

Rediscovering Conservatism for the British Nation

by Bill Cash, MP



THE CONSERVATIVE PARTY has lost its way. This has happened at least six times since 1800. The present failure is therefore an historic opportunity for renewal and for changing the course of events. This will only come about – as on every other occasion – when the Conservative Party rediscovers its role as the Party of Principle in the National Interest.

Country first, Constituency Second, Party third. The Conservative leadership is secondary to this. Many of the proposed changes to the Conservative Party Constitution will undermine the grass roots of the Party and its principles of free speech and local autonomy. No person should aspire to that leadership who does not subscribe to these principles, which are set out below, or who has failed to do so in the past. Modernisation is bunk. One Nation politics is No Nation politics. Conservatism needs action, not action man politics.

The time is right. Britain has increasingly lost control of its own affairs. It has allowed itself to be crushed by an obsolete and

failing European ideology affecting every walk of life, by over-regulation and bureaucracy, by political correctness and is now under siege by terrorism from within and without. Britain is losing confidence in its history and achievements, in its democracy, laws and institutions and its priorities and, with this, its capacity to govern. Now is the opportunity and the obligation for the Conservative Party to return Britain to the British people in practice, based on clear principles, consistency, foresight and judgement. None of this will come about without utter political will and proof of trust based on track record.

There are 44.1 million electors in this country – only 27.1 million of whom actually voted in the last election and yet only 8.8 million of whom voted Conservative. There are millions of people who are ‘conservative’ who, given the right lead, would willingly vote Conservative if they were given reason to trust the principles and promises of the Leader and the Party itself.

So what are these principles in practice and in priority?

- 1 Returning national self-government and the Supremacy of Parliament, on behalf of the voters.
- 2 Upholding freedom and public safety, which are mutually interdependent.
- 3 Economic stability and prosperity, adequately helping those in need.
- 4 Foreign policy and defence by alliance, not subservience.
- 5 Parliamentary and Constitutional Reform – direct democracy, decisions and laws for the people by debate and judgement, not diktat. Restoring the confidence of the electorate and of MPs in themselves.
- 6 Excellence and efficiency in public services, delivered and generally run locally.
- 7 Concern and toleration for others (with family at the heart of responsibility), based on sound foundations – at home and abroad.
- 8 A Conservative Party and leadership dedicated, from within, to these principles.

PRINCIPLES THAT MATTER IN PRACTICE

1 Returning national self-government and the Supremacy of Parliament on behalf of the voters.

A weak Parliament is a weak nation. The first duty of government is to protect the people. This is undermined when law-making is taken away from their Parliament and made elsewhere, as in the European Union.

Assuming that other Member States will not fundamentally renegotiate the existing European Treaties, withdrawal will become necessary and new arrangements for co-operation established between those states who so decide.

Parliament makes the laws; the judiciary must apply that law and uphold it – not overturn it. They are constitutionally obliged to apply the latest clear and unambiguous Acts of Parliament, e.g. which state they are made “*Notwithstanding the European Communities Act 1972*”, similarly with the Human Rights Act 1998.

2 Upholding freedom and public safety, which are mutually interdependent.

Freedom is undermined when people live in fear of crime (particularly violent and gun crime) and terrorism. Those who commit such crimes must be dealt with severely and fairly and deterred, not pampered. To fail to do this creates a fear of freedom, which leads to authoritarianism such as identity cards and ‘Big Brother’. Victims and their families must come first. The Human Rights Act should be repealed and we should withdraw from the European Convention on Human Rights. We should pass laws at Westminster, as for generations, that make for a fair, tolerant and just nation. This includes genuine immigrants and asylum seekers as prescribed by our own laws, but not, by the creation of impossible conflicts, as at present, for example, as between upholding universal treaties on human rights based merely on prerogative (not statute) and preventing the proper suppression of terrorists and promoters of terrorism. Alleged terrorists are entitled to *habeas corpus* and a fair trial but national security must be restored to the Government, not judges. Legal aid in this sphere should be greatly curtailed. The appalling spectacle of public agitators treating Britain with hatred and contempt being protected by ‘human

rights’ legislation and financed by the taxpayer must stop. Our veto on the removal of border controls was absurdly given away in the negotiations on Amsterdam by Conservative Ministers in 1995 and in the Treaty. This must be restored.

3 Economic stability and prosperity, adequately helping those in need. Where there are balances to be struck the balance must be in favour of enterprise and fairness.

Low growth and high unemployment (as in France and Germany) create economic instability. They are caused by the implementation of EU policies in the eurozone and by over-regulation. The ERM nearly destroyed the British economy in 1989 and was unresolved by the failed Stability and Growth Pact (both advocated and implemented under Ministers of John Major’s Government, who should have resigned but who are now leadership contenders). Most over-regulation (which costs British business £100 billion a year) comes from the EU.

Under Gordon Brown, economic conditions have improved but could be made far better by disengagement from the Maastricht economic criteria and EU social law.

