

Health

More nurses, doctors and faster NHS treatment in our hospitals



Education

More teachers, smaller classes - and an end to tuition fees



Fairness

How we'd give pensioners, families and the low paid a better deal



Liberal Democrat Manifesto

General Election 2001

£1.50



Manifesto

For a liberal and democratic Britain

FREEDOM JUSTICE HONESTY



THREE SIMPLE WORDS.
FREEDOM, JUSTICE, HONESTY.
These sum up what the Liberal Democrats stand for.

Freedom – because everybody should have the opportunity to make the most of their life. Justice – because freedom depends on fairness. Honesty – because where fairness has a cost, like investing in schools, hospitals and pensions, we explain how it will be paid for.

This manifesto sets out our priorities: investing in schools and hospitals to cut class sizes and waiting times; extra police to prevent crime and catch criminals; increasing the basic state pension; and providing free personal care.

In Scotland, where Liberal Democrats are part of the government, we have already guaranteed free personal care. We have also abolished tuition fees, and we want to do this for the rest of the United Kingdom.

We will also recognise the professionalism of teachers, doctors, nurses and the police, valuing their contribution to the community. We believe that they must have the freedom to exercise their professional judgement.

All our policies have a green dimension. So there is an environmental section in every chapter, a green thread binding together all our thinking. Without steps to preserve our planet for future generations, none of our other policies would have much purpose.



INSIDE: The Liberal Democrat programme for Government **Contact us:** www.libdems.org.uk

Manifesto



A real chance
for real change

The United Kingdom has huge potential. Unlock the energies, skills and talents of its people, and its rich ethnic and cultural diversity, and there is nothing that cannot be achieved.

But we do not want government always telling people how to develop those assets. So in this manifesto every section explains how we want government to stop interfering.

Government works best as an enabler. Its task is not to curb but to stimulate. To enjoy true freedom, people must have good education, decent healthcare, reliable public transport, safety on the streets and a secure income in old age. The state must provide these basic public services to allow all its citizens to achieve their full potential.

Under eighteen years of Conservative government, these freedoms steadily diminished. The sick waited longer for operations. Children were taught in larger and larger classes. Rail passengers suffered the consequences of a disastrous privatisation. Crime rose. Pensioners' incomes fell behind.

But Labour has been disappointing, sticking quite unnecessarily for two years to Tory spending limits. Our programme for government will deliver more. For schools, hospitals, pensioners, the police and the environment, we offer Britain a real chance for real change.

Charles Kennedy

The text of the Liberal Democrat Manifesto is available from our website at: www.libdems.org.uk. Copies are also available in large print and tape from: Liberal Democrats, 4 Cowley St., London, SW1P 3NB. Tel: 020 7222 7999 Email: libdems@cix.co.uk

Applicability and Costings

This document contains Federal Liberal Democrat policy, except in areas where policy of the Scottish and Welsh Liberal Democrats applies. Separate manifestos set out our agenda for Scotland and Wales. Guarantees represent our minimum commitment over a five-year Parliament. This manifesto also sets out policies to be implemented as economic growth allows. Our ambitions are not limited to these, and are set out in other policy documents. A full costing of our programme has been published with this manifesto. Figures included in both are changes to existing Government revenue and spending plans due to our manifesto commitments. Except for specified items, all Departments will work within current spending plans, unless economic growth allows more. Figures presented are calculated on a UK-wide basis to make comparisons with UK-wide figures from central government and other parties. Different priorities in Scotland, Wales and Northern Ireland may result in different priorities in practice in the budgetary areas they control.

More staff, faster NHS treatment

Health is a fundamental freedom. No one can fulfil their potential without the best possible health. We will prioritise investment to cut waiting times. But we also believe that it is best to improve health by preventing illness, tackling pollution and reducing poverty. Liberal Democrats will:

- **Cut waiting times** by recruiting 27,500 more nurses, 4,600 more doctors, and 10,250 more professionals allied to medicine.
- Cut waiting times by retaining more staff through increasing pay for the worst paid NHS staff by an average of **£1000 each per year**.
- Cut waiting times by providing an **additional 10,000 beds**.
- Keep people healthy by investing in scanning equipment and **abolishing charges** for dental and eye checks.
- End the scandal of elderly and long-term patients having to pay for long-term personal care costs

The NHS has suffered for decades from under-investment, most notably during the eighteen years of the Thatcher and Major Governments. Labour

promised to save the NHS. Instead, they spent three years unnecessarily locked into the Conservative spending plans which caused the problem in the first place. The new NHS plan falls far short of Tony Blair's declared aim of bringing health spending in Britain up to the levels of our European neighbours.

The NHS still lacks the capacity to give patients the first-class treatment which they deserve. It is short of staff, beds, hospitals and residential homes. Liberal Democrats offer something different based on clear and distinct priorities. Our starting point is that prevention is better than cure.

It is also important to give professionals greater freedom to do their jobs. Labour has tried to control far too much of the NHS from the centre. The Conservatives' attempt to apply market principles produced inefficiency and iniquity. Liberal Democrats will cut back the role of Whitehall and give doctors and managers the freedom to get on and run the NHS without political interference.

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Cutting waiting times

Lengthy waiting times are one of the worst aspects of the NHS. The best way to cut waiting times is to increase the number of doctors, nurses and professionals allied to medicine. They are the greatest asset of the NHS and increasing their numbers is the best way of increasing the capacity of the NHS. Under the Conservatives, too many left and too few were trained and recruited. Four years on, the service is just as overstretched. There is also now a severe year-round lack of acute and intermediate care beds and the staff to support them. To cut waiting times, we will:

- Provide training places for an extra 4,600 doctors and 27,500 nurses and midwives over five years. This means an extra 2,500 training places for doctors and 7,500 for nurses on top of the measures that the government

has proposed in the NHS National Plan. We would also provide 10,250 extra professionals allied to medicine such as occupational therapists, podiatrists, physiotherapists and speech therapists. This means an extra 3,750 training places on top of the measures that the government has proposed.

- Reward low-paid nurses, midwives and other low-paid professionals by paying them an additional £1000 on average every year. We will also boost staff retention by making additional funds available for pay increases for other NHS staff. After taking these immediate steps to help retain dedicated staff, we would set up a Commission to examine terms and working conditions throughout the health service, and to establish a single pay review system to ensure fairness for all staff.

- Provide an extra 10,000 hospital beds over five years. This means providing 3,000 extra beds on top of the Government's current plans. We will also will review the criteria by which PFI contracts are judged, creating a



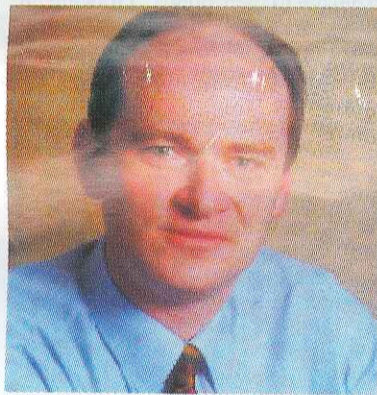
level playing field between different financial options and so ensure there are enough new beds to meet local health needs.

- Guarantee booked dates for appointments with consultants and for surgery after the GP first refers a patient.
- Give priority to the most needy. We will introduce a scorecard system that takes account not just of clinical need but also of the needs of the patient. This would give doctors objective guidelines to help them (but not bind them) in determining priorities.

Keeping people healthy

To support good health it is vital to tackle poverty and to have a clean environment. But it is also important that the National Health Service delivers high quality preventive care. The NHS should not just be a National Sickness Service. We will invest more in early detection and prevention, and in improving the environment. This will not only achieve better levels of health, but also save money in the long run. Liberal Democrats will:

- Inject an extra £500 million over five years into dental services. The money will be used to guarantee access for everyone to an NHS dentist. We will do so by rewarding dentists for working in the NHS and offering them incentives to invest in new equipment and buildings, to encourage practitioners to return to NHS work. The British Dental Association estimates that this would bring back the equivalent of 1000 full-time dentists to NHS work.
- Double the Government's commitment to invest more in the latest scanning and diagnostic equipment. We will provide extra advanced equipment in hospitals across the country.
- Restore free NHS dental check-ups for all to promote oral health and prevent disease.
- Provide free eye checks for all to ensure that problems are spotted earlier.
- Appoint a Minister of Public Health based in the Cabinet Office rather than the Department of Health to co-ordinate all aspects of public health policy across government departments.
- Make more tests available in GP



'We will pay for all long-term personal care costs'

Nick Harvey Liberal Democrat spokesperson on health

surgeries and pharmacies for diabetes, cholesterol, anaemia, HIV/AIDS, TB, prostate and colorectal diseases.

- Promote a wider availability of complementary medicines and healthcare through the NHS to take maximum advantage of different approaches to health.

Caring for patients

All too often, the NHS fails to provide the care that patients need. Except in Scotland, people in long-term care have to pay for someone to bath or feed them. Drugs available on the NHS in one part of the country are not available in another - the 'postcode lottery'. Liberal Democrats will:

- Pay for all long-term personal care costs. The Royal Commission on Long Term Care, set up by Labour, recommended that these costs should be met by the state. The Westminster Government ignored this key finding, though Liberal Democrats in Scotland

are using their influence in the Scottish Executive to implement it.

- Tackle the postcode lottery which means that some medicines are only available in some parts of the country. We will scrap the present secretive system for buying medicines. In its place we will create a Pharmaceutical Agency to use the purchasing power of the NHS to drive down the price of established drugs and secure the more sophisticated medicines and technologies at affordable prices. The money saved would be used to end the postcode lottery and make advanced and expensive drugs more available within the NHS. Over time, we will use further savings to reduce and eventually scrap prescription charges for all. In the long term we will aim to:

- Increase funding for mental health services. All people in need of care and support should be assessed individually to ensure that they receive the treatment they need. Our proposals for ending the postcode lottery will ensure that mental health care offers the best treatment with the fewest side effects. This will encourage them to comply with treatment and diminish the risk to themselves and to the community.

- Increase local authority social services budgets. This would provide more community care places, improve preventive and rehabilitation services, give further support and respite to carers, and provide more social workers to support elderly people, those with learning difficulties and others.

Improving quality

Patients should have a right to a high-quality NHS. They should know how well the NHS is performing and who is responsible when things go wrong. They should also have access to proper information about their own cases. Vulnerable people need someone to champion them if they are not receiving adequate treatment. The private sector should complement, not compete with, the NHS, which we are committed to making world class, comprehensive and accessible to everyone. Labour have not addressed these questions adequately. When they abolished Community Health Councils, they failed to set up an adequate alternative.

Liberal Democrats will:

- Develop Patient Care Guarantees, to provide patients with minimum standards of treatment, to which the NHS will be held accountable. We will start by building on existing National Service Frameworks (NSFs), for example on cancer, heart disease and mental health, and ensure that future NSFs incorporate Patient Care Guarantees. We will develop new NSFs on children in care, prosthetic limbs, hepatitis C, HIV and AIDS, palliative care, nutrition, adoption, neurological services, diabetes, maternity services and dentistry among others.

