

The real danger is insurgency on the right

Today's challenges demand government intervention but that could leave the Tories vulnerable to an emerging 'NewKip'

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In 1903, the Conservative cabinet imploded over the taxation of food. So bitter did the dispute become that five cabinet ministers from both sides of the argument — whether tariffs should apply to food from outside the Empire — resigned in protest. The split led to the formation of the “Free Food League” and contributed to the fall of the Balfour government and the greatest ever Conservative election defeat. Boris Johnson knows his history, and it is small wonder, therefore, that he responded with heavy caution to last week’s publication of a proposed National Food Strategy, saying, “I’m not attracted to the idea of extra taxes on hard-working people”.

This leaves him with a dilemma. Newly converted by the national trauma of Covid and his own experience of it to the cause of improving the health of the population, he finds politically unpalatable the taxation of salt and sugar that is almost certainly indispensable in achieving that aim.

In this case, Henry Dimbleby and others are probably right to say that their proposed tax would force the food industry into necessary change rather than increase the price of food. Yet you can almost hear the prime ministerial brain saying, “We’ve got to do something about obesity. Wait a minute, though, we are meant to believe in freedom and low taxes. Damn it.” Furthermore, across a wide range of issues — whether wearing masks is mandatory, how to achieve net-zero carbon emissions, what levelling up really means, how to pay for the escalating costs of social care — there is the same tension between vital change on the one hand and limiting the power of government on the other. This is more than just ministers struggling to agree plans on unrelated matters. It is the beginning of attempts to define what modern conservatism is going to mean.

In the late 20th century there was no doubt that Conservatives stood for a smaller state. I once asked Margaret Thatcher what she would recommend as reading for a student of politics. “Hayek,” she shot back, “*The Road to Serfdom*. Nothing sets out better the tyranny that comes from a more powerful state.” The battle cry among those of us who were her young supporters was to roll back the frontiers of the state. Forty years on, we are beginning to roll them forward.

This is not because of any weakness or eccentricity on the part of today's leaders. It is the result of governments facing massive new problems that open markets and individual freedom cannot resolve without state intervention. Free market philosophy triumphed in showing how to create prosperity but it struggles with how to make that prosperity more equitable, sustainable or resilient.

Without government intervention, a globalised economy leads to clusters of great wealth while other places decline. In the absence of laws on climate change, humanity will destroy the natural world on which it depends. If we allow freedom to eat whatever manufacturers make delicious, people become chronically unhealthy. Leave it to individuals to prepare for the costs of old age and many will be unable or unwilling to do so. And so British conservatism, that most adaptable of political philosophies, is redefining itself to create a more interventionist state and it is feeling the internal tension of doing so.

Of course, this is a simplification. Thatcher gave full rein to an interventionist Michael Heseltine to revive Docklands and Liverpool, and she allowed the use of taxation to create incentives to change behaviour, such as in the switch to lead-free fuel. Current ministers are trying to exploit Brexit by reforming regulation, including the welcome re-adoption of a "one in, two out" rule. The state was not uniformly made smaller in the 1980s and it is not universally getting bigger today. But overall, the direction is clear. Ministers are reported to be [discussing a new tax](#) to pay for the estimated £10 billion a year cost of social care, a tax that will not be a temporary expedient but a permanent increase in the share of incomes taken in taxation.

Other announcements are proving problematic. The Heat and Buildings Strategy on the decarbonisation of homes was meant to be published around now but there is disagreement over where the cost falls. The government appears undecided on how to promote electric cars without raising fuel duty. Much remains to be determined on what levelling up means in practice and how much it will cost, as the prime minister demonstrated last week in a speech that was packed with energy but light on detail. These are intrinsically difficult issues, but they are also hard to resolve because effective answers mainly suggest a bigger government in the daily lives of citizens.

There are now two great dangers. One is to balk at the task, to duck some of the great challenges of our time. The government's own advisory committee on climate change recently scored it nine out of ten on setting targets but only four out of ten on efforts to meet them. Prevarication must not turn into a failure of leadership.

The other is to lose the support of that part of the population for whom this steadily redefined conservatism is still news. If all main parties represent a bigger state, what will happen to those voters, albeit a minority, who cling to the idea of a

smaller one? In one recent survey, over a quarter of voters wanted only a small tax rise to pay for social care, or none. In another, 40 per cent thought there was no point doing anything on climate change because other countries will carry on polluting whatever we do. Unless great care is taken, the danger will emerge of a “NewKip”: a libertarian, low-tax, small state insurgency on the right, fracturing the broad conservative coalition over which Boris Johnson has so far, skilfully, presided.

The answer can only lie in a more active and more effective state, rather than a more bloated one. That means having the discipline to hold down government spending. It should mean education being at the heart of levelling up, to reduce the cycle of dependency. It calls for fairness in new environmental policies, such as consistent carbon pricing across the economy and carbon adjustment taxes to treat imports and domestic production equally. It requires early preparation to reduce the cost and increase the economic gain of essential change. In all, it means being very ambitious but preparing people for considerable change in their lives.

When, therefore, we see a prime minister giving a hesitant reaction to a well argued report on food, we are witnessing something much bigger. Conservatism is being redefined. That is unavoidable. But history shows that it is a most perilous task.