Taxation should be substantially cut to generate more research, innovation and enterprise. A flat rate tax has much merit. Pensioners must be given priority protection and treatment.

Public expenditure should be cut by drastically reducing the statute book which imposes costly legal duties on public service providers and which has led to the employment of 550,000 civil servants, many of whom are unnecessary, highly paid, highly pensioned and generate bureaucracy and more laws which stifle enterprise and growth. Each department of state must be required, by Act of Parliament, to have an external investigation and audit of statutes of that department (beyond the James Report recommendations), followed up by a drastic repeal of statutes and laws, whether domestic or (under a Supremacy of Parliament Act) by overriding European laws. All legislation should be subject to scrutiny by continuous review and to limited lifespan unless renewed. Many absolute duties

imposed by law should be replaced by a general requirement, so far as is reasonably necessary.

The resulting increase in prosperity should be used, in part, to help those in need.

The economy of Britain should be based primarily on principles for the creation of small business and enterprise, including services and manufacture, avoidance of monopoly and social engineering, and there being fewer laws and more free trade at home and abroad.

4 Foreign policy and defence by alliance, not subservience.

Britain has entered alliances since the Middle Ages with other countries, including those in Europe, but until the last twenty years has not bound herself to these within a legal straitjacket. Since the Maastricht Treaty, then Amsterdam and Nice and Parliament having voted for the European Constitution, Britain has lost its independence of action in Foreign Affairs and Defence. Alliances are one thing – as with NATO. Subservience is another. This must be reversed. Our relationship with the USA is based on mutual vital national interests in defence of democracy and must be the pivot of our policy. As Churchill said, “*The greatest fact of the twentieth century is that Britain and America marched together.*” So in peace and against terrorism, as in war, must we do so in the twenty-first.

5 Parliamentary and Constitutional Reform – direct democracy, with decisions and laws made in Parliament and locally through the people by debate and judgement, not diktat. Restoring the confidence of the electorate and of MPs in Parliament and themselves.

Parliament, the Parliament of the voters, has been undermined.

Government, Number 10, has gained supremacy over Parliament through the present whip system and intimidation of MPs by the threat of deselection.

They are representatives of the voter, not delegates. MPs are neutered by this by the power given to bureaucracy in Whitehall and in Brussels and the statute book is out of control – not understood and not known.

Over-regulation is costing British business £100 billion a year.

MPs have lost confidence in their own judgement and their capacity to influence events and policies. Parties and co-ordination may be necessary in principle, but it has gone too far. Crucially, the Speaker must be given back control over the House of Commons and its Standing Orders and procedure, based on clearly defined immutable principles, such as the need for proper time for debate. Mindless filibustering is unacceptable but the prevention of reasonable time for discussion of essential issues by guillotine/programme motions must be stopped. Select Committees must be guaranteed true independence and MPs guaranteed their independence. No MP should be deselected for exercising his or her political judgement or speaking his or her mind. Resignation from office should become the norm when necessary on principle and when promises to the electorate have been broken or lies made in Parliament. Fair accusations of these should be allowed in Parliament.

The Supremacy of Parliament, which is the voter's ring of steel, must be absolutely affirmed by Act of Parliament, requiring the judges to apply and give effect to the latest Act of Parliament which is passed on any issue, which is clear and unambiguous, irrespective of European laws or Treaties or International Treaties or Conventions on Human Rights or otherwise. All Treaties must be passed in Parliament, not by the Government alone. The House of Lords must be elected by 80 per cent election with different constituencies, cycles of election and constitutional functions. Judges of senior rank should be subject to approval by a Joint Committee in Parliament.

The BBC Charter must be enforced and compliance with the Charter on matters of impartiality in public policy must take precedence over editorial independence and the BBC accounts made fully subject to the audit of the Public Accounts Committee.

6 Excellence and efficiency in public services, delivered and generally run locally with local accountability.

With few exceptions public services are best delivered and run in a local community – not nationally, although based on a loose framework passed in Parliament.

This rule must be applied generally

except only where it is approved by an independent Select Committee given the task and endorsed by Parliament as a whole.

Much unnecessary public expenditure and lack of local accountability come from Acts of Parliament imposing rigid duties enforceable by judges.

These Acts of Parliament must be put through the same system of scrutiny as illustrated in section 3 above.

Public expenditure is driven upwards by the costs of putting legislation (European and UK) into effect and will be driven downwards by selective repeal.

Provision of public services should be geared to need, not bureaucratic self-sufficiency.

The following additional principles should be applied to:

- Health
- Education
- Local Government and Transport
- Policing
- etc.

Parish councils should be given a pivotal local role, particularly in respect of the maintenance of the rural landscape, hedges, verges, and verges to a very high standard.

7 Concern and toleration for others (with the family at the heart of responsibility), based on sound foundations – at home and abroad.

The principle is mutuality.

At home – Those in real need must receive help but not those who selfishly exploit the system or abuse others. The same applies to all those from whatever walk of life, background and culture. The environment needs sensible protection.