- Make the NHS more accountable by increasing local democracy on Trust and Primary Care Trust boards, giving the Commons Health Select Committee more resources and increasing the powers of the Health Ombudsman to examine policies and initiate inquiries. We will also transfer local responsibility for public health from health authorities to local councils.

- Give patients access to independent advocates. Children, frail elderly people and those with learning difficulties would particularly benefit. There would be a Children's Rights Commissioner to represent children.

- Introduce no-fault compensation. At the moment, compensation for medical negligence is a lottery. While some are awarded excessive multi-million pound payouts, the length and cost of the process of going to court leaves others with nothing. Our system would be far simpler, with fair compensation for patients and their families, and an end to burdensome legal costs.

- Promote better access to services. If local NHS services do not offer patients the treatment they need, we will enable the patient to use an alternative facility. Choice will extend into use of the private sector - but at NHS cost price.

- End the use of mixed wards so that patients have more dignity when they are in hospital.

- Legislate against discrimination on the grounds of age in health and social care. Clinical need, not preconceived judgments about age, should be the criterion for deciding who receives treatment and when.



Setting You Free

- Stop government wasting doctors' and nurses' time by scrapping meaningless bureaucratic targets. National targets for waiting lists serve no purpose. Doctors, not government, should decide priorities for treatment, using guidelines which allow them to assess patients' needs fairly and openly.

Green Action

- **Healthy homes**

We will improve health by requiring an **energy efficiency audit to be completed on all homes** before sale to promote high energy efficiency standards throughout the housing market.

Coupled with our comprehensive strategy to tackle fuel poverty this will mean that everyone can have a warm home. This will tackle the damp and cold which affect the health of millions of people, and reduce winter deaths caused by fuel poverty.

With less energy needed to heat homes, CO₂ emissions will also be reduced.

- **Clean air**

We will **tackle the air pollution** responsible for respiratory problems like asthma by introducing incentives for people to switch to less polluting vehicles, reducing reliance on cars by increasing the use of public transport, and tackling industrial pollution.

We will also provide **better quality information**, increasing the number of air monitoring sites for key pollutants in all areas.

Visit our website at:
www.libdems.org.uk

Investment in education - for all our futures

High quality education is the key to personal freedom. We believe that every child matters. Education provides the freedom to choose a fulfilling job, the freedom to exploit one's talents to the full, and the freedom to contribute fully to society. Education is also the key to Britain's future prosperity. Liberal Democrats will:

- **Cut class sizes** on average to 25 for 5-11 year-olds
- Recruit **5000 extra** secondary school teachers to reduce class sizes for 11-16 year-olds
- **Increase** funding for books and equipment in schools
- **Cut bureaucracy** in schools and interfere less in the professional judgements of teachers
- **Abolish** university tuition fees

Britain has been held back by under-investment in education. Children from poorer families have been particularly ill-served. The Conservatives failed to fund schools and colleges adequately. Labour have done far too little to put things right. In schools, they have invested in paperwork rather than people, demoralising teachers and wasting resources by creating a mountain of extra bureaucracy. In the Higher Education sector, they have made matters worse by introducing university tuition fees. We are clear about our goals and determined to reach them. Our plans will cost around £3 billion extra each year. We guarantee to introduce the extra funding needed at the beginning of the next Parliament, irrespective of short-term economic growth. We will put an extra penny on the basic rate of income tax to meet this commitment. Growth in the future may allow us to be more ambitious still. We believe that most day-to-day decision-making in education is best done by teachers, schools and local authorities, not by central government.

Every child matters: class sizes and teachers

Under the Conservatives, class sizes were far too high. Even the most dedicated teachers cannot give the attention which pupils need when there are more than thirty to a class. Labour pledged to do better, but their reduction of class sizes for 5-7 year olds

came at the price of larger classes for 8-11 year-olds. The parents whose children were five in 1997 now see their nine year-olds suffering the consequences of this sleight of hand. In secondary schools, classes are larger than they have been for twenty years. To make a real difference to class sizes and improve standards achieved by all children, more teachers are needed in schools. The Conservatives undervalued and demoralised the profession. Many of Labour's efforts to make amends have misfired. Performance-related pay is a crude and unfair approach to rewarding teachers. Teachers are also burdened with more and more unnecessary bureaucracy. Small wonder that there is now a grave shortage of teachers. Liberal Democrats will spend over £1 billion extra each year to:

- Cut class sizes on average to 25 for all 5-11 year-olds. We will do this by establishing a maximum average class size of 25 in each local authority's primary schools.
- Fund 5000 additional secondary teacher places. This will bring pupil:teacher ratios back to around 1997 levels and start to improve on them. We will put particular emphasis on recruiting teachers in shortage subjects.
- Guarantee a classroom assistant for every 25 pupils in the 5-7 age bracket (Key Stage 1) to improve the ratio of adults to children in infant school classrooms. We will provide 40,000 extra classroom assistants, including 25,000 for 5-7 year olds, compared to the government's plan to

spread 20,000 across all age groups.

- Introduce paid preparation hours for primary teachers. By funding extra posts, we will be able to allow all primary teachers two paid hours a week to prepare and plan lessons.
- Pay trainee teachers a full training



'Britain has been held back by under-investment in schools'

Phil Willis Liberal Democrat spokesperson on education

salary replacing the current training grants to improve teacher recruitment.

- Reduce bureaucracy by scrapping the Teacher Training Agency and giving its functions to the General Teaching Council.
- Improve Information and Communications Technology (ICT) support for teachers. At the moment, teachers have to spend too much time out of the classroom maintaining computer equipment and so have less time to devote to their pupils. Drawing on the experience of the recently established e-learning foundations, we will establish educational charitable trusts to arrange the lease of computer equipment and services. We will also invest in training related to the use of new science equipment.
- Scrap Performance Related Pay. Instead we will link teachers' pay with professional development to boost morale in the teaching profession and improve retention of experienced teachers. Teachers will have the opportunity to take a series of in-service training courses. Each time they pass, they will gain a significant salary increase.

In the long term, our goal is:

- A maximum average class size of 18 for all secondary classes with a practical element such as science and modern languages

Every child matters: books and equipment

There are still too many schools having to make do with dog-eared and out-dated text books shared between several pupils. Schools also lack the computer equipment needed to prepare children for the digital age in which they live and will have to work. Liberal Democrats will:

- Increase funding for books and equipment in schools over and above existing spending levels. We would provide an average of £1250 per primary school and £4250 per secondary school per year. Schools could choose to spend this money on books or Information Communications Technology (ICT) software such as CD-ROMs.
- Increase funding for ICT and science equipment and purchase and maintenance, and ICT training for teachers within schools, over and above existing spending levels.

Widening choice, cutting bureaucracy

Under the Conservatives and Labour, schools have been deluged with bureaucracy absorbing far too much of teachers' time to the detriment of their pupils. Whitehall has enclosed the school system in a straitjacket which stifles professional creativity and confines teachers to a curriculum

which is too narrow and cannot adapt to local circumstances. We will:

- Replace the National Curriculum with a less rigid Minimum Curriculum Entitlement. We will provide for a broad and balanced curriculum including languages, science, maths, the humanities, physical development (including sports instruction and advice on healthy eating), religious education, parenting, citizenship and creative arts. We will increase funding for free musical tuition to encourage more children to learn an instrument.
 - Replace all national school targets with a statutory requirement for schools to develop individual education plans for pupils, with clear individual targets and criteria for improvement. The quality of the plans would be guaranteed through national value-added criteria.
 - Maintain the key role of Local Education Authorities in providing education and guaranteeing standards and in co-ordinating vital services such as the provision of Special Educational Needs.
 - Annually review all Whitehall directives. This would result in an annual cull of all irrelevant instructions to LEAs, schools and governing bodies.
 - Issue annual reports to all parents on their children's school's performance. Unlike the current crude league tables, these reports would measure the value added each year by a school, using the test results from a child's start at the school as the baseline. This will result in league tables that genuinely show how schools are performing. We will also promote school councils to give pupils a greater say in how their school is run.
 - Reduce testing of the youngest school children. We will scrap testing ('SATs') at age 7, while keeping it for older pupils.
 - Reform the school inspection system. Tough, independent inspection is essential, but the current approach of Ofsted often intimidates schools instead of helping them. We will require inspectors to offer advice on improvement, not merely criticism, and require Ofsted to take account of a school's self-evaluation. We will also establish Departments within Ofsted for each of the various areas which it inspects (such as Early Years and Schools), and ensure each is headed up by someone with technical expertise in the subject.
- In the long-term, our goal is to:
- Reduce the disparity in per-pupil funding through a minimum education funding entitlement based on the current median level.
 - Promote co-operation between state and private schools. We will encourage independent schools to share



their facilities with state schools to spread opportunity for all. We will require independent schools to offer the Minimum Curriculum Entitlement. We will extend charitable status to all schools and maintain the VAT exemption on school fees.

Early years education

Under both Labour and Conservative governments the inequalities in British society have been increased by the lack of proper early years education. Better-off children, with greater stimulus from the home, pre-school playgroups or from nursery schools, have had a flying start at primary school over those who have not had these advantages. Often children deprived in these early years never catch up. Too much early years provision is still not of a sufficient standard. We will guarantee quality nursery education, which makes a real contribution to intellectual, emotional and social development at this all-important stage in life. We will:

- Fund 1000 early years specialists to work with early years development partnerships to ensure that children receive proper stimulus in the early years either at nursery school, pre-school playgroups or at home.
- Establish a budget to give additional training to nursery teachers. This would fund courses and extra supply teachers to cover for those

undertaking training.

- Increase funding for outdoor facilities for nurseries. Ultimately, all nurseries should have a place for children to play out of doors.
- Strengthen links between home and school recognising that children's early development depends critically on the relationship between school and family.
- Ensure that the early years curriculum has sufficient quality and breadth to facilitate intellectual, emotional and social development and ensure that play is recognised as a key component of this process.

Higher education

Britain's universities have traditionally had a high international reputation. During the eighteen years of Conservative rule, that reputation was threatened by an ever tighter squeeze on resources. Labour has attempted to address the problem of underfunding by the counter-productive method of introducing tuition fees, which deter many students from going to university. Tuition fees also impose great hardship on many who take up university places, and their parents. We are also opposed to the levying of top-up fees. Liberal Democrats will:

- Abolish university tuition fees throughout the United Kingdom. Liberal Democrats have already

achieved this in Scotland by making it a priority issue and have set abolition in train in Wales.

- Reform student maintenance. We would restore grants for poor students and access to benefits for all during the summer holidays, and raise the salary threshold at which student loans are repaid, in the first instance from £10,000 to £13,000 per year.
- Improve access for under-represented groups by tripling the incentive payments for recruitment and retention of under-represented, mature and part-time students. We would pay colleges one third on admission and two thirds on completion of a course.
- Improve salaries to attract and retain high-quality staff. Our first steps will be to end the unacceptable gap between pay for men and women at universities and to tackle similar inequalities faced by casual and part-time staff.
- Ensure that universities are properly resourced by opposing any reduction in the 'unit of resource' – the money that a university receives per student. In the long term, our goal is to increase the unit of resource.

