punitive attitude to those individuals whose self-reliance threatens the socialist craving for control, which allows politicians to create dependency on the State through means testing, tax credits and hand-outs so that step by step a free society is subverted and brought within the Left's controlling web.

The Challenges

Language

One of the Conservative Party's most serious mistakes over recent years has been to lose the battle over the language of public debate. We have to take back ownership of words and phrases which are the rightful property of those who believe in the freedom of the individual and the unacceptability of intrusive government – words and phrases which Labour has had the audacity to claim as its own.

Earlier this year, the Culture Secretary, Tessa Jowell, wrote an article for a newspaper under a headline ‘In your own interest, learn to love the nanny state.’ In the article, she used words like ‘empowerment’, ‘enabling’ and ‘opportunity’ and seeking to persuade the reader that these were the product of a bigger State.

It reminds me of George Orwell who warned, in his essay *Politics and the English Language*, how:

‘a mass of words falls upon the facts like soft snow, blurring the outline and covering up all the details.’

In Orwell’s words, we recognise New Labour.

The writer of the headline on Tessa Jowell’s article was being mischievous. She did not herself use the expression ‘nanny state’. But the headline writer understood her meaning – and so do we. She meant the big State, which takes decisions on behalf of people because it does not trust people to take them for themselves. And the writer saw that her words – empowerment, enabling, and the rest – were attempts to cloak this reality in attractive language.

Yet Tessa Jowell illustrates a point that we Conservatives must learn. It is not enough for us to have the right answers to the problems Britain faces. We must also set out the philosophical case – indeed, a genuine moral case – for our approach, not just prove its technical advantages.

At a Conference to celebrate the ninetieth birthday of that clear-sighted Conservative, Milton Friedman, fellow economist Martin Feldstein said how surprised he was that in Friedman’s *Capitalism and Freedom* there was no mention of the adverse impact of social security on national savings. The explanation, he discovered, was that for Friedman, ‘giving individuals the freedom to choose for themselves might also increase economic efficiency, but freedom was the primary goal, and the resulting economic

efficiency was a happy by-product’.

We should be no less forthright about the validity of the moral case for our reforms.

In advancing the moral case for Conservatism, we should start by recapturing words like ‘fairness’, ‘opportunity’, ‘enabling’, and ‘community’. Without a fight, we have allowed them to be wrested from us by the Left, and given an association with big government that they were never meant to have.

Fairness is one of the words most often abused by New Labour. What is fair about the patients in Bristol who went blind because the pursuit of Government targets led to their follow-up appointments being delayed? What’s fair when law-abiding citizens are afraid to go out at night because of the fear of street crime? What’s fair when those who have always paid their taxes find themselves pushed down the queue for public services by those who have contributed nothing. These things represent the *opposite* of fairness.

We must also take back ownership of words like ‘competition’, ‘markets’, and ‘responsibility’ which we have allowed to be seen as somehow ethically suspect.

We must be ruthlessly clear about language, because clarity of language defines what is distinctive about our approach.

The Intruder State

That Tory distinctiveness starts with a clear description of the problem we intend to solve.

This problem is not, as a headline writer at *The Times* would have it, that of a ‘Nanny State’. The phrase actually sounds quite benevolent, if a little suffocating.

New Labour’s enthusiasm for regulation, which it regards as the direct successor of State

ownership, means that this Government is becoming intrusive to a degree undreamt of even by Old Labour. It is less the Nanny State than the Intruder State – the State that has intruded into places where it has no right to be.

No longer does the Government call on you to pay your share, and having done so leave you in peace. You now discover – to your horror – that the Government is in your home with views on how you should bring up your child, and is in your workplace with instructions as to how many hours you can work. Even your life savings are not beyond the reach of a Government which respects no boundaries as to where it will go and how it will tax and regulate.

The Intruder State has entered deep into the lives of British citizens – and wherever it does so, it robs them of control over their lives.

By stripping people of control, New Labour is creating a Britain of supplicant taxpayers, suffocated professionals and powerless citizens.

Supplicant Taxpayers

As well as being taxed *more* by Labour, people feel they have less and less *control* over the taxes they have had to hand over.