Toleration does not mean a free-for-all. Freedom presumes a reciprocal responsibility and duty for those whose freedom is protected by the state. The criminal law must be rigorously applied to those in default, irrespective of so-called human rights.

These principles apply to those of all nationalities and all ethnic and religious persuasions. They also apply to all citizens in the UK including those who abuse children, the elderly and infirm or others, either individually or at large in the community, e.g. drug peddlers and takers, binge drinkers and racists, black or white. The gun culture must be eliminated.

Abroad – There are inherent international responsibilities for maintaining balanced

global relationships, including the environment, but treaties governing these are not immutable and must be regarded as important but always subject to national review by Act of Parliament. There is a national and natural responsibility to help other countries in real need provided they run their own affairs on principle, of identifiable democracy and externally assessed accountability.

The family – The family is the natural nucleus of the Nation and must be promoted and protected by law, including tax policy.

There is far too much legislation based on political correctness, which cuts across this principle and which needs review and repeal. Much of this comes from theories and laws based on so-called human rights.

There is also a grave danger from reproductive technology, such as cloning and sex selection, which have massive implications for all and for public expenditure. The same applies to abortion and euthanasia. All these spheres of activity require more, not less, control and regulation, including the so-called 'therapeutic criteria' now applied in the interests of scientific research.

Family law requires traditional assessment in a modern context.

8 A Conservative Party and leadership dedicated, from within, to these principles.

The Conservative Party Constitution needs radical review. The recent attempts through the Conduct Rules to suppress freedom of speech by candidates and MPs must be wholly rejected. Constituency Associations must be generally self-governing on Conservative principles, including the selection and deselection of MPs. The Board of the Party must have its functions confined to administration.

There must be enforceable criteria for proper standards of ethics and conduct by MPs and Candidates, but not preventing freedom of speech and independent judgement – otherwise consistency of Conservative principle will be undermined. The Leader must provide political direction based on Conservative principles and the Chief Whip instructed accordingly.

Bill Cash is Conservative Member of Parliament for Stone and Chairman of the European Foundation.

— Leadership Special —

David Cameron, MP Time for the EU to take a different path

EURO-ENTHUSIASTS are fond of transport metaphors: so here's one of my own. The EU has taken the wrong fork in the road. It leads to a low growth, high unemployment future. The EU needs to turn around and take a different path – the one that leads to future prosperity and economic opportunity and it needs to do so quickly.

Those who believe that after the French and Danish 'No' votes the European issue has somehow gone away are profoundly misguided. Fresh attempts to shoehorn European nations into a tightly fitting structure will soon be made and we need a strong Conservative Party to resist such moves.

The rejection of the EU Constitution is also precisely the time to drive home the case for change. It is now time for the EU to confront its problems and implement reform, rather than just talking about it.

Europe is losing the global economic race. The EU economy has been outpaced by the US in every year apart from one since 1992. The much vaunted European social model (actually just the model of France and Germany, not Britain or Sweden) has left 19 million people unemployed across the EU. High tax rates for the poor, plus the effect of unreformed welfare systems, mean that people moving from welfare to work in the eurozone face an average effective tax rate of 80 per cent.

The EU's economy isn't working properly now and things are only going to get worse unless action is taken. EU members will soon see the average age of their populations increase significantly causing the ratio of adults in work to those claiming pensions to fall dramatically. By 2050 the UK will have to survive with 2.6 workers for every pensioner, but in comparison in Italy the ratio will be just 1.4.

As populations get older the ability of national pension systems to cope will come under extreme pressure. The international economics agency Standard and Poor's predicts that the net effect of this is that by the middle of the century France will have a national debt of 260 per cent of GDP and Germany a debt of 307 per cent, while the UK's debt will barely rise to 55 per cent. These problems must begin to take a priority over needless political integration.

So what should be done? The EU needs to do less and do what it does better and the CAP should be the first target for reform.

The EU spends around \$50 billion a year on agricultural support policies. On top of this, the World Bank has estimated that the knock-on cost to EU consumers of artificially high food prices is \$63 billion annually, and the cost to the developing world through lost trade is around \$20 billion a year.

A report by the French Institute for Political Studies suggests that pulling down Europe's barriers to trade with the rest of the world would increase EU GDP by up to 7 per cent.

Our tradition is as a free trading nation competing for our share of international trade. A modern Conservative approach to foreign policy would emphasise the global over the European. We need to be open and outward facing and the EU needs to recognise that its

real job is to make the single market work properly and champion free trade.

We also need to tackle fraud and corruption and make the EU more transparent. Despite EU rhetoric about reform, little has changed. The EU's own accountants have refused to sign off its accounts for each of the last ten years. In 2002, 10,000 cases of suspected fraud or irregularity were reported costing EU taxpayers a total of £700 million. Meanwhile a vast proportion of EU documents are not accessible to the public. Key EU meetings are not public and do not publish minutes. EU decision-making is dominated by the tens of thousands of lobbyists working among the EU institutions.