Further education and lifelong learning

Few jobs these days are for life. To succeed as a nation, we need a flexible workforce which is used to acquiring

new skills. Access to good quality further education is equally important to individuals as a means of fulfilling their aspirations. For too long, this sector has been at the bottom of the educational pile. Liberal Democrats see further education as an important priority. We will:

- Give every adult an entitlement to publicly funded tuition. We will provide the funding to allow any adult the chance to acquire a Level 2 qualification (the equivalent of 5 GCSEs at grades A to C, an intermediate GNVQ or a Foundation Modern Apprenticeship). We will fund those aged 16 to 24 up to Level 3 (equivalent to 2 A-Levels at grades A to E, an Advanced GNVQ or an Advanced Modern Apprenticeship). In the long term, our goal is to extend this further entitlement to every adult. All those on these courses would be entitled to a student loan to cover maintenance, depending on their income.
- Simplify the funding and qualification systems. We will merge the Learning and Skills Council and the Higher Education Funding Council for England into a single Learning Council for England. We will also reform the National Vocational Qualification system to cut bureaucracy and allow students to accumulate credits from different courses and transfer them.

In the long term, our goal is to:

- Give every citizen an Individual Learning Account. Ultimately this approach to life-long learning would provide the flexibility to access each person's entitlement to post-sixteen education throughout a person's life, rather than at times imposed by the state. Tuition would be paid for and student loans would be available for maintenance. This would help, for example, women, with children, who have to study part-time.

Employment and training

Britain is still held back by a lack of skills in the workforce. Without placing unnecessary burdens on individual firms, Liberal Democrats are committed to training programmes which would bring enormous benefits to the economy as a whole.

The recent relative health of the economy has concealed hotspots of unemployment and deprivation in many parts of the country. Labour's efforts to combat unemployment have not always been directed where they are most needed. We will:

- Introduce tax incentives for small and medium-sized enterprises to improve training. Companies eligible would include those working with Investors in People, those introducing a company training plan under the Skills for Small Businesses programme, and those training an employee to master training level. We will also require all registered companies to report on staff training and development in their Annual Reports and Accounts.
- Empower National Training Organisations to conduct ballots of member employers. This will enable them to introduce a training levy if support is demonstrated.
- Entitle every 16-24 year-old to study leave with pay. Employers will be obliged to release their staff for courses which are relevant to their work. The scheme will be implemented in consultation with small businesses.
- Replace the New Deal with a Flexible Guarantee of help for all jobseekers, administered through a combined Benefits and Jobs Agency. This will be a world-class job search and placement service. It will be equally open to those not on the unemployment register who would like work.
- Tackle unemployment hotspots by transferring budgets to the nations and regions of the UK. A proportion of the Government's Employment Opportunities Fund should be administered by the nations and regions which are best placed to spend the money effectively alongside their economic regeneration budgets.



Setting You Free

- **Abolish the excessive benefit sanctions brought in under the New Deal.** These have done little to encourage people back to work and have made the families of those penalised suffer. We will not impose further sanctions until the effects of existing penalties have been evaluated.
- **Stop government wasting teachers' time** by scrapping directives and targets in education which undermine the professional judgement and expertise of teachers. We will also return the main responsibilities for standards to universities themselves.

Green Action

● Learning for a green future

We will increase environmental awareness amongst young people, by encouraging local environmental projects and by teaching sustainability in schools. Children's influence on their parents' involvement in 'green' activities will relate directly to the aims of our National Recycling Programme.

● Healthy and safe journeys to school

We will promote the development of Safe Routes to School, to encourage parents to allow their children to walk or cycle to school in safety rather than driving them. Children will gain benefits for their physical health from the increased exercise. At the same time, this will help reduce congestion and pollution during peak times of the day by reducing car use.

● Greener school buildings

We will fund a 'Schools 2010' programme to tackle the backlog of school building repairs. The programme would include environmental assessment of buildings.

Cutting crime - more resources, justice for all

We all want freedom from crime. Fear of crime blights the lives of many people, particularly the most vulnerable in society. The state should offer all its citizens equal and adequate protection. Our approach is rooted in the belief that the best way to beat crime in the medium and long term is to have effective policies to tackle its causes. **Liberal Democrats will:**

- Recruit **6000 extra** police officers
- **Fund 2000** part-time community officers
- Reinforce front-line police with a new **Community Safety Force** and by retaining retired officers in a back-up role
- **Cut reoffending** by preparing prisoners adequately for a law-abiding life on their release
- Give **victims greater rights** to be heard in court

During their eighteen years in office, the Conservatives pursued a policy on crime which was superficially populist yet highly ineffective. They filled the prisons to overflowing, at a huge cost to the taxpayer. Crime doubled, violent crime rose year after year, and the number of convictions fell. Meanwhile, contrary to repeated promises, police numbers fell during the last Conservative government. Labour has been trying to sound as tough, or tougher, than the Conservatives, but is no more effective. Police numbers have fallen further over the past four years. Labour too often proposes simplistic solutions. Many are impractical or irrelevant. Some actually undermine civil liberties.

Police

Our priority is to increase police numbers to prevent crime, to catch criminals when offences do take place, and to increase the current deplorably low clear-up rate. To make policing across the country more effective, we will:

- Fund the police for 6000 more police officers than March 2000 lev-

els. We will fund 2000 recruits on top of the government's plans to ensure there is real increase in police strength, not just replacing cuts under Labour and the Conservatives. We will also ensure that the police spend more time on front-line policing and provide extra resources to boost retention of police officers.

- Fund 2000 part-time community officers by creating a new category of part time retained police officers. This would give the police more flexibility. Suitable members of the public and police officers near retirement wishing to continue in work will be recruited, given proper training and equipped for the duties of a police constable. The scheme will build on the current role of unpaid special constables, and free existing police to use their time and resources more effectively. Retained officers will supplement the work of regular police and provide a more adequate presence in areas where resources have not allowed this. This scheme will help to meet our aim of creating a network of named local police officers for every community.

- Establish a Community Safety Force to work with the police by co-

ordinating the public safety work of traffic wardens, estate and neighbourhood wardens, park superintendents and other public officials who deal with nuisance crimes like littering, vandalism and graffiti. They will receive special training. This will free the police to concentrate on more serious offences.

- Make local Crime and Disorder Partnerships focus on real improvements for local residents. We will give local crime partnerships the responsibility for managing and directing Community Safety Forces. We will also fund the involvement of local police forces in community activities designed to involve ethnic minorities and increase public confidence in all sections of society.

- Make the police more accountable. Public confidence in the police has declined. As well as seeking to improve the visibility of the police and improving police relations with the community, we will create a genuinely independent police complaints system to deal with complaints speedily, efficiently and impartially. We will encourage police forces to be more representative of the communities they serve, and ensure that 'stop and search' is based on intelligence and attaches no relevance to the race or colour of those stopped by the police.

- Commission an independent report on the police resources the country needs in the long term. We will establish a Standing Conference on

Policing comprising representatives of all police ranks, the public and experts in policing issues. This will regularly report to government and parliament, advising on the resources required to provide an effective police presence in every community, and the management of police stations and technology. It will also review the use of police time, in particular that devoted to paperwork and court procedures.

- Support the work of Europol, the EU police agency, and the establishment of a European police college, subject to proper democratic oversight. We wish to see police forces working together in the fight against crime, particularly international crimes such as drug trafficking, terrorism, customs fraud, money laundering and the trade in human beings for slave labour or sexual exploitation.

Prisons

The last Conservative Home Secretary Michael Howard famously said "prison works". But half of the people who have served time in Britain's jails go on to reoffend on release. Many prisons are colleges of crime. People incarcerated for minor offences learn how to commit much more serious ones.

Liberal Democrats reject the knee-jerk Conservative approach and Labour's attempts to echo it. We will not be any less tough on crime, but we will be more effective.





We will:

- Focus resources on crime prevention rather than prison building. Prisons are very expensive. There are many more cost-effective ways of reducing crime than ever-longer sentences. We believe that people should be sent to prison if the public need to be protected from them or if this is the only way to punish them effectively. But to release resources for crime prevention and to cut reoffending, we believe there is more scope for the use of community sentences which are proven to work, such as electronic tagging, reparation to victims, fines, drug treatment, and probation orders.
- Cut reoffending by ex-prisoners. Previous governments have concentrated a great deal on sending people to prison, but not nearly enough on what goes on once they are there. We believe that prisoners should put in a full working day in jail. They should also have access to skill training and courses in literacy to equip them for work after release, and be given more support and rehabilitation once they have completed their sentences. We will also use weekend and evening custody to permit some offenders during sentence to enter paid work prior to release.
- Make prisons more effective. We will make minimum levels of education and work, and rehabilitation programmes, central to prison regimes, and set standards expected through Service Delivery Agreements. We will increase the amount of com-

mercial activity undertaken by prison industries. We will also boost the powers of the prison inspectorate so that it can force change, not just report on failure.

In the long term, our goal is to:

- Improve the successful resettlement of released prisoners. There should be more use of pre-release assessments of the resettlement needs of prisoners, in particular for the majority who have served sentences, and for whom current arrangements are totally inadequate. The focus of resettlement should be on housing needs, employment and training schemes, and preventing substance misuse.

The criminal justice system

Conservative and Labour Governments in turn have attempted to erode the criminal justice system. Labour have been intent on curtailing the right to the fundamental freedom of jury trial, as first proposed by the Conservatives. The Conservatives increased the use of mandatory sentences, taking away judicial discretion to make decisions based appropriately on the facts of an individual case. Liberal Democrats wish to enhance the powers of the courts. We also want to see a greater recognition of the rights of victims of crime. We will:

- Give victims, or their families, greater rights to be heard in court. We will give victims the right to be kept fully informed about the progress of the cases with which they are involved. We will also provide opportunities for

them to make statements in court about the effect that the crime has had on them after the jury has delivered its verdict and before the judge passes sentence. We will offer victims greater support during the progress of a case. Criminal injury compensation is often inadequate or unavailable and so we will improve the scheme to ensure that the most serious cases receive adequate compensation. We will strengthen support for victims of domestic violence by offering more training in this area to the relevant professionals.

- Tackle hate crimes. We will establish police hate crime investigation units to coordinate information and action against racist, homophobic and other hate crimes. We will also legislate against hate crimes by widening current legislation to include all hate crimes on the same basis as that existing for racially motivated crime.
- End mandatory sentencing except for minor offences (such as fixed penalty motoring offences), so that judges and not politicians set sentences.
- Retain jury trials for middle-ranking cases threatened by the Mode of Trial Bill and restore the right to silence.
- Ensure that fostering and adoption law and practice are based on the suitability of individual fosterers and the needs of the child.

In the long term, we will also:

- Propose a new way of sentencing for the most serious offenders. We will consult on introducing indefinite sentences for the most serious sex and

violent offenders, so that they would only be released following an assessment by the court of the risk which they pose to society.

