From Labour to… ?

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FROM LABOUR TO…?

I HAVE NO DIRECT INTEREST in the future health of the Conservative Party. My allegiance is to Labour; more accurately, to Tony Blair.

But it is precisely because of that allegiance that I now also have an interest in the Conservative Party's health. First, because it is to the benefit of everyone that we have, once again, two parties competing with a realistic prospect of electoral success. And second, because the Blair experiment is now coming to an end, and with that comes the end of any lingering hope that it is possible to be, as it were, right wing on the left.

That means that those of us who have long shied away from the Conservative Party but who nonetheless share what should be core Conservative principles of liberty and free markets are effectively homeless. This pamphlet is thus concerned with one question: what can the Conservative Party do to persuade us that it should be our political home?

That we do not today consider that to be a plausible option is a far broader problem for the Party than the absence of support from a small group of disenfranchised Blairites. The reasons why we dismiss the Conservative Party speak volumes about its deeper political problems. The fact that we do not think it to be an acceptable political base reflects the very reasons why it has gone from being the most effective election winning machine in the democratic world to the loser of three elections in a row, with no sign (despite some delusional readings of the 2005 result) of any improvement in its fortunes.

Unsavoury and stupid

I joined the Labour Party in 1986, mainly as a result of the infamous Clause 27 (later Section 28) of the Local Government Bill, intended to ban the promotion of homosexuality, which led me to conclude that, despite its beliefs in economic freedom, there was a malign streak at the heart of the Conservative Party. The campaign behind the legislation was nasty and mean spirited, and was designed to send out the message to the Party's core support that – to coin a phrase – it was thinking what they were thinking: homosexuals are disgusting. In so doing, it sent out another message: stay away from us if you are comfortable with modern liberties or if you consider yourself to be progressive.

So we did. Labour had its (many) flaws, but it seemed at least to be against the bigotry which Clause 27 exemplified. And with the arrival of Blair as leader, it began to marry that with an acceptance of markets and competition. It was a promising formula and has proved to be an electoral masterstroke – even if the reality has not lived up to the promise.

For homosexuals in the 1980s, read immigrants today. The Conservative Party's 2005 election campaign was repellent in its 'nudge, nudge, wink, wink, we hate them too' stance on immigration. Indeed, it was not merely non-Conservatives who were further alienated from the Party; many life-long Conservatives could no longer bring themselves to support it, so disgusted were they at tactics which the Party used to grub for votes.

But the strategy was not merely unsavoury; it was also stupid. Conservative support amongst social groups A and B – professionals – has fallen in every election since 1992 (it fell a further 2 per cent in 2005 from the already record low of 2001) and now stands at just 37 per cent. If the Party is ever to win again, it will have to secure their support. Yet its focus on immigration, and the image of the Party to which that contributes, might have been calculated to dissuade ABs from supporting the Party, so antithetical is it to their views.

ABs were once, and will have to be once more if the Party is ever to win again, natural Tory voters. But, as the former Director of the Conservative Research Department, Daniel Finkelstein, wrote in *The Times* of 11 May 2005:

> *The accusation that the Party has been running core vote campaigns is quite wrong. The core of Tory support — the wealthy, the educated, the successful — has been turning away from the Party. And instead of trying to lure those people back, Conservatives have been trying to replace them with other people, people with less "advanced" social views. It's not been a core vote strategy, it's been a transfusion strategy… It has not worked. It will not work. And not just because the number of AB voters is growing and turns out in higher proportions. It's also because AB views rub off on everyone else. The Tory Party can try to change the opinions of AB voters. Or it can accept those opinions and adapt to them. What it cannot do is ignore them. The thing about the chattering classes, you see, is that they chatter.*

Worse, polling carried out for Lord Ashcroft around the 2005 election showed that:

> *…the Conservatives were thought less likely than their opponents to care about ordinary people's problems, share the values of voters or deliver what they promised. Majorities in key marginal seats thought the Party was out of touch, had failed to learn from its mistakes, cared more about the well-off than have-nots, and did not stand for opportunity for all. And things did not improve with time – voters had a more negative view of the Conservative Party at the end of the campaign than they did at the beginning.*

Far from reaching out and winning support, the Party's concentration on themes such as immigration and asylum – essentially 'Bloody foreigners' – could not have been more explicit in sending out the message to those critical As and Bs that the Conservative Party was not remotely thinking what they were thinking – that London, for instance, is a wonderful, vibrant, cosmopolitan city precisely because of immigrants.