Such dysfunctional conduct by EU institutions is not acceptable in the modern world. It is little wonder that the EU has an image problem among the people of Europe. Things need to change.

When it comes to regulation, we need to go beyond slogans and challenge the culture of the EU. Not just resisting new regulations, but fighting to end the EU's damaging social role.

Since 1998 alone new EU regulations have cost the UK economy at least £24 billion. A report by the European Commission last year estimated that a reduction of the regulatory burden to US levels could boost EU GDP by up to 12 per cent. But at the moment Europe is still regulating, not deregulating.

I believe that now is the time to press home the arguments for radical change: returning employment and social regulation to national control.

We also need to make the EU more flexible, end the presumption of 'ever closer union' and end the presumption that all Member States must participate in every aspect of EU cooperation.

Some say that you can't take powers back from the EU because there is not the will to change. I reject that. There are signs of changing attitudes in some countries. The CDU manifesto specifically calls for the "*recovery of competences*" from the EU to nation states. It would be bizarre if Britain were to adopt a position of silence on this matter at a time when countries like Germany were moving in the opposite direction and when some of the new Member States in Eastern Europe also have an appetite for change.

There is already an acceptance of some difference across the EU: not all Member States are in the euro, some are neutral and do not participate in the EU defence force, and not all are signed up to the Schengen Agreement. In a mature EU which has just enlarged, such differences can only become more commonplace in the future.

For the last nine years we have had a Labour Government that has wanted to lock Britain into the euro and hand over more powers by signing the EU Constitution. With such an agenda it is not surprising that they have proved weak negotiators.

A strong Eurosceptic Conservative Government genuinely committed to get change would be successful – and just as we have seen the gradual transfer of power to the EU over the last twenty years, so we must now deliver the gradual return of some of those powers each time the treaties are reviewed.

Dr Liam Fox, MP

Shaping the EU in Britain's Interest

I BELIEVE that the current direction of European development is contrary to the interests of both Britain and Europe as a whole. The European Union must be transformed into a genuinely flexible association of sovereign nations if it is to have any relevance in a rapidly changing 21st Century world.

Anything other than this would be a disservice to the people of Europe, since they would be denied the benefits of reversing the integrationist agenda which has dominated the last two decades.

My objective on being appointed Shadow Foreign Secretary therefore was to define clearly the type of EU which the Conservative Party believes in, and to encourage others to adopt the same approach.

No less important than the final goal was the manner in which we went about attaining it. The Conservative Party had long harboured deep (and understandable) resentment about the ratchet effect pulling the UK towards a European destination we do not wish to go to. I therefore felt it was essential for us to break out of that straitjacket. Otherwise, it would be very difficult for us to be able to give our positive view of how Britain's constructive engagement with a more decentralised, more outward looking Europe would benefit the people of Britain and the people of Europe.

The rejection of the EU Constitution by the French and Dutch has given the people of Europe the chance to re-cast the EU in a form suited to the beginning of the 21st Century, and we in the Conservative Party a unique opportunity to take the lead. It should not and must not matter that die-hard integrationists are determined to press ahead with implementing the Constitution. The EU must fundamentally change the way it does things and the way it sees the world.

In short, today's European Union must work to promote security and prosperity, and be based on the principle of free trade.

Our blueprint for the new EU must take as its starting point the principle that the Conservative Party is resolutely opposed to 'ever closer union' (a point I highlighted in the Commons in June).

The UK's destiny will never lie in a United States of Europe. We do not want the EU to acquire the trappings of statehood. We also oppose the extension of Qualified Majority Voting, except where we judge that it genuinely serves British interests to work with others, for instance on environmental issues. Instead, I favour a genuine association of sovereign states, retaining control over such key issues as the economy, defence and law and order, but working together where this is in their mutual interest.

One of the major stumbling blocks to an informed discussion of reforming the EU is that too many people still see the EU from the point of view of the early post-war years. They see only optimism and idealism, and believe this is all that matters. They are living in the past. The EU of today is a different creature. Europe as a continent has changed, as has the world in which it exists.

Too many European leaders have a Eurocentric view of the world, one which is a generation out of date. While the EU gazes inwards, China, South Asia and the Americas continue to take an increased share of the world's market, eroding what was once European prosperity and influence. On a rapidly ageing continent the omens do not look good. By 2010 the EU's working age population will have begun a permanent decline. Over the next 40 years the working age populations of Germany, Italy and Spain will all fall by a third. This will have a major impact on the European economy.

The problems are exacerbated by the willingness of too many European leaders to blame someone else for their economic woes. There is no point in European Governments blaming external factors for the dreadful performance of their economies. Unless nations have the courage and commitment to introduce the sort of supply-side economic reforms, which Britain undertook under the Conservatives in the 1980s, then they will consign yet another generation of their young people to structural unemployment.

Increased economic flexibility will help refashion the European economy. It will help build the liberal, free-market based economies which can succeed and flourish. There are nineteen million unemployed people within the European Union's borders. This is not just wasteful of human talent and enterprise, but it is also profoundly dangerous. It makes welfare states increasingly difficult to sustain financially. And it has the potential to act as a breeding ground, once again, for political extremism.