- Create a Department of Justice. This will ensure a separation of powers between the legal system and law enforcement agencies, reform the powers of the Lord Chancellor, and help to provide a fairer system of justice for all. We will establish a review of the legal aid system, to ensure genuine access to justice.

- Overhaul the youth justice system. We will expand reform of the youth justice system to ensure a greater focus on the root causes of misbehaviour, and on education and rehabilitation. We want a greater role for the principles of restorative justice, with offenders meeting their victims, discovering the consequences of their actions and planning to improve their behaviour in the future. Reform would respond not only to the problems caused by child offenders but also to the problems they face. We also favour smaller youth custody units rather than large Young Offender Institutions and would ensure that those young people who must be held are sent to specialised units.

Tackling the causes of crime

We recognise that many of the most effective measures against crime are not the responsibility of the police, the prison system or the courts. Our policies in many other areas will have a significant impact on the causes of crime. We will:

- Invest in education to offer young people more opportunities.
- Encourage young people into constructive activity by increasing support for sport, recreation and the youth service.
- Encourage the use of Acceptable Behaviour Contracts (ABCs). These will help reduce anti-social behaviour in communities by young people, without resorting to blanket curfews or immediate use of heavy-handed court action through Anti-Social Behaviour Orders.
- Expand facilities to help drug and alcohol abusers. We will prioritise funds to aim for a maximum four-week waiting time after an abuser is referred for treatment.



'Our aim is to increase police numbers to prevent crime, catch criminals, and increase the clear up rate'

Simon Hughes Liberal Democrat home affairs spokesperson



**LIBERAL
DEMOCRATS**

Setting You Free

- Liberalise licensing laws. We will replace mandatory closing times for pubs with locally determined opening hours.
- Make non-payment of TV Licences a civil matter rather than a criminal offence.
- Abandon plans to introduce a Public Defender Scheme which would limit the independence of defence advocates.

Green Action

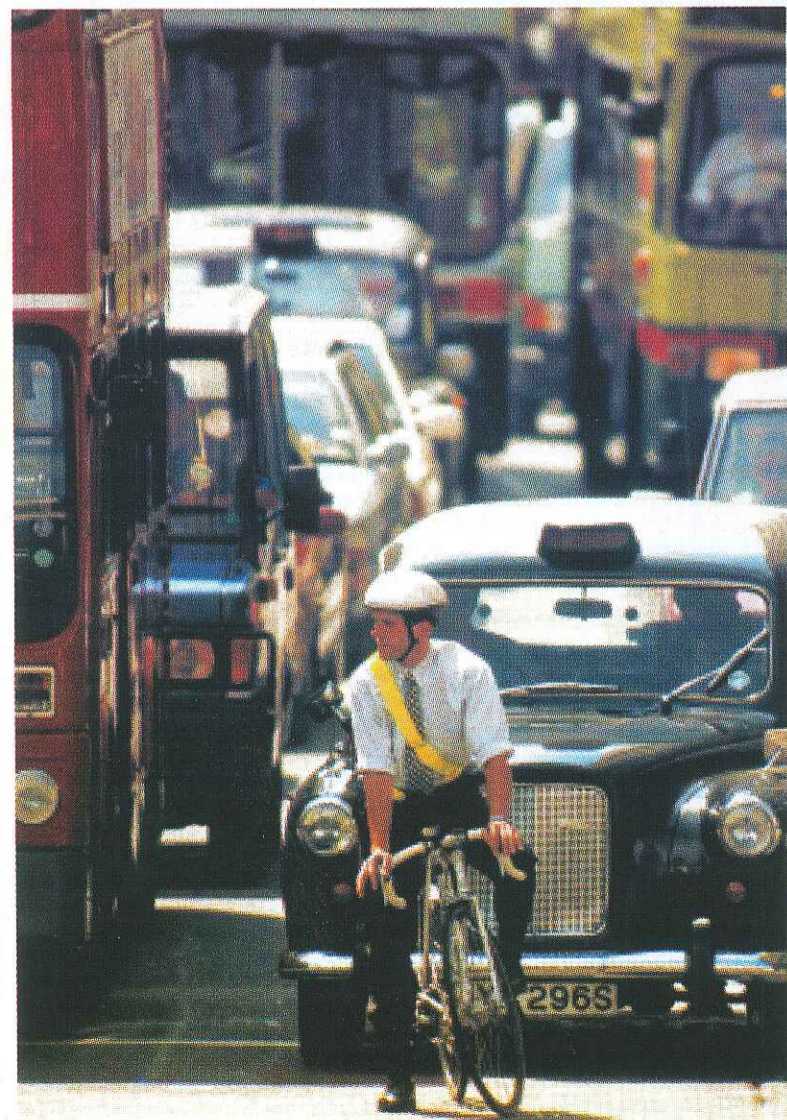
- Preventing pollution. We will improve enforcement of pollution controls through an expanded inspectorate for the Environment Agency, to support full implementation of the statutory pollution control regime. This will be reinforced by increasing the level of penalties which polluters have to pay and the introduction of legislation on corporate environmental liability. We will also use these same powers to ensure that biotech companies are liable for any harm caused by GM crops and food.

- Replace the New Deal with a Flexible Guarantee of help for all jobseekers, administered through a combined Benefits and Jobs Agency.
- Help ensure that people leaving care do not drift into crime by offering them support with housing, education and training.
- Establish a National Crime Reduction Agency to oversee and advise on the work of local Crime Reduction Partnerships and other crime reduction work undertaken by central government. This will ensure that those partnerships are effective at finding local solutions to local crime problems.
- Establish a Standing Royal Commission to tackle the range of problems currently associated with drugs. The approach of successive governments has demonstrably failed. An independent Royal Commission will take a fresh look at the issue of illegal drugs and ways to tackle problems in such areas as health and the huge profits of organised crime. The Commission will also be charged with recommending strategies to address misuse of legal drugs such as alcohol and tobacco, and other legal substances such as solvents.

Reliable and safe transport

A decent transport system is fundamental to an equitable and environmentally sustainable society. We will work to build an integrated transport system throughout the country that is **safe, reliable and affordable**. Our policies place special emphasis on reducing problems from pollution and congestion. Liberal Democrats will:

- Provide **free off-peak local travel** on buses for pensioners and disabled people, and aim for half-price travel at all times for under-19s in full time education
- **Abolish car tax** for drivers of less-polluting vehicles
- Establish **stronger public control** over the railways



While progress in other public services in Britain has been disappointingly slow over the past four years, in transport the country has clearly gone backwards. Roads are more congested. Buses are less reliable. Railways are in chaos. Privatisation of the railways by the Conservatives has been a disaster. Regulation is too lax. Companies do not have the right incentives for long-term investment. The system is fragmented. It is all too easy, when things go wrong, for one firm to pass the buck to another. Safety can be compromised.

Labour has failed to win the case for increased investment in public transport. When the price of petrol went up and revenues from petrol tax consequently soared, the Labour Government should have earmarked the extra revenue specifically for improving public transport. It failed to do so.

Reducing congestion and pollution

Many people rely on their car. But it is in everyone's interests to reduce pollution to protect the environment and to provide a viable alternative to the car wherever possible. We will:

- Reward motorists who drive less-polluting vehicles by reducing car tax (Vehicle Excise Duty) on more environmentally friendly cars and motorcycles - abolishing it altogether for the greenest vehicles. We will fund this by increasing the amount of VED charged on the most polluting vehicles.



- Guarantee not to increase the tax per litre of fuel taken by the government, in real terms, in the next Parliament. Should the government receive extra revenue from VAT due to increases in fuel prices, we will use it to ease burdens on the travelling public. Our policies for improving public transport and encouraging less polluting vehicles means that we do not need to increase petrol taxes further in order to meet our environmental objectives.

- Introduce environmental incentives for bus operators. We will reform fuel duty rebates for bus operators so that these are tied more closely to those running more efficient vehicles, particularly those using alternative fuels.

- Reduce road traffic. As part of our policies for reducing pollution and congestion we will introduce legislation to ensure that there are stronger targets for local authorities to reduce road traffic. We will also enable local authorities to raise bonds and establish congestion charging and private non-residential parking taxes to promote use of public transport.

- Reduce freight on the roads through increased use of railways and waterways. We will explore partnership options for developing Britain's waterways (which are vastly under-utilised at present). We also plan to double the amount of freight carried on Britain's railways by 2010.

Improving public transport

Britain's public transport system could be the envy of the world. At the moment, however, it is expensive, out of date and decaying. We will:

- Extend free off-peak local travel on buses to pensioners and people with disabilities. This would extend across the UK, the scheme currently operating in London and those being developed in Wales. In addition we will aim

to introduce a scheme of half-fares at all times for under 19s in full-time education.

- Increase investment in public transport. We will enable local authorities to raise bonds and establish congestion charging and private non-residential parking taxes (including out-of-town retail and workplace parking) to fund improved public transport. Priorities for investment include: re-opening disused railway lines and stations; developing bus routes, cycle paths, trams, light rail systems, and walkways; better information for passengers through a National Public Transport Information System; Local Authority sponsored car-pooling schemes; and improving the ease with which passengers are able to transfer between different modes of transport.

- Create a Rural Transport Regeneration Fund to improve community transport schemes and public transport in rural areas.

- Support community transport, particularly in rural areas, including dial-a-ride, taxi buses, post buses and school buses, by widening eligibility for the existing fuel duty rebate tied into the emission standards of the vehicle. This will be funded in part by reducing eligibility for fuel duty rebate for commercial tour buses.

Improving transport regulation and performance

Much of the public transport system is run by private companies. This provides valuable competition, investment and innovation in the sector. But if it is to deliver everything that passengers deserve, it must be properly regulated. We will:

- Reform the regulatory system for public transport. We will establish a Sustainable Transport Authority (STA) which will take over the functions of the Strategic Rail Authority



and the existing Rail Regulator and also have responsibility for oversight of bus and coach operators, trams, ferries, coastal shipping and inland waterways. The STA will work to: upgrade safety, access and quality; enhance the rail network; tackle monopolies, particularly taking immediate and effective action against predatory behaviour in the bus industry; develop through-ticketing and timetable integration; improve the safety and quality of rail and bus stations by introducing a Safer Stations Charter Mark scheme; and ensure refunds for failure to fulfil adequate standards of service, including punctuality.

Railways and the London Underground

Britain's railways are in chaos. They are a major casualty of many years of neglect and underinvestment by successive governments. We will work to see Railtrack become a not-for-profit, public interest company, and develop the railway system as the backbone of a modern transport system. In addition, we will:

- Secure increased public control over public investment in the railways by ensuring the Sustainable Transport Authority (STA) takes responsibility for the allocation of public funds intended for new developments (as distinct from repair and renewal). As part of this we will prioritise modernisation and development of the East and West Coast mainlines, and a new high-speed East Coast main line between Aberdeen, London and the new Channel Tunnel Rail Link.