This perception of the Party ensures that it is now limited to retaining the support of the (roughly) one third of voters who stuck with it in 1997 and 2001. As Labour found in 1983, such a bedrock of support means that it is possible to be unelectable as a government and yet still safe from obliteration. (Although for a properly stark appreciation of the depth of the Conservative Party's problems, it is worth recording that even in 1983 Labour won more seats than the Conservative Party managed in 2005.)

Labour true to its instincts – despite Mr Blair

But as someone who has only ever voted for the return of a Labour MP, why should I care?

When I joined Labour in 1986, the Party was just beginning to move away from its lunatic phase. Much as I was desperate to see Labour embrace wealth creation and competition, I never imagined we would have a leader so unambiguously in favour of the two as Tony Blair. Under him, I thought, all things were possible. Just as only Nixon could go to China, only Labour could reform health, education and welfare. I believe that the state has no business running schools or hospitals. I trust competition and the efficacy of markets more than any politician or bureaucrat. But I nonetheless have voted Labour. The reason? Tony Blair.

But the wheels had already come off 'the project' long before 5 May 2005. In the last parliament, Mr Blair was unable to secure the legislation he wanted in two pivotal areas: university fees and foundation hospitals. Even with a majority of 161 he was forced to make so many concessions to Labour back-benchers that the idea of independently run hospitals operating within the NHS – the very point of foundation hospitals – was effectively destroyed. The same was true for tuition fees: the fudged system with which we have ended up, with regulators and caps on fees, are a far cry from the market mechanism originally planned (not least as a result of the crass behaviour of the Conservative Party, a theme explored below).

The lesson of the Blair years is that a sensible leader is not enough. Mr Blair's political genius was in persuading voters that it was possible to have the feel-good effect of voting Labour without having to vote for the Labour policies they knew and disliked. New Labour was a valiant attempt to turn Labour into a Party in tune with the modern world. In many ways, that was a successful operation. Whatever some Party members might wish, the idea of nationalising the top 250 companies is no longer even on the agenda of a branch meeting in Bolsover. That is a signal achievement. But even under Tony Blair's leadership (let alone when Gordon Brown takes over) the Party has remained true to its instincts to interfere with both businesses and individuals, and to impose taxes and regulations which impose enormous costs. Labour will always, it seems, be Labour.

Where does that leave those of us who believe that, far from being a contradiction, progressive politics necessitate freedom for the individual, a smaller state and lower taxes? A LibDem Party which was genuinely liberal would be promising. But the 'Orange Book' policies espoused by the likes of David Laws and Jeremy Browne are as unpopular in the LibDem Party as Tony Blair's natural instincts are in his. In many ways LibDem members are worse even than Labour's in their hostility to markets and their predisposition for statism.

With a Conservative Party which has seemed to want only to recreate the 1950s, we are cut adrift without a life raft. Yet if only it could see it, the Conservative Party has it within itself to create a coalition of support which would bring together the bedrock of voters who have stuck with it in the past three defeats, its once natural AB supporters, disaffected Labour supporters and Blairites, and Cs and Ds who were Thatcher's Tories but have long since given up on the Party. And the key mechanism which can support that coalition is, as I will seek to demonstrate, genuine public sector reform, based on equality of access, and buttressed by individual liberty.

The Conservative response

So although I might not be a Conservative, I have every interest in the revival of the Party. But what has passed so far for the debate over the future direction of the Party has been dispiriting and frustrating in the extreme. It has veered between platitudes and false dichotomies. We were, for instance, informed in a supposedly seminal speech in June by David Cameron that the distinctive Conservative agenda comprised:

> *A dynamic economy. A decent society. A strong self-confident nation. These goals are forward-looking, inclusive, and generous.*

It is difficult to imagine a sentient being who might disagree with Mr Cameron's offering.

The Conservative Party will have to do more than ape Mr Blair by removing verbs from sentences if it is to return to electability. Nor was Tony Blair elected Labour leader simply because he was young and had a pleasant demeanour. At the time he ran for the leadership, in 1994, he had a sustained record of achievement within his Party, having first, as Shadow Employment Secretary, transformed its trades union policies (a pre-requisite to electability) and then, as Shadow Home Secretary, turned crime, a large vote loser for the Party, into a prime electoral asset.