Fortunately, the picture is not uniformly bleak. Already, it is the adaptive economies of the new entrant nations which are leaping ahead. Estonia has made enormous strides. Slovakia has become the new Detroit as the leading centre of automotive production in the EU. More and more EU Member States recognise that jobs and prosperity flow from a flexible labour market and a light-touch approach to regulation. Those countries know that free trade and competition is the best route to sustained economic growth. Estonia is predicting 6 per cent GDP growth this year and Slovakia 4 per cent. These nations have no wish to be stifled by the centralising dead-hand of Brussels, no craving for the French and German social model. The Anglo-Saxon model of economic liberalism is the one they are attracted to.

This probably appears self-evident to most readers. How could anyone possibly not want to move Europe in such a direction? Why would an economically dynamic Europe not be preferable? Unfortunately, this is to underestimate the power of the European elites. They are still wedded to an out-of-date notion of a 'social Europe' which requires a vast bureaucracy. It is the last refuge of the interventionist instinct.

This comes with high costs – both economic and social. It costs more to hire people, as well as to make them redundant. The welfare bill is huge, and so personal taxation tends to be higher as well. Neither encourages a spirit of entrepreneurial activity. Alarm bells should be ringing in the UK. Tony Blair and Gordon Brown are increasingly adopting policies which will silt up our own economy by slowly adopting much of the French and German social model.

Guy Verhofstadt, the Belgian Prime Minister, said in 2004 that, *"Growth in Europe last year was 0.8%, in the United States it was over 3%, in China it was over 10%... If we don't change things, we risk turning Europe into a social and economic museum."*

He's right. Now, more than ever, democracy and free trade need champions. The UK has always been at the forefront of battles to defend these principles and this economic model, and they must do so once again. Together we can guide the continent of Europe back on to path that leads towards peace and prosperity.

There is a great prize – a reformed, relevant and effective EU – within our grasp.

All the Conservative Party requires is the self-belief and the courage to bring it about.

Andrew Lansley, CBE, MP

Can Conservatives be positive about Europe again?

FOR FOUR YEARS, Westminster Conservatives have kept quiet about Europe. It wasn't one of the issues that mattered, it was put in peoples' 'too difficult' tray, or put off to a possible future referendum. Now, Tories are rushing to talk about Europe again. Why? Because Europe matters.

It's not just that Europe is our largest market and that sustaining growth in Britain, if debt-fuelled British demand ebbs, needs them as customers – it's far more. Over 40 per cent of our business regulation now comes from Brussels and many other industries are affected. Our competition policy is written in line with EU rules. Our telecoms industry is regulated, in effect, to EU directives. Our drinking water likewise; wildlife protection; environmental and farming policy, food and product labelling and so it goes on.

Health is another important area where Europe already plays an integral role, although few recognise it. It is involved with the licensing of medicines, cross-border public health, such as pandemic flu planning, nutritional labelling and vitamin supplement regulations, healthcare when abroad, the European Working Time Directive. All of these are 'European' issues.

Some offer opportunities while others are threats and burdens. I would argue that it isn't necessary for Europe to regulate doctors' hours and their efforts to restrict access to vitamins has been disgraceful and unjustified.

Yet access to healthcare abroad, creating critical mass for clinical research and development, the need to ensure Europe is a vital location for pharmaceuticals including R&D, and control of infectious diseases are all better achieved through European co-operation.

Across Europe the defeat of the EU Constitution has precipitated a debate. Not so much a debate about constitutional matters, but about the purposes of Europe. Is it a Europe of grand designs or concrete actions? Is it a Europe which creates liberalised, market-orientated economies and public services, which promotes free trade and competition, or a Europe of social and economic protection, with barriers to competition and trying to protect high-cost social subsidies?

The latter is not a realistic choice. The social protection model of France is unsustainable in cost terms. Even the currently high French standards of public services will be overtaken by countries which, through liberalised markets and the use of competition and choice in public services, are able to create more wealth and more productive public services.

We in Britain are tied in to this debate, but Labour are trying to have it both ways – calling for liberalised markets, while signing up to social protection structures which will cripple European competitiveness. Mr Blair is once again trying to camp on our ground. And we're letting him; but he has no right to do so. He supported the EU Constitution; he ended the Social Chapter opt-out; and he has failed to push the Lisbon reform agenda.

With the euro off the agenda and the EU Constitution dead, British Conservatives have a choice: we can either get into this

debate positively or imply that we're better off out of it. I know we have to be in this debate.

If we shun Europe, do we think it will help us secure our future markets? Will it help us to tackle climate change or global pollution? Will it help us secure our future energy supplies? How could we get a free trade deal in the WTO? How could we get the largest aid budgets in the world to be effective at eradicating abject poverty? How would we give our children the opportunities to live and work across our continent?