- Seek to restructure Railtrack. We will ask the Competition Commission to review Railtrack's activities under a public interest reference so that a suitable restructuring can be imposed on the company. We believe that any changes must simplify the structure of



"The UK's public transport system needs urgent action if we are to reverse the years of decay"

Don Foster Liberal Democrat environment spokesperson

our railway system by using the STA to reduce the number of franchises, and by encouraging Railtrack to pass responsibility for track renewal and repair to the major train operating companies.

- Simplify regulation. We will bring together the role of the Rail Regulator and SRA within the STA. We will also seek to alter the current bureaucratic penalty system into a simpler scheme of incentives. In addition, the range of fares that can only be altered with agreement from the fares regulator (at present the SRA) will be widened. We will create a new independent body within the STA with responsibility for timetabling.

- Improve railway safety. We will implement the recommendations made by Lord Cullen's inquiry into Railway Safety. We will create a new Railway Safety body within the STA to take regulation of railway safety. We will also create an accident investigation body modelled on the Air Accident Investigation Branch.

- Modernise the London Underground. We believe that the best way to modernise the Underground, without compromising safety, is through a not-for-profit, public interest company funded through bonds.

Roads

For many people, roads are the backbone of the country's transport. But there has been too much focus on building new ones and not enough attention paid to the roads that already exist. We will:

- Boost the repair and maintenance of roads. We are committed to improving the quality of the existing network, with the safety benefits that this would bring. We will undertake road widening and by-pass schemes only where there are clear safety benefits and there, on balance, there is an environmental benefit.

- Establish fair competition for British freight companies. We will cut significantly freight vehicle excise duty, funding this by introducing a daily charge which includes overseas hauliers who currently escape VED.

- Improve road safety. We will work towards a target of at least a 40% reduction in those killed and seriously injured on the roads by 2010. We will implement a National Programme of Home Zones for residential areas, and Quiet Lanes in rural areas. This will reduce vehicle speeds and make communities safer by giving greater priority to pedestrians and cyclists. We will also strengthen the enforcement of weights and safety standards on the road haulage industry.

Aviation

Travel by air is growing, raising environmental and safety issues. We will:

- Reject privatisation of National Air Traffic Services creating instead a not-for-profit, public body to protect safety in the air.

- Work to reform aviation fuel taxation. We will work at the European level to ensure that the whole system of aviation fuel taxation is reformed internationally, as part of a longer-term strategy for reducing energy use and pollution through cleaner fuels and more efficient aircraft. We will also press the EU Commission to allow removal of remaining air passenger duty on flights to peripheral and less accessible parts of the UK which rely on air transport.

- Restrict noisy night flights and airport expansion. We will ensure that restrictions are imposed on the expansion of night flights where these will have a negative impact upon residential areas. We will also ensure that there are clear rules governing future expansion of airports, strengthening consideration of environmental impacts and safety implications.



Setting You Free

- Cut restrictions on local government which prevent councils from raising funds to improve public transport and the environment.

Green Action

● Planning for public transport

Our policies are designed to reduce the need to travel through better use of the planning system, and investment in improving public transport so that people are no longer forced to use their car unnecessarily. We will introduce Regional Transport Plans and strengthen Local Transport Plans to set effective strategies for reducing congestion, pollution and traffic growth.

● Less road building

We will reverse plans for new road building in environmentally sensitive areas.

● Cleaner and more efficient vehicles

We will promote technologies which improve vehicle efficiency and the use of alternative fuel systems such as Liquefied Petroleum Gas, and, in the longer term, biofuels and zero emission vehicles.

In addition, we will improve testing of vehicle emissions and strictly enforce freight vehicle weight limits and other safety standards by increasing resources devoted to roadside testing as well as strengthening the MOT test.

We will oppose further increases in weight limits for freight vehicles.

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Freedom from poverty

Poverty restricts freedom because people without a decent income do not have the opportunities enjoyed by others. More needs to be done for pensioners and those with low incomes to ensure that all in Britain have a better quality of life. Liberal Democrats will:

- **Boost the basic state pension**, particularly for over-75s
- **Support disabled people** by extending winter fuel allowance payments to the severely disabled
- Help the lower paid by aiming to reduce taxation for poorer taxpayers
- Protect workers on low incomes by **reviewing the minimum wage** annually
- **Tackle child poverty** with extra money for families on long-term income support

It is a great indictment of the Governments of Margaret Thatcher, John Major and Tony Blair that all of them allowed the gap between rich and poor people in Britain to become wider than before. The Blair Government has taken a disappointingly mean-spirited approach towards pensioners and lone parents in particular.

We recognise that there are many theatres in the war against poverty. Our success in tackling poverty in Britain would be measured by a Quality of Life Index. This would include a statement of the standards which a citizen of the UK might reasonably expect to enjoy in order to participate fully in society and have a decent quality of life.

Pensions

Britain's pensioners have not forgotten the miserliness of the 75p increase they were allowed last year. Under first the Conservatives and now Labour, the real value of state pensions has fallen further and further. Elderly people require both an immediate substantial boost to their incomes and a guarantee that their interests will always be considered not just in the run-

up to General Elections.

Under Labour, there has been a big increase in means-testing for pensioners. Many elderly people are too proud to claim money which is due to them. It is quite possible to target the poorest people in society without resorting to means tests.

Liberal Democrats will:

- Increase the basic state pension by £5 a week for each single pensioner, £10 for the over-75s and £15 for the over-80s. Couples will receive £8, £18 and £28 respectively. We will give the most to older pensioners because they are amongst the poorest and neediest people in the country. For the past thirty years, they have received a derisory 25p a week at 80, over and above the basic pension. We will also reward pensioners who have saved throughout their lives by scrapping the rules which deny help to people with savings above £12,000.

- Fund our big increases in pensions by setting a new top tax rate of 50p on income over £100,000 a year. To put this measure into perspective, for most of the Thatcher years, the top rate was 60p starting on substantially lower incomes.

- Establish an Independent Pensions Authority. To guarantee that pensioners do not fall behind the rest of the population, the Authority will report annually to the Government on an appropriate uprating for the state pension. It will take into account levels of pensioner poverty, the growth in earnings and national income and affordability. We will also establish a more stable environment for pension planning by seeking to secure all-party consensus before making future pension reforms.

- Strengthen the position of people with private pensions by ensuring that members of company pension schemes, including retired members, have a greater say over the use of their pension fund. We will also relax current rules which require people with personal pensions to buy an annuity on or before their 75th birthday.

In the long term, our goal is to:

- Introduce a new Owned Second Pension Account. We believe that the best way to prevent poverty among future generations is to ensure that all people have a second pension of their own to top up the state pension. Over time we would ensure that a growing proportion of the workforce were members either of a company pension scheme or had an Owned Second Pension Account, with the government making contributions for those who, because of ill health, unemployment or caring responsibilities, are too poor to do so.

- Extend the entitlement to the basic state pension to all citizens. People would no longer have to show a history of contributions in order to claim their basic pension. This would eventually help around 3.4 million people, mainly women, carers and long-term disabled people.

Low pay and benefits

There is a great deal of talk about scroungers on the welfare state. Lib-



'Older people need security for retirement'

Steve Webb Liberal Democrat spokesperson on social security

eral Democrats will be vigilant against those who seek to cheat the system. Equally, there are many people in Britain who are in need who have to depend on the state. Among them are low-paid workers with families, lone parents and children. We will:

- Protect workers on low incomes by reviewing the national minimum wage annually on the basis of recommendations from the Low Pay Commission. The minimum wage has proved an effective way of protecting workers on low incomes, without causing damage to business. We believe it is wrong to set a lower rate minimum wage for workers under 21. We will set the same rate for all people aged 16 and over.

- Alleviate child poverty by paying an additional £200 per year to all families with children who have been on income support for more than a year. Such children suffer from the poverty their parents find themselves in. We will also abolish the Child Support Agency, which has caused unjustifiable hardship to so many people, and replace it with a system of family courts. Their maintenance assessments will be strongly enforced and will supplant the rough justice of the current crude and simplistic formula.

- Support young people and reduce homelessness by restoring 16 and 17 year-olds' entitlements to benefits and by increasing housing benefit for the under-25s by ending the Single Room Rent Restriction which effectively requires them to share accommodation.

- Provide more support for disabled people. We will support severely disabled people by bringing them within the scope of the Winter Fuel Payment system. We also believe that the benefits system should recognise what disabled people can do rather than requiring them to prove what they cannot. In particular, we will investigate the feasibility of introducing a Partial Capacity Benefit for those able to do some work.

- Simplify Housing Benefit administration and reduce the scope for benefit fraud by requiring all local authorities to adopt effective anti-fraud strategies.

- End discrimination in gas, water and electricity charges encouraging the regulator to offer a wider tariff choice which helps the poorest people in society. At the moment, for instance, households which use pre-payment meters end up paying higher rates than other users. We will also seek to have standing charges replaced with a banded system of charging to protect poor households and encourage high users to conserve energy.

- Make cold weather payments to people receiving income support more effective by ensuring that they take account of 'wind chill' which is currently overlooked. We will also seek to take proper account of local weather conditions.

In the long term, our goal is to:

- Remove taxation for the lowest paid. We believe that people start paying tax at too low a level and will work to reduce the burden of taxation on



Setting You Free

- **Abolish the benefit sanctions which were brought in under the New Deal.**

These have placed harsh burdens on poor people and in many cases, the children of those penalised are the ones who suffer the most.

We will not impose further penalties until the effects of penalties have been evaluated.

Green Action

- **Eradicating fuel poverty**

Our homes insulation programme, to provide decent levels of home insulation within 15 years by speeding up the current 30-year programme funded by the energy utilities, will also cut fuel bills.

This will be achieved through a targeted programme of investment funded by the Energy Savings Trust and the energy supply companies.

We will work with colleagues in Europe to agree zero-rating of VAT on all energy conservation materials within the EU.

We will cut fuel bills and reduce pollution by requiring all new housing to meet improved energy and water efficiency standards through the use of environmentally friendly building materials and techniques.

the low paid. Over time, we will cut the 10p tax rate to zero, so nobody pays any tax on their earnings up to £6,500. At present, this would take 1.4 million people on low incomes (1.1 million of whom are women) out of tax altogether. Anyone earning less than £25,000 would pay less tax, even allowing for our 1p for education.

- Establish a minimum income standard after carrying out research to establish the appropriate amount.

- Make the Social Fund more effective by shifting the balance from discretionary loans to grants.

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Opportunities for everyone



Everyone should have a freedom to explore their talents and experience the talents of others. The arts and sport make a huge contribution to our society. They play an important role in both education and the economy and are a means of promoting social inclusion. Liberal Democrats will:

- Place the arts at **the heart of school education**
- **Support community sports** plans
- **Promote diversity** in culture, the arts and sport

Recent governments have not given the arts and sport the priority which they deserve. Our goal is to make a substantial increase in investment in the arts to enhance public access, performance opportunities and artistic innovation.