In two recent ICM polls for the think-tank Reform, 82% agreed with the statement that ‘taxes have gone up but services haven't improved much and there is a lot of waste’. 88% said that the way we provide healthcare in the UK is in need of fundamental review. 74% said that the way we run state education in the UK is in need of fundamental review, and 84% said the same of the way we tackle crime.

These results are not surprising because they are true. More and more people feel that they are accountable to the Government, rather than the Government being accountable to them.

Take the rapid expansion of means tests under this Government. The means test, which as Sir William Beveridge rightly said is hated by the British people, has returned with a vengeance. Means testing was, he pointed out, unfair; but even worse, it undermined the basic freedom, in his words, ‘to save pennies for the rainy day’ because it penalises incentive, hard work, saving and enterprise. His words remain as true today as they were when he was drawing up his famous report on social insurance.

People who never expected to be on social security, who have been self-sufficient and have paid their way throughout their working lives, now find that having paid their taxes they immediately have to apply to the Government for welfare benefits to have a decent income. The more taxes rise, the more is handed out by the Government to supplicant taxpayers. 60 per cent of pensioners are now trapped by the means test – some 20 per cent more than in 1997.

It is sheer madness to take more from people in taxes and then make those same people apply to get it back in social security benefits. This is the evil of ‘churning’, which Maurice Saatchi has put to the forefront of political debate, just as economists have emphasised it in economic debate. By making it impossible for people to rely on their own earnings to provide for themselves and their families, a Government denies people control over their lives. By making people rely on the Government for income, the State creates a nation of supplicant taxpayers.

It is not only the spread of the means test that strips people of control over their own lives. In Britain today, the people who pay for the cost of our public services have no say in how their taxes are used to provide those services. Once their money is handed over to the Government, it is, to all intents and purposes, lost.

People sometimes talk of having rights to make the vital decisions over their education or healthcare. But the reality today is that taxpayers have no rights, beyond the right to be

allocated by the Government to a place on a waiting list at its convenience – or for children the right to be sent to a school at the local authority’s discretion, irrespective of whether it is the school that the parents of a child want him or her to attend. Indeed, each year the Government makes less and less pretence that such rights exist. The pretence that parents can express a ‘preference’ for the school that would be best for their child is being abolished under the Stalinist procedures of the new Schools’ Admissions Code. The taxpayer must pay for the public services, but must then become a supplicant of an ever more arrogant Government.

The frustration that taxpayers feel over this lack of control is clear from the appeals statistics for schools in our biggest cities. In some of the most deprived communities in Britain, one parent in every five goes through the ordeal of pleading with the local education authority to be allowed to send their child to a better school than the one that has been allocated to them. They put themselves through this Soviet-era nightmare even though more than four in five of these appeals will fail. The rest are forced to go to the school chosen for them by the council, irrespective of their own wishes.

Suffocated Professionals

As well as creating supplicant taxpayers, the growth of Government control is also suffocating the professionals – the people who run the services on which the public depends.

If you are a doctor or a nurse you know that your first responsibility must always be to your patients, not the Government. Likewise, if you are a teacher, your children come first, not a distant Minister in Whitehall. You can never serve two masters.

During the last seven years, the Government has made itself the master. It has, in effect, set about nationalising professionalism. NHS hospital targets – set in Whitehall – now challenge the doctor’s clinical judgment. A maximum waiting time of four hours in Accident and Emergency has led to patients being forced to wait in ambulances outside

the casualty unit for fear of starting the clock ticking.

In a single year, teachers in our schools were issued with 3,840 pages of Whitehall directives telling them what to teach, and how to teach it. A similar quantity of paperwork was required from them in return reporting on the results to Whitehall.

Labour's view of what motivates professionals is simply wrong. It is not money – which is why doctors find it insulting to find that bonus payments come tied to the achievement of Government targets. Still less is it a desire to comply with administrative priorities that make the Minister look good. People who care for the sick and teach the young are motivated by a sense of vocation, which is fulfilled by exercising professional judgment. It cannot be done by fitting in with the system.

So it is not surprising that the biggest single reason why teachers leave the profession is the sheer volume of paperwork which now stands between them and their teaching.