This pamphlet is certainly not intended to support any one candidate. As I pointed out in relation to Tony Blair's leadership of the Labour Party, the beliefs of the leader are not enough if he does not have wide support within his Party. But it is notable that David Cameron's sole public contribution is to have been policy co-ordinator for a manifesto which secured a third successive electoral drubbing. David Davis is far from the ideal candidate but he has seen off two Home Office ministers and been the main focus of opposition within his Party to ID cards (to which I turn below) – an issue which ought to be pivotal in separating Conservative liberals from Labour authoritarians, and thus in commending the Party to its natural supporters once more.

Worse even than the platitudes, however, are the false dichotomies which are posed as if they cause a fundamental split in Party thinking. The most glaring of the non-existent distinctions is that between, on the one hand, promising genuine bold tax reforms and, on the other, finding policies which reach out beyond the core Tory vote and which show that Conservatives do care about the public services. There need to be no such conflict. Indeed, the two go hand in hand, feeding off each other. The apparent contradiction between them, as part of the supposed divide between 'modernisers' and 'right-wingers', appears to an outsider to exist solely to give spurious philosophical justification to a series of personality clashes.

Part of Tony Blair's political strength was that, in rescuing a decaying Party, he did not pretend he was starting from Year Zero. He kept hold of what the public liked about Labour – its concern for social justice – but ditched what it did not like – economic incompetence and hatred of success. He replaced the latter with an acceptance of the market and thus demonstrated that the Party now accepted the way the world worked. This is the key lesson to be learned from New Labour: while a Party must play to its strengths, it must also make clear that where the public says it is wrong, the response must not be to ask for a new public, but to listen and adapt.

In this respect at least, if the Conservative Party can think about why it has won in the past, why it has been respected, and why it is now disliked, the terrain is far from bleak. Iraq aside, disenchantment with Labour centres on the lack of significant public service reform. But it is not enough for the Conservatives to respond with the assertion that they would do better – even with cast-iron policies which might ensure just that. If a second hand car salesman tells you that he has just the car for you, you will not take him at face value – especially if the last time you bought from him, the car self-destructed. You want proof that he has changed. You require a guarantee that the latest car is road-worthy. So even if the Party came up with a clear, affordable and sensible policy on, say, educational standards, that would not be enough. The public needs

persuading that the Party is genuinely interested in the public services.

That does not mean throwing the baby out with the bathwater, as some have recommended. Nick Gibb and Gary Streeter, for example, argued in *The Times* of 10 May 2005 that:

> *Rather than continuing down the cul-de-sac of the internal market in the health service, we must find ways to transform the appalling management that is the cause of the NHS's problems.*

In a word: no. All sensible analysis shows that it is the very notion of a national health service – which cannot be national, is unable to deliver health, and is incapable of acting as a service provider should – which is flawed. No one centrally funded organisation can deliver what is required by patients. This is not the place for a detailed explanation of the inherent flaws of the NHS but the problem with Conservative health policies is not that they are 'not Labour enough'; it is that they have not so far offered anything beyond an escape route for the already better off. Indeed, that exemplifies the main problem for the Party: it has failed to offer any context for its proposed reforms, so that across the range of public services it appears interested only in making life a little more bearable for the middle classes.

The opportunity for the Conservatives

That is the opposite of what is required, since it exacerbates the perception of the Conservatives as the selfish Party. Yet there is a much bigger dimension which has the power to transform perceptions: that market-based reforms should have at their root the idea of giving equality of access and opportunity to the poor.

Take vouchers. School vouchers are now on the mainstream political and educational agenda in the US, are successful and popular in countries such as Holland and Sweden, and are, at last, being debated here as a serious proposition. The Government has even promised a form of NHS voucher, in its pledge to allow patients to choose from a number of providers, at least one of which

will be private. So the principles of choice and consumer empowerment have been accepted (even if the mechanics do not live up to the theory).

In education, vouchers are merely one example of school choice – giving parents, rather than bureaucrats, the power; and, critically, giving less well-off parents the same power to choose as those whose control stems from the ability to open their cheque books.

Around a fifth of the UK adult population are functionally illiterate and innumerate. With educational achievement the single most important factor in promoting social mobility, it is no wonder that today, as was the case in the pre-war years, where you are born predicts with depressing accuracy where you will end up on the social scale. That is getting worse, not better, as almost every parent who can afford to leaves the state sector and further entrenches the educational apartheid which has bedevilled us for so long.