Arts and culture

We will:

- Give all pupils an entitlement to arts education throughout their school careers. We will recruit and train more specialist art teachers and ensure that all primary teachers are well trained in the arts. We will restore funding for free instrumental tuition to at least 1990 levels, giving many more pupils the chance to learn an instrument once again.
- Protect our cultural heritage by lowering the cost of maintaining listed

buildings. We will do this by cutting VAT on renovation and repairs, paid for by introducing VAT, at the same low level, on new building.

- Encourage artists and artistic diversity. We will support artists by maintaining the support provided by Schedule D taxation. We will establish a fund to bring artists to schools, hospitals and prisons.
- Increase the powers of Regional Arts Boards. We will devolve all funding decisions except those involving national companies, from the Department of Culture, Media and Sport to the Regional Arts Boards.
- Develop the use of libraries by making them centres for free internet access.
- Invest in local libraries, arts and museums by replacing the Millennium Commission with a Local Initiatives Fund which would give grants to support libraries, museums and galleries

in communities across Britain. We will restore the principle that Lottery cash should not fund services more properly provided through taxation, and ensure that all Lottery money goes to the arts, charity, sport, heritage and local cultural institutions.

Broadcasting

High-quality television and radio are essential components of a modern democracy and of a modern civilised society. But as media outlets multiply, the current system of regulation is increasingly ineffective. This is exacerbated by the complicated and often overlapping roles of many different regulators. We will:

- Create a single Office of Communications (OFCOM) with the flexibility to regulate emerging communications technologies and ensure service provision across the country.
- Redefine public service broadcast-

ing including breadth and quality of output, distinct regional output and free-to-air status. OFCOM would ensure that these standards are maintained into the future. Channels could apply to be designated public service broadcasters, regulated by OFCOM, which would then guarantee them the right to be carried on all platforms on a profit-free basis.

- Guarantee the editorial independence of the BBC, abolishing the government appointed Board of Governors, and requiring OFCOM to recommend a new structure for running the BBC, but requiring financial accountability through the National Audit Office.
- Create an additional TV watershed at 11pm so that programmes highly unsuitable for children could not be broadcast until at least two hours after the existing 9pm watershed.
- Simplify but tighten rules governing cross-media ownership to ensure it is not concentrated in the hands of too few.

Sport

Sport plays an important role in our aim of raising the overall quality of life of all the country's citizens. Participation in sport raises levels of fitness and health, and helps to foster local and national pride. We will:

- Promote Community Sports Plans. These will stimulate local authorities, schools and sports clubs to share facilities, which they lack due to school fields being sold off, and include provisions to support so-called minority sports.
- Develop sport in schools. Our simpler minimum curriculum entitlement, replacing the national curriculum will allow greater provision of sport and physical education in schools.



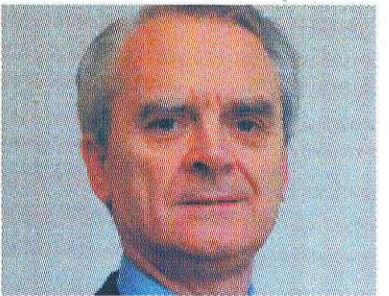
Setting You Free

- Streamline government involvement in the arts by abolishing QUEST (Quality, Efficiency and Standards Team).
- Reduce interference by central government in culture and arts by decentralising decision-making powers and funding in England in order to promote community involvement in the arts. We will also protect the independence of trustees of museums and galleries.
- Remove the anomaly of Home Office regulation of film and video. We will pass this responsibility to the Department of Culture, Media and Sport which oversees all creative industries.

Green Action

- **Bring art and sport to the centre of communities**

Our Community Arts and Sports Fund, alongside our plans to cut VAT on renovation and redevelopment will help with the cost of restoring and developing sustainable arts and sports facilities within local communities where they are easily accessible.



'We'll give sport and the arts the priority that they deserve'

Robert MacLennan Liberal Democrat spokesperson on culture and media

Protecting consumers and backing business

Liberal Democrats are committed to a free market economy in which enterprise thrives. Competition and open markets are by far the best guarantee of wealth creation. It is the Government's role to ensure the conditions under which innovation and competition can flourish and benefit the greatest number of people. Liberal Democrats will:

- **Ease** the burdens on business
- **Defend consumers** against power of monopolies
- **Promote innovation** and training in new technology



The UK now operates in a global market in which international competition is intense. Liberal Democrats' social objectives cannot be achieved without the creation of wealth and the promotion of enterprise. The Conservatives have always posed as the champions of enterprise. But too often they have in fact defended vested interests and monopoly power.

Labour has over-regulated in some areas and under-regulated in others. Neither party has really backed new enterprise and new ideas. Small businesses have to deal with an avalanche of red tape, while the utility and railway companies have been allowed to get away with far too much.

Liberal Democrats seek to encourage innovation and risk-taking, protect the rights of consumers and workers, and safeguard the environment. We also want to maintain the City of London's pre-eminence as an international financial centre.

Business

Business people want to get on with running their companies, creating wealth and providing more opportunities for their staff. They should not have to spend large amounts of their time acting as agents for the Government, coping with interminable regulations and filling in endless forms. We will:

- Scrap unnecessary business regulations. We have published a list of 25 specific major regulations which we will scrap. We believe any new regulations should be subject to a "sunset clause", setting a deadline after which they would automatically lapse. We will also consult business before introducing any new measures.
- Cut business rates on small businesses by introducing a Business Rates Allowance, similar to personal tax allowances. This tax-free allowance would be set at £1500 and apply to all small businesses. With larger businesses paying a little more to cover the cost of the scheme, smaller businesses will pay less.
- Promote diversity of ownership. We will initiate a review of policy governing mutual ownership of building societies, insurance companies and credit unions to encourage and develop them. We will also review legislation in order to stimulate employee share ownership and co-operatives.
- Invest in a knowledge-based economy through research. Scientific research is the cornerstone to a successful knowledge-based economy. We welcome the extra resources the sector

has already seen as a result of partnership with charities, and will further this by increasing government investment in scientific research. We would give priority to research on climate change mitigation and cleaner production and consumption techniques, and set up an Academy of British Invention. We will fund the Academy and provide extra money for scientific research by stopping the Export Credit Guarantee Department using taxpayers' money to support arms exports.

- Encourage ethical business practice. We want the UK to play a leading role in seeing the OECD Anti-Bribery Convention implemented world-wide. We will encourage ethical shareholding by reforming corporate governance to enhance stakeholders' rights. We will require the largest companies to report on their social and environmental performance.

- Encourage innovation by measures including promoting links between academic and industrial research, and strengthening the roles of local and regional authorities to stimulate development and implementation.

Consumers

Consumers should have as much choice as possible, but more and more ownership is concentrated in the hands of fewer and fewer companies. This has been particularly true in fields like banking, telecommunications, broadcasting and civil aviation. Elsewhere, large concerns have been driving small businesses to the wall. We intend to level the playing field to support competition and smaller businesses, and give consumers more protection against poor service and faulty goods. We will:

- Introduce tough legislation to control monopolies and cartels with a presumption against a high concentration of ownership. Even in apparently competitive markets, anti-competitive behaviour is creating localised monopolies where, for example, supermarkets, large newsagents and oil companies have an unfair advantage over small shops and independents. We will strengthen the powers of the competition authorities to tackle localised monopolies.
- Strengthen consumer protection. We will introduce new safeguards for people taking out mortgages and require 'workmanship guarantees' in respect of 'Cowboy builders' and garages. We will also introduce tougher penalties against counterfeiters to protect the public from dangerous and shoddy goods.
- Tighten controls on banks. We will make it a legal requirement for



'Liberal Democrats will level the playing field to support competition and smaller businesses, and give consumers more protection against poor service and faulty goods'

Dr. Vince Cable

Liberal Democrat spokesperson on trade and industry



banks to look after the interests of vulnerable customers, particularly elderly and disabled people, those on low incomes and those who live in remote communities. We will apply full competition law to banks, refer bank mergers to the Competition Commission, prohibit anti-competitive cash machine charges and regulate the clearance system.

- Review regulation of the life insurance sector in the light of recent events at Equitable Life and elsewhere, to protect the savings and pensions of millions of people.

- Establish a universal service obligation for the Post Office branch network. Post Offices are a vital part of all communities, particularly the more isolated ones. We will ensure that sub-post offices continue to offer the services which their customers need.

Employees' rights

Most employers have no objection to good health, safety and anti-discrimination rules. But the law needs to be tightened to clamp down on the small minority of companies who exploit their workforce. We will promote a business culture which embraces equal opportunity as essential to a committed and motivated workforce. We will:

- Give the Health and Safety Executive new powers to investigate breaches of its rules. We will make businesses which flagrantly flout the rules criminally liable for the consequences. However, we will train inspectors to carry out a range of inspections on one visit where possible, rather than having several separate inspections from different bodies.

- Fight age discrimination by banning compulsory retirement ages. Instead, we will provide for individuals aged 60 and over who wish to work to have an assessment of their ability to continue their job as part of an annual appraisal process.

- Review the minimum wage annually. The review will follow the recommendations of the Low Pay Commission. Equal work deserves equal pay, so we will also extend the full Minimum Wage to all those aged 16 and over, abolishing the lower rate paid to people under 21.

- Promote consultation of employees. We believe that workers should have a statutory right to consultation over key business decisions affecting their future, such as factory closures.

Green Action

● Cutting pollution from energy use

The burning of fossil fuels – coal, oil and gas – is a major contributor to climate change, and also causes acid rain and local air pollution.

Our top priorities are to reduce energy consumption overall, by improving the efficiency with which it is used, and to switch from polluting forms to clean energy sources.

● Reducing the demand for energy

Half the energy currently used in the UK is wasted, and could be saved by using it more efficiently, in homes, businesses and transport.

Our homes insulation programme will improve household energy efficiency standards, help to eradicate fuel poverty and provide substantial new employment opportunities. Mandatory standards and labels for buildings, machinery, vehicles and appliances, together with lower VAT on energy conservation materials, will encourage householders and businesses to cut energy use.

We will encourage Combined Heat and Power schemes to reduce the energy wasted in power generation.

● Taxing energy fairly

The Climate Change Levy is overcomplicated and bureaucratic.

We will gradually replace it with a carbon tax falling on all energy use according to its carbon content.

We will invest in more energy conservation and efficiency grants.

We will introduce a properly monitored emissions trading scheme to allow businesses to cut greenhouse gas emissions in the most cost-effective way, and argue for an EU-wide scheme as soon as feasible.

● Reduce pollution from chemicals

We will end UK production and use of POPs (persistent bio-accumulative chemicals). We will also ban the use of the most toxic chemicals.

● Preserve scarce water resources

We will set tough requirements for water companies to reduce leaks.

We will encourage the use of water meters for domestic households in areas with scarce supplies, with effective measures to provide security for disadvantaged people.

● Boosting renewable energy

We will require a minimum of 10% of the UK's energy to be generated from UK-based renewable energy sources by 2010, increasing by 1% a year thereafter.

As well as benefiting the environment, this will create thousands of new jobs in the green energy sector.

Waste incineration will no longer be classed as renewable energy.