It is not surprising, because these things follow inevitably from the suffocation of professionalism by big Government.

The Dilution of Parliament

It is not only taxpayers and the professionals who find control slipping away from them. We are all becoming 'disempowered' democratically. Almost every week Parliament is forced by the Government's majority to pass laws that curtail rights that many of us thought were a defining part of being British – such as the right to trial by jury and the right not to be detained without trial.

The House of Commons has been downgraded to the status of 'Downing Street in Parliament', while reform of the House of Lords reflects the Prime Minister's crony-ist agenda. Constitutional changes on the hoof are destroying tried and tested arrangements. Historic precedents are set aside to satisfy ministerial whims. Our judges have ever

greater powers to make law.

In addition, powers have been transferred from Parliament to the European Union, over which we have no effective control and which we cannot hold properly to account. As a result of a steady flow of EU Directives, Europe is now the source of over 40 per cent of regulations affecting British businesses. The proposed European Constitution would further reduce our control over vital areas of decision-making such as foreign affairs and defence policy. To crown it all, European law will take precedence over British law. And the Prime Minister has the cheek to dismiss the whole exercise as some ‘tidying-up’ affair.

These developments reduce still further our ability to control our own future. The Intruder State is not only active at home, but increasingly powerful across the Channel.

Our Course for the Future

Liberation Conservatism

Just as Conservative Governments after 1979 reversed the growth of the ‘pocket-money society’, so the next Conservative Government must roll back the Intruder State.

That cannot be done by simply running the Government a little better than Labour, by introducing fewer new taxes, employing fewer bureaucrats and resisting a few more regulations from Europe.

That would slow the growth of the Intruder State. And it would certainly be better than the Labour approach. But it would not mean that we were fulfilling our responsibility to change the course on which Britain has been set by Labour.

That requires reform, not mere containment. Conservatives today once again have the appetite for serious reform. I want to be part of a Government which will, at every

opportunity, give people back control over their lives. It will give taxpayers control over the money that they hand over to the Government and restore to professionals control over their work, so that they can once again fulfil their vocation, rather than carrying out orders from Ministers.

The next Conservative Government will give people control over how they are governed.

This goes to the heart of why I am a Conservative. De Tocqueville, writing in 1848, expresses succinctly the difference between my view of society and that of the Left:

‘Democracy and socialism have nothing in common but one word: equality. But notice the difference: while democracy seeks equality in liberty, socialism seeks equality in restraint and servitude’.

Two particular principles guided me in my work as Shadow Health Secretary over the last two and a half years. These principles will guide the policy of the next Conservative Government. Although rooted in Conservative philosophy - and, indeed, in plain good sense – when implemented they will represent radical new departures for public policy in this country.

More Power to the Taxpayer

The first principle is this – when you pay your taxes, you should retain some control over how and where the money is spent.

It is a simple principle. But it is also a revolutionary one.

When we pay our taxes, the money is generally used for one of two purposes. The first is to pay for those things that can only be provided collectively: defence, for instance, or the cost of central government itself. The other purpose is to make sure that every citizen receives what could be termed personal services which, while supplied to them as

individuals, are nevertheless thought of as universally necessary: for example, health or education.

Over recent years, the British people have lost sight of the distinction between the two. For that portion of our taxes which is paid towards providing a personal service, it is only right that taxpayers should have some say over what they are getting in return.

I believe it is imperative that taxpayers should have control, wherever possible, of the spending made on their behalf.

The Conservative Party's 'passports' for education and health will begin a process which will ensure that individual people are liberated from the suffocation of state monopoly decision-making. Instead of being offered choices designed for the State's convenience, they will take control in the way which they judge best suits them. For too long, pupils and patients have been made to serve the system. The system must be made to serve them.

An End to Public Good, Private Bad

The second principle is related to the first. I believe that we should break down the artificial barriers that have been set up between the different providers of public services. There should be no distinction in practice, as there is no distinction in morality, between what is state-owned, what is owned by a charity or voluntary group, and what is owned by a company.

If a school provides an excellent education for children, it should not matter a jot whether that school is run by the local authority, or whether it operates as a city academy not subject to LEA control, or whether it has been created by a group of parents or by a philanthropist – or indeed by a company.

