

# My Conservative Home Article: Sunak represents a failed establishment orthodoxy. His record means he deserves to lose this contest.

Below you will find my latest article for [Conservative Home](#):

Rishi Sunak is a clever man with a good life story. I thought he was badly treated over his wife's wealth and tax affairs. Jealousy is no part of Conservatism, where we welcome people of all backgrounds, rich and poor, achievers and inheritors, people who can make it for themselves and people who need help. In office I always found him polite, willing to explain his position and interested in what colleagues had to say. I have never had any personal differences or problems with him.

I also found myself unwillingly drawing into more and more disagreement with the analysis he offered and with the actions he took as Chancellor. He started well amidst great popularity when he rightly backed and developed plans to offset the big economic damage of lockdown. I welcomed some money creation by the Bank in March 2020 and wanted a scheme to subsidise jobs whilst people were banned from working. Disappointment first set in when Rishi declined to treat self employed and small business people with the same generosity in all cases, leaving some smaller businesses at risk and threatening us with reduced capacity when we reopened.

I took issue with the increasingly pessimistic forecasts coming from the OBR which he accepted and from the Treasury which he signed off. In the budget debate of March 2021 I stressed that the forecasts were suggesting too large a budget deficit and borrowing based on low field estimates of tax revenue. There was no need, I argued, for a £12bn tax hike through National Insurance. A year later we see the central government deficit came down by a whopping £13bn compared to forecast, and tax revenue surged by £77bn over estimate despite or because of no tax rate rises that year. Rishi became a high tax Chancellor based on these views. Why did he do that? He told us he believed in low taxes yet spent his time in office putting in new taxes and raising the rates of old ones. He could instead have put in a growth strategy, challenged unrealistically gloomy forecasts and showed the power of selective tax cuts.

I voted against the National Insurance rise. Why did he decide that the missing £12bn he thought he saw in the accounts should be provided in this way? It was a clear violation of a Manifesto pledge. It was a tax on work and on business at a time when we needed to encourage both. He knew he needed to impose more discipline on the spending, particularly on the runaway budgets for test and trace and for covid loans, but found this difficult. He correctly agreed that the extra money going into the NHS needed to be tied down to specific spending needs that would boost the workforce and tackle the

backlogs but did not deliver. It is surprising given this that on his watch the taxpayer paid large sums to the private health sector in the UK to use their capacity for NHS work, yet failed to use that capacity fully to keep the waiting lists down.

Rishi started his campaign for leader defending the Treasury orthodoxy. No tax cuts could be afforded. The package he had announced to help offset energy bills was the answer. He would fight inflation as his single crucial priority. This was difficult to believe. He had, after all, signed off a further £150 billion of money creation and bond buying extending right through 2021, well into the period of rapid recovery. This was likely to prove inflationary. He pledged full taxpayer and Treasury backing for the Bank for any losses they might make on the large quantities of bonds they bought at deliberately elevated prices. These were not the actions of a cautious man preoccupied by the threat of inflation.

Under the pressure of the campaign he then shifted position. Removing VAT on domestic fuel was a good idea after all. In office he had always resisted VAT cuts and seemed to take the view that we could not change VAT in Northern Ireland as we wished. He did not favour resolving this through unilateral action.

He reasonably has also shifted to the view that we could borrow a bit more this year anyway as energy prices were looking worse. He now goes along with UK legislation to resolve the Northern Ireland protocol though still thinks the EU is about to do a decent deal with us, which several years of negotiations has shown to be unlikely.

Throughout the leadership campaign he has struggled to come over as Conservative. Where we want a lower tax society he in office put in major tax rises on incomes, profits, employment, energy and digital services. He has allowed or supported major expansions of state activity, adopted Labour's windfall tax and looked happy with an ever widening range of controls, rules, taxes and subsidies. Conscious he was not appearing to be Conservative enough he then adopted some punk Conservative proposals that he thought might please. There was the wish to charge people £10 if they did not turn up for a GP appointment, which annoyed many Conservatives who think the problem is more the other way round, actually getting one without cancellation by the NHS. He said he will double the number of deportations of foreign criminals without explaining how this would work given the trouble the government he belonged to had in handling criminal activity allied to migration.

I have no reason to doubt the poll findings and Conservative Home's surveys which suggest Liz will win with around twice as many votes as Rishi. If that proves to be roughly right it will confirm that the Conservative party is in a mood for positive and radical action to bring inflation down and try to see off a long and deep recession to follow. Rishi's strong suit was said by his followers to be his economic and business understanding and experience. It is I fear members appraisal of his time in office that has proved his encumbrance. He did put up those taxes. He did back the Bank, triggering an inflation almost three times target before Russia invaded Ukraine. He has changed his stance a bit during the campaign about whether we need to fight

recession as well as inflation.

I think the senior people in our party who pushed Rishi forward and tried to make him the shoe in establishment candidate did his cause harm. Their enthusiasm for an economic policy which had given us 10% inflation and may give us a recession was tone deaf to the mood of members and the country. Claiming it was what Margaret Thatcher would have done was so silly and wrong. By digging Rishi in behind a system and policy that had misfired they did not allow room to offer something better, let alone allow any reflection on what has gone awry economically in recent months. When we need change and improvement an attempted establishment stitch up is a bad look.

Conservatives want a better deal for all those who work hard, who set up small businesses, who battle on in self employment, who want to grow the economy and create more and better paid jobs. Raising productivity and helping more places to catch up with London's dominant economic performance requires more freedoms, more private enterprise, and lower taxes as well as more transport, water and energy capacity. Socialism penalises such people and makes the outlook worse. You cannot tax us out of recession though you can tax us into one. You cannot regulate prices down, you need to encourage more output and supply. Rishi flew too close to Treasury orthodoxy and got too keen on Labour ideas to win more member votes. Liz will speed more people on their personal journeys as training, education, self employment, opportunity come to touch many more.