I believe we need a Europe which is based on free trade and competition, and focused on the issues on which the Member States agree – that European co-operation is the best way to meet shared objectives: for example on climate change, energy supply, North Sea pollution or burden sharing on asylum.

We have potential centre-right allies taking Europe in a liberalising direction: in Spain, following José Maria Aznar's bold tax and market reforms; in Sweden, where the former Conservative Government introduced school choice reforms based on vouchers that the socialist Government hasn't dared to get rid of; and now in Germany Angela Merkel, the CDU leader and potential German Chancellor after September, is clearly committed to deregulation and competition.

The measure of our potential strength is that the combined EPP-ED group in the European Parliament, of which we are members, is the largest group. Its European Ideas Network, whose working group in public services I chair, is developing a framework for reform of public services, through competition and choice, while raising standards and ensuring equity of access.

If we see Europe as a vehicle to achieve specific objectives and an opportunity for learning how we can deliver a new European model of dynamic markets and a strong society, and if we are positive about European co-operation, then I know we will be part of a growing coalition in Europe. If, however, we are seen as just wanting less Europe, or no Europe, and standing apart from our natural centre-right allies, we will not gain the influence we need in this debate, nor serve Britain well.

Our centre-right colleagues in Europe know we don't share the federalist ideals many of them hold. They must know British Conservatives will oppose entry to a federalist EU Constitution and entry to the euro. They know we will attack vigorously the structure of spending, waste and bureaucracy of Brussels. Yet, I know we can co-exist. A Europe of 25 Member States may in any case no longer sustain the integrationist ambition of federalists. The mechanisms for pursuing those through the EU Constitution is no longer available.

So, the time has come for British Conservatives to re-enter the Europe debate, not just in Britain, but in Europe. Not as lone voices, but as part of the strongest political group in Europe. Not as reluctant Europeans, nor as anti-Europeans, but as positive Europeans. Positive for a more efficient, competitive, purposeful Europe.

Rt Hon. Theresa May, MP

Britain's future lies beyond Europe

BRTAIN SHOULD BE IN EUROPE; NOT RUN BY EUROPE! Keep the Pound! I don't want to live in a country called Europe! These political war chants are undoubtedly messages with which the British public agrees. Of course, Britain should keep its EU membership. Of course, we shouldn't join the euro. And, of course, we should oppose moves that seek to make the EU some form of super-state. The problem is that the British people have heard rather too much of the Conservative Party repeating their favourite war chants, and not enough about the issues that the public care most about. Simple electoral arithmetic tells us that Conservatives can't regain power until not only do we talk about the issues that matter most to people, but they feel that we are genuinely interested in them.

The problem for Conservatives is that Europe is all too often seen as 'our' issue: something that we naturally agree with the electorate about, and therefore something that we can feel confident talking about. Labour wanted to take us into the euro. We opposed euro membership, and we were proved right. Labour wanted to sign us up to the European Constitution. We opposed the Treaty, and the peoples of Europe proved us right.

Conservatives are right to follow their instincts and maintain a healthy scepticism; and there is no doubt that the UK needs a government that will stand up for Britain. But so long as we are seen as being obsessed with 'Europe' not only are we failing to develop a wider foreign policy, but we are also failing to provide solutions to the international issues that concern people – such as the impact of globalisation and the rising power of China and India. Moreover, by being seen to be constantly 'against Europe' we allow ourselves yet again to be seen to be negative and we cut ourselves off from alliances that could be of longer term benefit. When I was negotiating in Europe on behalf of the UK banking industry, the key to success was the building of alliances with others, but doing this meant working with them. This cannot be done if they see you as constantly being negative. Yes, there are times to say "no", but there are other times when saying no for the sake of it is simply counter-productive.

In the 21st Century, globalisation has made the old concept of 'an island nation' increasingly irrelevant. The technological and communications revolutions mean that we watch humanitarian crises like the tsunami as they happen, we drive cars made in East Asia, we travel to other continents for summer holidays, we can commute to work in other countries and we conduct business in cyberspace. Some issues should manifestly be managed by nation states, but on issues that might be better managed by a multilateral institution, our answer should not be a knee-jerk "no". Cross-border co-operation is essential in the fight against terrorism; and doesn't it make sense for multilateral organisations such as the EU to

address issues such as the environment, or rules for a continental 'single sky'?

One certainty is that the old, introspective vision for Europe is increasingly irrelevant. The idea that the EU can act as a protectionist bloc to act as a bulwark against more competitive markets is as outdated as the French socialist experiment of the 1980s. It is already a cliché that Britain now has allies in the new Member States for its traditionally flexible view of Europe; in Angela Merkel and Nicolas Sarkozy, the Germans and French could also have leaders willing to embrace reform.

Conservatives have to look to the future and we must be more internationalist in our outlook. The fights about the euro already seem irrelevant in 2005. The Constitution is already dead. The dynamics of the European Union have changed. Instead, Britain faces several new and challenging foreign policy dilemmas. Iraq and the War on Terror continue to dominate our political landscape. What should be the structure and role of the United Nations in the future? How do we cope with the radical change to the face of the global economy that is taking place with the rise of India and China, vast economies with equally vast populations?