This is a moral argument as much as a practical one – but more importantly, it addresses

the issue in terms of real human life, not as abstract theory.

A carer in a nursing home is no better or worse as a professional whether that care home is owned by a specialist company or a local authority. A patient who has an operation in a not-for-profit hospital should not be a pariah because they did not go to the local NHS-owned hospital.

What matters is a high standard of provision to meet the needs of the patient or the pupil. The Government should be prepared to fund what works, however it is owned. Standards in our public services will rise significantly only when we give the people who provide those services real and meaningful independence.

If the artificial barriers which exist today are to be broken down, we must dismantle the regulatory, legislative and cultural obstacles to professionals fulfilling their vocation.

Implications for Policy

These two principles underpin a set of policy prescriptions.

First, as I have already described, taxpayers should keep control of the taxes they pay towards their health and education. They should receive an entitlement, which we have called a ‘passport’, enabling them to be treated in any hospital in the country, not at the one to which they are directed by the State. They should be able to send their child to the school that best suits that child.

Second, there must be freedom to supply. Hospitals which can treat patients well in return for the standard tariff should be free to expand. Existing schools which can give children a good education should be able to expand, and new schools should be free to start if they can provide a good education for the amount the State is prepared to spend per child.

Third, we must make sure that professionals in the public sector have the same independence as their counterparts in the voluntary and private sectors. That means sweeping away the culture of targets from central government, along with directives, form-filling and bureaucratic inspection.

Fourth, we need to make Government accountable to Parliament once again, and make local democracy meaningful by creating a fairer balance between what is spent locally and what is raised locally. And we must continue to oppose the adoption of the proposed new European Constitution, which would transfer more control away from the British people to institutions that are remote and unaccountable.

Conclusion

Britain needs a new agenda – and one that is defined in exactly the opposite terms from Labour’s ‘third way’.

Society can prosper *only* when individuals are set free from state dependency. Only when we are free to maximise our own talents do we have any chance of maximising the potential of the society in which we live.

Hand in hand with the empowerment of individual citizens must come the ‘disempowerment’ of the political classes. Politicians must wean themselves away from their interventionist habits, whether legislative or fiscal. We must celebrate the concepts the market and community, representing as they do the combined wisdom of millions of people, who deserve to be freed from the poor quality decision-making of the Government machine.

And we must embrace the concept of competition. It is the means by which, in a free society, we relate our talents to one another without the interference of Government or law.

Above all, however, we need to create a new climate of aspiration. In some cases, that will entail rekindling the very concept of aspiration itself, since it has been snuffed out in so many parts of our society by the false belief that the State should make the choices on behalf of individuals.

For too many people politics has become like the weather – something that happens to you, not something which you can affect.

We have another duty too. We must never forget where we have come from as a nation. Too many of the third-way politicians seek not only to manipulate the present but to rewrite the past. As a country, and as a Party, we should not be afraid to look back on, and learn from, our history. Britain's long and benign impact on so many parts of the world did not occur by accident, but because visionary people chose to broaden their horizons, and in doing so exported British values and institutions to all points of the globe.

And for those politically correct apologists who will inevitably throw up their hands in disgust at this characterisation of our history, I proudly assert this – for every so-called blot on our copybook, I can show you a hundred achievements, which your political role models could come within light years of matching.

So we have a clear and proud view of who we are. It will inform the principles behind the programme which we will be presenting to the country at the next election. We have a bold task; control must pass from the Intruder State to taxpayers, professionals and the people as a whole.

Our task is great because the issue is not only an economic one but a moral one. 'Third way' socialism is trap which encourages people to surrender their personal freedom incrementally to the State. It ends in the abdication of personal responsibility. It nationalises self-reliance and strangles both individual aspiration and altruism.

The Conservative Party must be bold in making the case for Conservatism. Our intellectual renaissance will be the foundation of our political recovery.

Let no one accuse us, the Conservatives, of backing away from the problems that face our country. We will be honest with the public about our plans and the implications of our plans.

If we explain our principles and plans clearly, honestly and loudly enough in the coming months, we can convince people of what, in their hearts, they know to be right: that Conservatives, once more, have the answers to the challenges facing Britain.