<u>My Conservative Home Article: Sunak is</u> <u>struggling because Tory members are</u> <u>hungry for change, and Truss offers it</u>

Below you will find my latest article for <u>Conservative Home</u>:

Since the departure of Margaret Thatcher we have had a succession of Conservative leaders who have spoken fluent Conservative when talking to members, but who have often governed in a more left of centre way.

David Cameron shifted to accommodate the Liberal Democrats in coalition for his first period in office. Together they followed the Treasury/EU austerity model in their economic policy, making reducing the state deficit and debt the central task. They welcomed a surge of EU laws over many facets of life. Both he and Theresa May were enthusiasts to keep the UK aligned with the highly-regulated requirements of Brussels.

Whilst Boris Johnson was personally in favour of a more distinctive, growthoriented approach, he was held back by Treasury dogma and a Chancellor who favoured high taxes.

The centre left is a very congested space in UK politics. Going for their theories and policies is unlikely to win many swing votes for Conservatives, but it can lose you plenty of votes to abstention or fringe parties, as Mrs May found with UKIP.

It should be no surprise to see members of the party tell surveys they strongly favour Liz Truss over Rishi Sunak. There is a frustration that more Brexit freedoms have not been used. They want the Government to be able to set VAT rates in Northern Ireland so we can cut it for the whole UK, and to allow free trade across the Irish Sea between Northern Ireland and Great Britain.

There is an impatience with slow growth and no growth and worries that the outgoing Chancellor was not taking possible recession seriously enough. There is a wish to see us honour our manifesto promises on tax and where possible to be removing or cutting taxes, not dreaming up ever more things to tax. There is a wish to see security of energy supply and domestic food production as important requirements of policy. They want us to visibly take control of our borders.

The Sunak campaign, like the Remain campaign, tells us the future is worrying and there is little we can do about it as a nation. It is more interested in trying to frighten us off voting for change than setting out a compelling vision of the future.

We are repeatedly told that Rishi is the grown up, the man with great economic experience who understands the realities. Yet when it comes to debating the details of how he gained this experience and what he has learned from the errors of recent years there is an unwillingness to engage.

One of his main mantras is we have to put taxes up now to curb inflation. So if higher taxes stop inflation, why have the higher taxes this year coincided with higher price rises? How exactly will higher corporation tax and national Insurance bring prices down? Do they really think creating £450bn of money to buy bonds to keep interest rates very low had no part in the inflation we are now suffering?

He now offers us Income tax cuts for the period 2025-9 based on growth. Who can sensibly predict what the British growth rate will be all those years ahead? Why are these affordable?

Of course as Conservatives we all believe there needs to be limits on public borrowing. We should also believe you cannot print your way out of inflation, and you cannot tax your way out of recession. The new prime minister will need to lead a government that does take good care of how taxes are spent and how much things in government cost.

The answer to the large deficit is threefold: we need to get better at securing value for what we spend; we need to focus on priorities and rein in the passion for government to do more; we need more growth to boost the tax revenues we can spend.

As last year showed, a bit more growth brought in an extra £77bn compared to Treasury forecasts of tax revenue with no tax rises.

The Sunak campaign has tried to offer policies it thinks will appeal to Conservative members. The pledge to send many more criminals out of the country did not help, as it was difficult to see how it would be achieved. The promise to tax people £10 for every missed GP appointment did not do the job as many think the problem is difficulty in arranging a GP appointment in the first place (and in changing it). Who would levy the charge and what would the penalty be for non payment?

The wish to clamp down more severely on those who vilify the UK, meanwhile, raises issues about free speech and censorship that are not easy to legislate. It all looks a bit rushed and headline-grabbing.

Conservative members take a strong interest in politics, and get to see and hear a range of senior government ministers at conferences and party meetings. They also ask their local MP for more detailed information about how these ministers work and behave than you can get from watching TV.

Many of them will have been swayed by Rishi's enthusiasm for higher taxes, his reluctance to sort out the Northern Ireland Protocol, and his acceptance of VAT as an EU tax to look elsewhere for a leader.

They see in Liz Truss someone who did argue to sort out the Northern Irish problems with the EU, and someone who expressed from inside government dismay at the tax strategy.

I read from a Sunak supporter they did not realise they needed to tell the members more about him at the beginning as they thought the members knew him. This is a misreading of the position. It is because the members knew him in office they do not back him leading the government.

We currently have an inflation that is far too high, public spending that is not sufficiently controlled, and a growth slowdown to live with. That is why members want change.