What is true in foreign policy is just as true of domestic policy. Put simply, there are other issues that are more important than Europe. According to polls commissioned just before the general election, of twelve key political issues, Europe ranked just ninth (and populists beware: even on Europe, Labour were seen as the stronger party). More important than Europe to voters were, in order: the NHS, education, crime, pensions and social security, immigration and asylum, international terrorism, management of the economy overall, and international poverty.¹ It would be surprising if populist strategists were to encourage the Party to focus narrowly on international poverty as a single issue 'vote winner', yet as an issue, it was more relevant to voters than Europe.

The challenge for the Conservative Party is to find Conservative solutions to today's problems. When we are able to apply Conservative principles and policies to the everyday domestic problems that people face, so we will be able to apply our principles to foreign policy. This is a great responsibility, for Britain is a country with powerful economic, diplomatic and military clout. We really do punch above our weight. So we must be ready to deal with the policy dilemmas that are likely to confront us in the 21st Century. Europe is only one of these issues. It is only when voters believe we have understood that fact that they will come to see us as a party of government once again.

¹ <http://www.populuslimited.com/>

Rt Hon. Sir Malcolm Rifkind, MP

!!! Spacer subhead - to be changed !!!

TONY BLAIR'S EUROPEAN POLICY has collapsed around him. He struts around the European stage like an Emperor with no clothes.

When he became Prime Minister, Mr Blair declared his determination to make Britain a power in the European Union. His objective was to turn the Franco-German power house into a tripartite British-French-German alliance. As we have seen in recent months, his achievement after eight years has been the exact opposite.

He needed to do two things to achieve his goal. First, the British people had to be persuaded to join the euro – the single currency – to demonstrate our credentials as ‘good Europeans’. But by the end of his Prime Ministership almost 10 years will have passed without this so-called strong leader even having the courage to ask the British people to vote to end the pound. His strategy to join the Euro is as dead as the proverbial dodo.

The second arm of his plan was to persuade the British to ratify the new European Constitution. That, too, is now out of the window courtesy of French and Dutch voters. Their rejection of the Constitution was as much a humiliation for Blair as it was for Chirac and other continental leaders.

So the results of eight years of Labour Government is that British views are disregarded in Paris and Berlin and the United Kingdom remains as semi-detached as ever in the EU. Indeed, Blair's only significant initiative in recent months has been his unconvincing attempt to wrap himself in the Union Jack in order to defend Margaret Thatcher's budget rebate from the rapacious French.

There is a need for a new European debate. French and Dutch voters have shown that continental European opinion is closer to that of the Conservative Party than for many years. A more relaxed, outward looking Europe of nation states needs to evolve. But Blair no longer has either the influence nor the moral authority to lead such a debate.

I believe that opting out of some EU policies is not anti-European. Our opt-out from Schengen allowed us to welcome the new democracies of the Baltic area far faster than the rest of the EU. For Britain, removing the need for travel visas was a simple decision taken by the British Government alone. But the Schengen countries could not agree a common approach to the Baltics and the result was paralysis, with citizens of Baltic countries requiring visas to travel to the Schengen countries for some years after such

requirements had been dropped in Britain. By retaining the ability to act independently, Britain led Europe.

The assumption of the founding fathers of the EEC was that it would consist of members who had the same rights and obligations. Europe *a la carte* was rejected. But times have changed. The EU of today is, and will remain, very different and diverse. Even before enlargement to the East the EU had accepted and learned to live with a considerable degree of what has become known as ‘variable geometry’.

Enlargement has transformed the exception into the norm. There are three countries not in the single currency, two not in Schengen, four neutrals limited in their contribution to common defence, ten new members – one of which (Cyprus) does not control a large part of its territory – and up to eight other countries queuing up to join.

This is the reality of the contemporary EU. It was always inevitable that as the EU expanded, both more widely and more deeply, it would have to compromise on its internal unity and coherence and accept greater flexibility. It is to the credit of the EU and of its original members that it has done just that.

Thus Britain in the New Europe should be the champion of the pragmatists. It will find new allies, not just amongst the Scandinavians, but also in the new democracies of Central and Eastern Europe who have just recovered, after half a century, the right to govern themselves and do not wish to hand it over to new European institutions, however benign and well-meaning.

But this flexible, multi-speed Europe must be entrenched and taken for granted by all. It would be intolerable if any Member State that did not feel comfortable with a particular proposal for new integration had to battle against hostility and opposition for the right to opt-out. It would be equally unacceptable if groups of countries that wished to take some areas of integration even further and deeper are held back by those who did not agree with them, whether they were a majority or a minority.

In short, Europe must grow up. It is never going to be a state like the USA nor should it ever wish to be. But nor must Europe fall back into its bad old habits of mutual hostility and occasional warfare. Rather, the EU must be built on the principle of institutionalised cooperation with a right for each state to participate to the degree that its people and its own history indicates is appropriate.

