

Slowly, the Tories' vision begins to emerge

There are times when it seems as if reasoned discussion will never trump invective. In Britain, the Tories are wasting energy by attempting to wring a mea culpa from the Prime Minister, a man who not only refuses to apologise when he knows he is wrong, but rarely believes he has ever been wrong.

In America, the cry of "socialism" is heard in the land, as a substitute for substantive debate. On the Right, critics of President Obama accuse him of leading America down the path to socialism by taking shares in and control of leading banks, mortgage lenders and insurers deemed too big to fail, and ending up running two of the once-Big Three auto companies. To confuse matters, the Left also accuses the government of socialism, in this case of "lemon socialism". The government (read, taxpayer) ends up owning the lemons – firms that the markets would doom to oblivion – and private investors the healthy firms. Losses are socialised, profits remain privatised.

Americans have never supported socialism, whether of the pure or lemon variety. The Socialist Party of America did manage during the 1920s to elect a few congressmen and a handful of

mayors, but its 1912 and 1920 presidential candidate, Eugene V Debs, never garnered as many as a million votes. By the 1930s Franklin D Roosevelt's reformist New Deal had won over America's Left, and reduced the socialists to about 8,000 members. When its 1956 presidential candidate managed a mere 3,000 votes, the party gave up the ghost.

So America's Left has never been as enthusiastic about "socialism" as has Britain's. Even now, some British MPs wax nostalgic for the good old days when the Labour Party aspired to control the commanding heights of the economy. If that means owning some lemons, so be it.

This name-calling would be harmless were it not a distraction. Brown will not apologise, and Obama is not a socialist. It is time, the President says, to put aside childish things, among which must be name-calling. He's got that right, even though he has taken to calling the Republicans a do-nothing party, a tag Brown has tried to hang on his opponents.

Fortunately, slowly but surely the Tories are relying less on the blame game and more on developing sensible proposals. It is, I suppose, the duty of an Opposition to oppose, but surely that includes presenting opposing ideas. Which George Osborne is



Britain is blessed in having different policies on offer, argues Irwin Stelzer

now trying to do. Forget for the moment disagreements about whether John Maynard Keynes or Milton Friedman can lead the country out of the economic wilderness. No one can say with real conviction whether Keynes's borrow-and-spend or Friedman's monetarist prescription will work. Which is why it makes sense to do some of both, as the Government is doing.

What really matters is the contending visions of a post-recession Britain. The Prime Minister laid out for Americans his vision of a world of increasing material prosperity, and a cheering and grand vision it is. But like the

space programme, his model of daring and accomplishment, its pivot will be the state: more regulation of financial institutions; more redistribution of wealth; greater reliance on governmental international institutions to control the boom and bust he once boasted of eliminating; more and more government "investment" – actually, spending – on a variety of good things (education, green energy, climate change). In short, a country in which the growth of the state continues in the future more or less as it has during the decade in which Brown has managed the economy.

Osborne is now beginning to sketch out an alternative view. Instead of taxing venture capital and the wealthy, government should nurture the entrepreneurs who rely on such capital. Instead of giving debt preferential treatment by making interest tax-deductible, change the tax code to make equity more attractive. Instead of jiggling the tax code to favour this or that business, end complex reliefs and allowances, thereby broadening the tax base and making it possible to lower the headline rate of corporate tax. Lower the tax on savings. Foster parental choice, at least relative to current policies.

Great stuff. But merely a

beginning. After all, the Tories are still addicted to expensive subsidies for the green technologies that their mostly well-off constituents prefer, so long as no wind farms or transmission lines spoil rural landscapes. They want improved transport, but offer no hint of how it is to be financed, especially by a government that will inherit ledgers splattered with red ink. And there is to be public-sector "reform", which is either a euphemism for job cuts that are to be offset by productivity improvements, or it is meaningless.

But let's not carp. Britain is now in the enviable position of having alternative policies on offer to solve its current problems, and an emerging, still-sketchy, Tory vision of post-recession Britain to compare with that of the present Government. Brown has always known where he wants to take the country, and has benefited from an opposition that thought its only job was to force him to confess past sins. Now that the Tories have decided that there is more to opposition than such childish things, they have begun to set forth an alternative vision. Not before time.

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