Of course we already have a fully functioning system of parental choice in the UK. It is called the private sector, and the voucher takes the form of a cheque book. Within the state sector, there is a still more insidious version of choice, where the voucher is a mortgage. If you can afford to live in a nice suburban catchment area, fine. If you can't, you must take what you're given. Or turn to your cheque book for private tutoring, as some of our highest placed politicians are happy to do.

For all the good intentions, the Government's new education initiatives have one crucial failing: they are all created by central diktat, based on the idea that government knows best what types of school to allocate and where. The central question opponents of choice must answer is this: why should those parents and children who can't afford school fees or the cost of a house in a decent catchment area be the only ones who are denied a real choice?

Instead of pressing the case for school choice or a more liberalised education sector as if it was a detail of policy, Conservatives should proselytise for vouchers as the very essence of empowerment – the Left's favourite word, but one which is

honoured by Labour only in the breach. Vouchers empower the poor by handing them the same power of the purse string now enjoyed by the better off.

At the moment, Conservatives deal with the market in the worst possible way. They either run away from it as if afflicted by a disease, or they talk about it with boggle-eyed mania, so that every time they open their mouth they come across like believers in a cult. The market is merely a means to an end, and it is that end which they need to stress. Conservatives should explain relentlessly why it is that they want to introduce reforms: to benefit the poor and to improve services for everyone. Just as Tony Blair was able to turn crime from a negative into a key part of his success by changing the perception of Labour's attitude ('tough on crime, tough on the causes of crime') so the Conservative Party has to – and can – turn its association with the market to its advantage.

But to do that it must be consistent. There have been few more shameless – and self-defeating – pieces of opportunism than the Party's opposition to university top-up fees. Shameless, because the introduction of a genuine market mechanism into higher education is clearly what is needed, and just as clearly dovetails perfectly with Conservative principles. Self-defeating, because the Party's policy of extended student grants was so transparent in its intentions, and so obviously antithetical to what Conservatives believe, that the voters it was intended to entice did not even believe it to be genuine. If the Party had criticised the Government's specifics – arguing that Labour was not going far enough – and explained why the introduction of fees and a market would at the same time benefit the less well-off and help restore the health of the university sector, it would have gone some way towards regaining credibility on the issue. Instead, its behaviour exemplified its broader political problems and managed the near impossible feat of reducing still further its right to be taken seriously as a Party of government. Exactly the same story was true with Foundation Hospitals.

A programme for government which is both true to core Tory principles and which is attractive to voters who have deserted the Party must demonstrate that the Party does not want to slash and burn but to reform, putting real power in the hands of consumers rather than producers. Labour is only able to get away with its regular lies about Conservative plans – such as the nonsensical '£35 billion cuts' claim during the 2005 election – because it is knocking at an open door. Such is the public's belief already.

There is merit in the widely asserted idea that the Conservative Party needs its 'Clause IV' moment. But, typically, most advocates of a dramatic statement that the Party has changed have misunderstood what it meant for Labour and what is required for the Conservatives. In ditching Clause IV, Labour did not make a gesture for the sake of it. It junked a constitutional commitment to nationalisation which infected the public's view of the Party. In doing so, and in what it adopted in its place, it gave a striking demonstration of what it really stood for.

The statement which the Conservative Party should make needs to show conclusively that it is genuinely committed to improving the lot of those who do not have the money to escape from public services. It has been easy to characterise Conservatives as indifferent to public services when ministers in previous Governments have gone out of their way to avoid using them, whether it is schools or hospitals. The public has, understandably, been sceptical about their claims to be taken seriously on this matter. But there is a way to demonstrate that the Party is indeed committed to reform. The next leader should pledge that, from day one of taking office as Prime Minister, where there is a choice between a public and a private service, his ministers will always use the public service. They will demonstrate their commitment to reform in the most direct way. There will no doubt be squeals from some of the shadow ministers affected but the new leader should use his authority immediately to make it clear that there is no easy journey back to power, and anyone who objects need not bother coming along for the ride. The benefits in changing public

perceptions would far outweigh the possible loss of a few spokesmen and women.

Not just how much, but how and by whom

The key issue is not just how much money is spent but how it is spent, and by whom. The anger the public is now beginning to feel is not at Labour spending *per se*, but at wasteful spending. Money which is taken from the taxpayer and then thrown into an NHS money-pit, or handed over to LEAs and other education bureaucrats for allocation, is money which should not be taken. But money which is then used to fund a school voucher which is allocated by parents themselves, for instance, is money put to good use.