● Phasing out nuclear power

We will decommission and not replace nuclear power stations as they reach the end of their safe operating lives.

We will maintain BNFL in wholly public ownership. We will establish an International Centre of Excellence at Dounreay to lead and spread good practice on decommissioning.



Setting You Free

● End unnecessary regulation.

We will relieve businesses of tasks which they unnecessarily perform on behalf of the government, like administering Working Families Tax Credit, and collecting student loans.

● Liberalise Sunday trading laws.

We will make Sunday opening hours a matter for local councils rather than for national government, within a national framework to guarantee extra pay for Sunday work and protect conscientious objection to Sunday working.



'We will ensure that sub-post offices continue to offer the services which their customers need.'

Norman Baker Liberal Democrat spokesperson on consumer affairs

Visit our website at:
www.libdems.org.uk

Making every vote count

Democracy is the guarantee of all our freedoms, but the state of British democracy still leaves much to be desired. Liberal Democrats want to make government the true servant of the people, and we will develop a political process in which all voices can be heard. Liberal Democrats will:

- **Reform the voting system for Westminster so that every vote counts**
- **Give Parliament more power to hold the government to account**
- **Devolve more power to the nations and regions of Britain and to local authorities**

Britain's political system has changed for the better since 1997. We have championed devolution for over a century, so we welcomed the opportunity to play our part in the creation of the Scottish Parliament, the National Assembly for Wales and the Northern Ireland Assembly. We welcome too the introduction of fairer votes for these bodies. But the gap between government and the governed is still too great. Public bodies are not sufficiently accountable. Voters do not have a strong enough voice or enough choice. No wonder that more and more people feel alienated from politics.

Voting

We need a voting system which accurately reflects the wishes of voters and fosters a more constructive approach to politics. Liberal Democrats will:

- Secure fair votes for all national and local elections. For Westminster, we support the system of AV+ as proposed by the Jenkins Commission as a first step. We will therefore put the Jenkins Commission's recommendations before the British people in a referendum at the earliest possible opportunity. Ultimately, we wish to see the Single Transferable Vote (STV) used for Westminster elections. We will introduce STV immediately for local government and European elections.
- Introduce voting at sixteen. We will also allow people to stand for elected office at this age, the stage in life at which they are able to begin full-time work and pay taxes. We will promote the action and habit of participation earlier in life through citizenship education and school councils.
- Introduce new methods of voting. We will extend the right to vote by post and investigate internet voting, while ensuring that votes remain secure. We will also promote public involvement in decision-making, through Citizens'

Juries, Citizens' Initiative Referenda and electronic consultation.

Westminster

The Westminster Parliament is not sufficiently accountable to the voters, and the Government is not sufficiently accountable to Parliament. We will strengthen the House of Commons and democratise the House of Lords.



'We need a voting system which accurately reflects the wishes of voters'

Lord Navnit Dholakia
Liberal Democrat President

We will:

- Replace the House of Lords with a smaller directly elected Senate with representatives from the nations and regions of the UK. The Senate will be given new powers to improve legislation. We will transfer the judicial functions currently undertaken by the House of Lords to a new Supreme Court.
- Streamline and strengthen the House of Commons. We will increase the powers of Select Committees and allow more pre-legislative scrutiny of bills. We will give MPs more say over the budget by allowing them to propose spending amendments. We will introduce a new annual Tax Bill, separate from the Finance Bill, to allow for greater consultation on tax matters. A new parliamentary commission will support Parliament by providing expert analysis of expenditure proposals.
- Introduce more family friendly and efficient working practices for Parliament to bring a wider range of people, particularly women, into Parliament.
- Carry out a Social Justice Audit of all bills to ensure that government legislation tackles inequality as a priority.
- Introduce a Civil Service Act to maintain the independence of the civil service. We will ensure that governments are not able to use the civil service for party political purposes by setting clear rules on the use of public money and government facilities. In the long term, we will:
 - Develop a written constitution for the United Kingdom in order to define and protect the constitutional freedoms our policies are designed to achieve.
 - Separate Church and State. We will support the disestablishment of the Church of England to end political interference in the Church. The Head of State will be able to be a member of any faith or none.

The nations and regions and local government

Despite the progress made in Scotland, Wales and Northern Ireland, the United Kingdom is still too centralised. We will take steps towards the creation of a federal United Kingdom where services are delivered at the lowest level possible. This will build a stronger democracy within the UK as a whole. We will:

- Give greater powers to the nations and regions. As we move to a more federal United Kingdom, we will build on the present devolution settlement and strengthen the powers of the Scottish Parliament. We will allow the Welsh Assembly the right to pass primary legislation and to vary taxes. We will extend tax-varying powers to the Northern Ireland Assembly for both income tax and corporation tax, should the Assembly wish to have those powers.
- Give the regions of England more democratic power. We will legislate for referenda on elected regional assemblies. If local people vote for a regional assembly, the assembly would take on a set of core powers from Westminster and from current undemocratic regional quangos. Regions will normally be based on existing Regional Development Agency boundaries, but with scope for smaller areas where local identity, geography and preferences make that appropriate. We would allow further devolution of powers and boundary changes in subsequent referenda.
- Build on the work of the Northern Ireland peace process. We will develop co-operation within the British Isles through the Council of the Isles, and we welcome the establishment of North-South bodies in the island of Ireland within this overall framework. To support the work of the Council we will work to establish its own permanent secretariat, based in a central location such as Cardiff. We will also seek to establish meetings of a 'Council of the Irish Sea' within this framework to promote understanding between representatives of Cardiff, Dublin, Belfast, Edinburgh, the Isle of Man and appropriate regions of England on areas such as fishing, transport and pollution.
- Allocate funding according to need through a Finance Commission for the Nations and Regions. Its Revenue Distribution Formula will allocate funds from central government to the nations and regions on the basis of need. To secure stability, there will be no cuts in current funding. Any changes, which will happen in the medium term, will be funded from growth in the economy. Over time, we will give the nations and regions more power to raise their own money.
- Give local people more power. We will replace the Council Tax with local income tax, so that people pay according to their ability, and we will give local authorities more discretion over their spending. We will ensure that where local government acquires new duties from central government they have the means to fund them, and



Setting You Free

- Cut the size and cost of central government. We will reduce the number of ministers and (as part of voting reform) cut the membership of both the House of Commons and the Upper House, while not reducing the current size of the Scottish Parliament, National Assembly for Wales and the Northern Ireland Assembly. This will include replacing separate UK ministers for the devolved nations of the UK with one Secretary of State for the Nations and Regions.

Green Action

- **Strengthening national environment policy**
Strengthen government environment policy by transferring the Department of Trade and Industry's water and energy roles to the Department of the Environment, Transport and the Regions, renamed the Department of the Environment, Energy and Transport. Meanwhile, housing, regional issues and local government will move from the DETR to a new Department of Local Government and the Regions.
- **Improving environmental accountability**
An Environmental Responsibility Act will set out reporting requirements and environmental standards for government and businesses, and introduce environmental audits across all government departments and local authorities where this is not already done.

introduce a constitutional power of general competence that will give local government wider scope for action. We will also define a minimum standard of service for local councils across the country. Fair votes for local elections will prevent local domination by one party, which damages local government.

Setting all people free

Civil liberties are the basis of a genuinely free society. They are essential to a liberal society in which people are enabled to fulfil their potential and make informed choices about their lives. **Liberal Democrats will:**

- **Pass** an Equality Act to outlaw all forms of discrimination
- **Reform the asylum system** so that applicants are dealt with fairly and quickly
- **Extend** Freedom of Information legislation to provide genuinely open administration at all levels of government

Civil liberties are at the core of our critique of the other parties. Asylum seekers, in particular, have been treated in a disgraceful manner by both Labour and the Conservatives. The BSE scandal demonstrated the dangers of resistance to freedom of information legislation. Labour has made a start but has fallen short of building the truly open society we want to see. We will establish a strong framework of individual rights, extending the protection already afforded by European law, so that the rights of the individual outweigh the interests of the government.

Discrimination

We will combat discrimination on the grounds of race and in all its other forms. We will:

- Strengthen the fight against discrimination with an Equality Act. This will fight unfair discrimination on whatever grounds, including race, sex, religion, sexual orientation, disability, age or gender identity. A new Equality Commission will be able to investigate potential breaches of the Act and take action in its own name. The Commission will also have responsibility for Children's Rights, through a Children's Rights Commissioner. We will also create a separate Human Rights Commission to safeguard human rights.
- Support recent European anti-discrimination legislation. We will back measures under Article 13 of the Treaty of Amsterdam on anti-discrimination. This includes race and employment legislation and action.
- Establish a scheme for the civil registration of partnerships. This will give two unrelated adults who wish to register a settled personal relationship, legal rights, such as next-of-kin arrangements which are at present only available to married couples.

Immigration and asylum

Immigrants are too often labelled as a

problem for British society. Britain has benefited hugely from immigration, in the same way that many Britons who have emigrated have benefited from their experience. There are practical as well as humanitarian reasons for treating immigrants decently. The shortage of skilled workers in many fields means they have an important contribution to make to British society. We will:

- Protect people fleeing from persecution by dealing with asylum applications fairly and more quickly, which will also minimise any opportunities for anyone to exploit either the system or asylum seekers. We will introduce fair benefits for asylum seekers to replace the demeaning voucher system. We will review the failing dispersal system, end any unnecessary restrictions on asylum seekers undertaking voluntary work and review restrictions on paid work by asylum seekers in their first six months. Recognising pressures on host communities, we will ensure that local services are adequately compensated for the cost of supporting asylum seekers. We will work with other countries to ensure that responsibilities are sensibly shared, and to seek a system which discourages illegal trafficking in people.
- Free immigration laws from discrimination. We will ensure that immigration policy is non-discriminatory in its application. We will reform current immigration laws so that families are not divided. We will also regularly review immigration policy, separate from our asylum obligations, including an assessment of skills needs of the country in an increasingly global economy.

The right to know and the right to privacy

While individuals should have the right to know as much as possible about decisions taken by government, there should be limits to the information which government can obtain about individuals. We will:

- Strengthen Freedom of Information legislation. This will break open

the excessive secrecy of government and develop open and accountable administration. In particular, it will increase access to facts and figures underlying government policy decisions and reduce ministers' powers to block the release of information.

- Protect privacy. Privacy is protected by the European Convention on Human Rights which is now incorporated into UK law. We are opposed to further privacy laws which could threaten free speech, except for a civil offence of physical intrusion to prevent harassment of individuals by the media. We will not introduce compulsory national identity cards.
- Bring the security services under parliamentary control. At the moment, the security services are overseen by a committee reporting to the Prime Minister. We will make them accountable to a Parliamentary Select Committee.

Green Action

Improving environmental knowledge

A 'Right to Environmental Information', as part of Freedom of Information legislation, will cover issues such as local air quality, emissions from local factories, and the potential environmental risks from Genetically Modified Organisms (GMOs). We will also introduce a duty to electronic publication of environmental information.