Conservative Party Leadership Candidate Biographies

David Cameron, MP

David Cameron was elected Member of Parliament for the Witney constituency in West Oxfordshire in June 2001. He was appointed Shadow Secretary of State for Education and Skills in May 2005, and previously held the position of Shadow Deputy Leader of the House of Commons in 2003. Before running for office, Mr Cameron worked at Carlton Communication plc, a leading media company, where he was Director of Corporate Affairs and served on the Executive Board.

Rt Hon. David Davis, MP

David Davis was the Member of Parliament for Boothferry from 1987 until 1997. Since 1997, he has served as MP for Haltemprice & Howden. He is currently Shadow Home Secretary, a post which he has occupied since 2003. Mr Davis was Shadow Secretary of State for Home, Constitutional and Legal Affairs from 2003-04 and Shadow Deputy Prime Minister with Shadow Ministerial responsibility for the Cabinet Office from 2002-03. He has written various articles and pamphlets, and two books entitled *How to Turn Round a Company* and *The BBC viewers' guide to Parliament*.

Dr Liam Fox, MP

Dr Liam Fox was elected Member of Parliament for Woodspring in April 1992. He is currently Shadow Foreign Secretary and was Shadow Secretary of State for Health from 1999-2003. Dr Fox is a member of the Royal College of General Practitioners. He worked as a Civilian Army Medical Officer and also worked in the voluntary sector as a divisional surgeon for St Johns before becoming a GP in Buckinghamshire and Somerset.

Andrew Lansley, CBE, MP

Andrew Lansley was elected Member Parliament for South Cambridgeshire in May 1997 and is currently Shadow Secretary of State for Health. Since October 2001 he has been a member of the Trade and Industry Select Committee and previously served as a member of the Health Select Committee. Prior to his political career, Mr Lansley worked as Principal Private Secretary to the Rt Hon. Norman Tebbit MP and as a civil servant in the Department of Trade and Industry.

Rt Hon. Theresa May, MP

Theresa May was elected Member of Parliament for Maidenhead in May 1997. She is currently Shadow Secretary of State for the Family, Culture, Media and Sport; she occupied the post of Shadow Secretary of State for Environment and Transport in November 2003. Mrs May was Shadow Secretary of State for Transport in June 2002, and, following the break-up of the DTLR in September 2001, she was appointed as Shadow Secretary of State for Transport, Local Government & the Regions.

Rt Hon. Sir Malcolm Rifkind, MP

Sir Malcolm Rifkind was elected Member of Parliament for Kensington and Chelsea in May 2005. Prior to this, Sir Malcolm was Member of Parliament for Edinburgh Pentlands from 1974-97. He is currently Shadow Secretary of State for Work and Pensions. He first became a member of the Cabinet in 1986 as Secretary of State for Scotland. In 1990 he became Minister of Transport, in 1992 Secretary of State for Defence, and from 1995-97 he was Foreign Secretary.

... news in brief

Deficit procedure against Germany

There is speculation that the European Commission might be intending to reactivate in November the excessive deficit procedure against Germany, which it had put on ice. According to some estimates, the budget deficit in Germany is expected to be between 3.9 per cent and 4.0 per cent of GDP, as against the 3.7 per cent that the German Government had predicted, although the German Finance Ministry has strongly denied these claims. A ministry spokesman said, *"There is no reason at the moment for anyone to speculate about a higher deficit."* The spokesman for the EU Commissar for monetary affairs also said that it was too early to speculate on what the Commission might decide to do. In July, the Commissar, Joaquín Almunia, has said that the Commission would probably suggest imposing fines on Germany, since Berlin did not seem to be doing enough to cut its borrowing; now he is being more tactful, saying that he wants to await further reports in November before deciding what to do. Two years ago, the Commission lost its battle with the Council of Ministers and failed to impose fines on France and Germany: this led to the *de facto* re-writing of the Stability Pact to allow

the very thing it was supposed to prevent, namely excess deficits. Last week, the Austrian Finance Minister, Karl-Heinz Grasser, said that he thought that Berlin's estimate of a deficit of 3.7 per cent was too optimistic, which suggests that Vienna might not support Berlin this time around. The German Chancellor, Gerhard Schröder, has tried to dampen speculations about the higher deficit, saying that such prognoses depended on factors beyond anyone's control. For instance, he said, Hurricane Katrina could have a severe negative effect on oil refining and therefore on the world oil price. His purpose in making such remarks is to show that the Government cannot simply control the economy. However, his Finance Minister, Hans Eichel, told a German newspaper explicitly that Germany would fully comply with the terms of the Stability Pact by 2007. The opposition Christian Democrats are naturally trying to make political capital out of the apparent mismanagement of the country's finances by the incumbent Government: their spokesman has accused the Finance Minister of trickery. The latest move by the Commission would be the last step before imposing a fine, which could be as high as €10 billion. [*Handelsblatt*, 9th September 2005]