Waste, of course, does not just mean inefficient spending, but vast swathes of the public sector which need not even exist. The public sector payroll fell for 20 consecutive years to 1998. Since then, under Labour, it has risen by 600,000. This is natural Tory territory. But the critical mistake of the existing Conservative approach is to argue for cuts for the sake of arguing for cuts. There has to be a context – that money spent on non-jobs cannot be spent on hospitals and schools. The message of the Party's posters in 2001 – "you've paid the tax, where's the result?" – was spot on but at least one election too early. That should have been the relentless message in May, not counter-productive slogans about immigration which alienated precisely those voters the Tories need to win back.

By 2009, Gordon Brown as PM will have strengthened the idea that Labour's tax and spend policies are wasteful. The Conservative mantra should be along the lines of 'these Labour fools take your money and squander it; we can make it go further because we'll stop spending where there's no need, and we will put you in charge elsewhere'.

Play to strength: the advantages of flat tax

That message also dovetails with a further reform which plays to Conservative strengths and can help change perceptions of the Party: tax reform. For some reason, advocates of tax reform have been portrayed as head-banging right-wingers at odds with the need for the Party to adapt to the modern world. Far from that being the case, tax reform is a necessary prerequisite of that adaptation.

Although the wealthiest 20 per cent of households pay 35 per cent of their incomes in tax, the poorest 20 per cent pay even more as a proportion of their household income – 37.9 per cent of their incomes go in tax (more than any other group). So if one wants also to help the poor, it seems sensible to cut the basic rate, or to lift a greater number out of taxes altogether by raising allowances. But life is not that simple.

The main tax which the poor pay is not income tax, but indirect taxes, which account for 28.5 per cent of their income. Direct taxes comprise just 9.5 per cent of the tax take from the bottom fifth of the population. So raising allowances, or a crude cut in the basic rate, will not have a major impact on the poor – and will undermine attempts to persuade the electorate that the Party does not exist simply to increase the wealth of the better off.

But there is one aspect of the tax system which is amenable to reform and which will have a direct and relatively greater beneficial impact on the poor. The existing system is the product not of a rational mind but of the accretions of time. Deductibles and allowances which have been introduced with a variety of specific intents have combined to produce a system which satisfies no one except the Treasury and is full of examples of the most pervasive law of public policy: the law of unintended consequences.

The idea of the 'flat tax', a single tax rate on all income, is rapidly gaining in currency. Several former Soviet bloc countries now have a flat tax, and the attempts by France and Germany to, in effect, ban such tax competition within the EU have been successfully resisted

by other Member States (not least those which are benefiting). Poland has now announced its intention to follow suit. Even Ireland is introducing a flat tax, albeit only for companies. As George Osborne put it in *The Spectator* of 9 July 2005:

> *Flat tax scores highly on the age-old principles of good taxation, famously laid down by Adam Smith, who said that taxes should be efficient, transparent, simple and fair. They are easy to collect. The amounts charged are predictable. The burden on companies and individuals is low. The economic benefits follow: the deadweight cost of the tax system falls, competitiveness improves, and incentives to work increase as you keep more of your earnings. The result is that tax revenues can remain surprisingly buoyant even as tax rates fall.*

The simplicity of the single rate is increased by the removal of specific tax deductions which complicate the existing system. Most flat tax countries have also increased personal allowances to ensure that low-earners are better off. The most advanced analysis so far of a possible British flat tax – by Richard Teather for the Adam Smith Institute – has looked at the impact of a rate of 22% (equal to the current basic rate tax) and a personal allowance of £12,000 (a figure chosen as in the range between the minimum wage of roughly £8,750 and the average income of around £22,000).

Although everyone would benefit from an increase in personal allowances, it would lift 10 million out of income tax altogether. As the following table shows, the biggest gains (12% of their income) are for those on an income just below average. And the poorest third all benefit more than the richest third. (It is true that a flat tax would benefit the very well-off substantially. However, if Conservatives really do prefer the politics of aspiration to the politics of envy, then this anomaly need not negate this policy. And Conservatives should be confident in explaining that the great majority of the gains are concentrated in lower income groups.)

Effect of current income tax system, compared with flat tax of 22% with £12,000 personal allowance

Family Deciles	Average income £	Current income tax % income	Flat tax % income	Saving % income	Average Saving £
Poorest 10%	2,549	9.2	0	9.2	235
2nd	4,280	7.9	0	7.9	338
3rd	6,811	9.8	0	9.8	667
4th	11,464	12.1	0	12.1	1,387
5th	16,792	11.9	6.0	5.6	940
6th	21,696	12.8	9.8	3.0	651
7th	28,427	14.0	12.7	1.3	370
8th	35,571	14.9	14.6	0.3	107
9th	44,981	16.3	16.1	0.2	90
Richest 10%	79,187	20.1	18.7	1.4	1,109

Source: Richard Teather, *A Flat Tax for the UK,* ASI, 2005

Richard Teather argues:

> *Currently the poorest third of families pay over 9% of their income in income tax; under the flat tax they will pay nothing. Families on below-average incomes pay 12% of their income in income tax; under the flat tax they will pay less than half of that. In all, a flat tax with a personal allowance of £12,000 would remove around 10 million current taxpayers from the income tax net.*

It is important to remember, however, that a flat tax need not, of itself, be high or low. Sometimes there is a trade-off between the need to keep the rate low in order to maintain business competitiveness, and the desire for a given level of funding for public services. Where the flat tax scores is that it makes such decisions transparent – a stark contrast to the Brown strategy of stealth taxes. We will know what we are paying because the tax rate will be clear. And, coupled with the public sector reforms suggested above, the decision as to an appropriate tax rate will be directly related to the level of service provided.

Any reform of the tax system must of course also be accompanied by reform of the benefit system: tax gains made by poorer households should not be diluted by reductions in means-tested benefits. Any reform of the tax and benefit system will result in both 'winners' and 'losers'. But it should be the clear intention - and result - of Conservative Party policy to benefit the poor at least as much as the better off.

Advocacy of a flat tax presses all the right buttons. It is good for the economy. It is good for the poor. It is good for business. And it is easy to grasp.

Liberty

There is a theme running through all of this – liberty. The liberty, for instance, of the individual to decide for him- or herself how and where children are educated and how they are treated within the NHS. And, critically, the liberty of the poor to make such choices.

Ensuring the liberty of the individual to go about his business without fear of assault or robbery is – or rather, ought to be – one of the most basic functions of the state. But despite Labour's tough talk, sentencing policy and the judiciary remain dominated by so-called liberal ideas of punishment. And the police seem to believe that they exist not so much to prevent or solve crime as to act as an arm of social services – even on the rare moments when they are released from their desks onto the streets. As Tony Blair realised in his time as Shadow Home Secretary, law and order is an issue which affects the less well-off worst of all. Far from a concentration on crime and punishment being inimical to changing the perception of the Conservative Party to a Party for the underprivileged, it is integral to it. Those who are least able to insulate themselves from crime are those who are most passionate about the need for an end to the liberal domination of criminal justice policy and policing.

The core belief in liberty ought also to make opposition to ID cards a given. For Labour, ID cards are an extension of its general outlook that individuals must look to the state for answers to

problems, and that the state grants permission for individual behaviour. That, surely, is the very heart of the difference between Labour and the Conservatives. For Conservatives even to contemplate ID cards is a betrayal of the liberty which has to be central to any Conservative revival.

There is a further liberty: the power of self-government. For decades, the Conservative Party has been split over Europe – a split which fatally undermined the last period of Conservative government. That is no longer true. The Party is, to all intents and purposes, united around the slogan first enunciated by William Hague: in Europe but not run by Europe. There are a few Eurofanatics and Europhobes, but they are now so small in number as to be on the margins of serious politics. Better still, the unified Conservative position on Europe chimes perfectly with the broad position of the electorate. Tony Blair escaped the consequences of his support for the EU constitution thanks to the results of the French and the Dutch referenda, but his broad support for further integration – and Gordon Brown's, despite the image of Euroscepticism he has managed to maintain – makes the Labour Government vulnerable on a core area of political debate.

Despite this, the Conservative Party now behaves as if its position on the future direction of the EU is something to be kept quiet about at all costs. It is as if the Party was still riven by the disputes of a decade ago and any mention of the EU would plunge it back into chaos. It is not and it would not. Instead of hiding its European light under a bushel, it should capitalise on one of the few areas of policy where its position dovetails so well with the electorate's.

There are many areas I have left out of this pamphlet. It is not meant to be a comprehensive guide to policy. As I outlined at the beginning, it is meant to answer just one question: what can the Conservative Party do to persuade those of us who shy away from the Conservative Party, but who nonetheless share the principles of liberty and free markets, that it should be our political home? What I suggest would be a start.

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