Protecting protest

We will protect the right to legal and peaceful protest



'Civil liberties are essential to a liberal society in which people are enabled to fulfil their potential'

Jackie Ballard Liberal Democrat spokesperson on civil liberties

on all issues, including environmental matters.

Protecting animals

Although we support firm action against violent protests by animal rights activists, we are committed to strengthening animal welfare. We will establish an Animal Protection Commission to strengthen animal welfare protection. We will extend the size and powers of the Home Office Inspectorate and encourage more unannounced inspections. We will end the use of animals in the



Setting You Free

- Improve safeguards against the **misuse of surveillance and interception powers** by law enforcement agencies including interception and tracking of electronic communications. We will replace the system of warrants approved by Ministers with a system of approval by judges to remove any conflicts of interest and to increase accountability. We believe that there should be a presumption in favour of an individual's freedom from intrusion into their private life and that it should be up to the Government to prove the need for it. We would ensure adequate safeguards against unnecessary monitoring and access to private electronic communications and review the impact on the electronic commerce industry of Labour's Regulation of Investigatory Powers Act.

Repeal Section 28 of the 1988 Local Government Act.

This gives legal sanction to discrimination, preventing schools taking effective measures against bullying and hampering responsible sex education.

development and testing of weapons and household goods, and end unnecessary repetitive tests. We will fund research into alternatives to animal testing. We believe that farm animals should be entitled to high welfare standards. We will provide more customs officers with Convention on International Trade in Endangered Species training so that the law can be enforced more effectively. We believe that the issue of hunting with hounds should be settled by MPs on a free vote.

Action for your local community

Outside their family, most people's immediate concerns involve the local community where they live, work, shop and spend their leisure time. We wish to build sustainable communities which provide for the needs of their citizens, enhance their lives, and preserve the environment.

Liberal Democrats will:

- Boost local economies by protecting local services and promoting local innovation
- Support rural employers, farming and fishing
- Revive depressed areas by introducing a one-stop regeneration grant system to distribute funds more effectively
- Create incentives for developers to build on brownfield rather than greenfield sites



Margaret Thatcher notoriously remarked "there is no such thing as society". It was an attitude which weakened communi-

ties all over Britain during the Conservative years. Now, in many communities in Britain, there is growing dissatisfaction with Labour too. In rural areas, people feel that the La-

bour Party does not understand their needs. In much of urban Britain, arrogant and complacent Labour councils are out of touch with local people.

Our opponents want to control from the centre. We will allow communities to make decisions for themselves, while providing high-quality services and protecting the environment.

Building strong local communities

The strongest local communities are built on the actions of individuals within them. Government should not interfere and hamper their efforts. It can nonetheless play a role in stimulating and supporting communities. We will:

- Regenerate deprived communities wherever they are through a one-stop regeneration grant system. This would streamline existing regeneration measures, including Regional Selective Assistance, English Partnerships and the New Deal for Communities. The new single scheme will help match-funding applications and simplify the application and appeal process. We will ensure that all regeneration schemes are truly in line with the aspirations of the communities they are designed to help by strengthening local democratic input into decision-making.
- Boost rural local services by directing more money to provide high-quality services, such as schools and post offices, to the rural population. We will do this by reforming funding formulae to ensure that resources are allocated fairly throughout the UK, and by giving local authorities greater financial freedoms. We will tackle rural social exclusion by providing employment opportunities in new industries and in farming for the young.
- Help everyone feel safe in their homes. People living in inner city housing blocks across the country suffer unacceptable levels of crime on their own doorsteps because there is no secure front door on the building in which they live. We will give a high priority to tackling the security of these buildings through our "Safe Front Doors for All" initiative, organised as part of our wider crime prevention programme.

Supporting farming and fisheries

Many communities are highly dependent on a single local industry. In many areas, this means fishing or agriculture. Government could be doing much more to support both. We have already published an emergency programme to help farmers and businesses who have suffered during the foot and mouth crisis. On other issues we will:

- Reform the Common Agricultural Policy. Reform is long overdue. We will promote the sustainability of agriculture and redirect support so that small and family farms are more effectively supported. We will seek to refocus payments on achieving public, environmental and social goals rather than encouraging unnecessary production, while maintaining the current overall level of support for farmers and rural areas. We will work within Europe to limit bureaucracy by administering CAP payments through

a single Countryside Management Contract which would include stewardship and agri-environment schemes as well as support for diversification, organic farming and farmers co-operatives.

- Protect tenant farmers by funding a targeted early retirement and new entrant scheme and by reassessing diversification schemes to allow tenants more scope to diversify.
- Encourage organic farming by better support for transition from current methods of farming.
- Reform the present Common Fisheries Policy. The main objective of fisheries policy must be to integrate the long-term conservation of the marine environment with the socio-economic interests of local communities. We want to establish Regional Management Committees through which fishermen would work with scientists and government to agree sustainable and fairly enforced 'zonal management' for their local fisheries. We will make the case for establishing the 6-12 mile fishing limit as a permanent feature of policy, and work with other fishing nations to agree to extend the national protection zones out to 24 miles. We will strengthen and update the regulatory framework for Seas Fisheries Committees and take low impact fishing methods out of the quota system altogether.
- Abolish the Ministry of Agriculture, Fisheries and Food with its numerous conflicts of interest which have prevented it from effectively addressing issues such as BSE, GM Crops and Foot and Mouth. Instead, we will create a Ministry for Rural Affairs to promote the interests of the countryside as a whole. An Agricultural Ombudsman will protect farming, and food safety issues will be the responsibility of the Department of Health and the Food Standards Agency.

Supporting local economies

Local economies operate most effectively when there is local innovation and money circulates locally in a diverse range of small businesses providing for local needs. Strong voluntary and non-governmental bodies also enrich and strengthen these communities. We will:

- Support local markets including farmers markets by providing funds from Single Regeneration Grants to regenerate local shopping areas, preserving a diverse range of retail outlets and encouraging flexibility in planning regulations for smaller outlets.
- Tackle financial exclusion by promoting community banking, Local Exchange and Trading Schemes (LETS), and credit unions. We will also support initiatives such as the Community Loan Fund in Wales.
- Encourage volunteering by setting up a network of mutual volunteering exchanges or 'time banks' through which people could exchange time spent volunteering, registered through the local time bank, with help for themselves, or discounts on public transport and sports facilities.
- Protect village pubs and local brew-



Setting You Free

- Lessen central controls on fishing by reforming the Common Fisheries Policy to promote local management of fisheries.
- Reduce red tape for farmers through single Countryside Management Contracts to manage farm payments, and an Agricultural Ombudsman to tackle maladministration.
- Put local priorities first in planning regeneration schemes so that communities develop according to the aspirations of those that live there.

eries by extending the 50% mandatory rate relief currently enjoyed by some village shops and post offices to sole village pubs and encourage wider use of local authority powers to grant additional discretionary relief for services and businesses.

- **Promote tourism.** We will bring together the marketing and infrastructure work of government, local councils and tourist boards. We will ensure that local communities are involved in the planning of tourism from the earliest stages.

A decent living environment

The quality of life for all people depends very much on their surroundings - the quality and cost of their housing, the fabric of nearby buildings, and their natural surroundings. To promote a clean and healthy living environment we will:

- **Promote decent and more affordable housing.** We will open up conveyancing to greater competition, take action to tackle gazumping, strengthen leaseholders' legal rights, involve tenants in the management of housing estates, and protect tenants against misuse of rent deposits. We will allow local authorities to specify the percentage of social housing for all new developments. We will aim to provide lifetime homes and make sure that building regulations provide for flexibility to undertake low-cost conversion for wheelchair access, fittings, showers and stair lifts. We will give local councils the power to end the 50% rebate on council tax for second homes.

- **Combat homelessness** by giving local authorities greater freedom to invest in housing, and by making health authorities responsible for ensuring that patients discharged into the community have somewhere to live. We will increase the availability of affordable housing by taking action to require public and private landlords to bring empty homes back into use. We will make renovation a more affordable option by equalising VAT at a lower level to be charged equally on new build and refurbishment costs.

- **Protect greenfield sites** and encourage urban regeneration through partnership between local authorities and private enterprise, and our reform of

the VAT system. In addition to an immediate cut in business rates through a Business Rate Allowance, we will also allow local councils to replace the Uniform Business Rate with a system based on the value of each site (Site Value Rating). This would encourage rather than penalise those who develop inner-city sites. We will also clean up brownfield and damaged wildlife sites using revenue from a greenfield development levy set by local authorities.

- **Require mobile phone companies** to obtain local planning permission for all new mobile phone mast installations.

- **Establish effective measurement** of living costs throughout the country. We want to ensure that public service workers like teachers and nurses are properly supported when they live in expensive areas. We will therefore collect data on price variations between regions so that measures can be effectively targeted.



We will ensure that family run farms are given more support'

Colin Breed Liberal Democrat spokesperson on agriculture

Green Action

● Reducing waste and promoting recycling

Our National Recycling Programme will provide a doorstep recycling collection for every household by the end of the next Parliament. We will seek to recycle 60% of household waste within 10 years. We will also gradually increase the landfill tax to encourage alternative methods of disposal, backed up by an eventual ban on all but certain types of waste. We will not build incinerators unless results of research on their impact show that they are safe and the best environmental option.

● Floods and flooding

We will immediately set up a National Task Force to review arrangements for flood defence management and response. We will also use planning measures to reduce future developments taking place on floodplains and improve standards of drainage from both urban and rural (particularly agricultural) land use. In the long term, flooding will continue to become more severe unless climate change is tackled effectively - which our energy and transport policies are designed to do.

● Guard against possible dangers of GM crops

We will seek to introduce a moratorium, at an EU level, on commercial growing of genetically modified crops until 2004, to allow research into their safety and environmental impact to be completed.

● Protect our seas

We will develop a national oceans and coasts policy in consultation with scientists and the fishing industry to provide sustainable livelihoods and prosperity for coastal communities, improved health of the seas for wildlife and a safer environment for marine activities. This will include a network of Marine Protected Areas covering 10 per cent of our seas and piloting Fishing-Free Zones to help the recovery of fish stocks. We will underpin this by introducing consolidated marine legislation in collaboration with the devolved institutions of the UK. We will also implement pollution reduction and prevention programmes to meet targets under the OSPAR convention by 2020.

● Boost conservation schemes

We will protect the

environment and create 'green jobs' in urban, rural and marine habitats, for example, through more organic farming, increasing green spaces in urban areas, and woodland management. Such schemes will form part of our Wildlife Guarantee to protect endangered species. We will also aim to preserve and increase the area of greenfield sites in the UK.

● Reform planning

We will ensure that local authority structure plans incorporate targets for CO₂ emission reductions to encourage the development of renewable energy facilities and account for the climate change consequences of their policies, including transport.

● Protect green spaces

We will create a new designation of Protected Site, with equivalent protection to Sites of Specific Scientific Interest, for green areas of particular importance or value to the community. We will manage SSSIs to enhance their environmental value and impose a binding 'duty of care' on owners and tenants to avoid further significant damage or fragmentation.

Your say in Europe

The European Union has a fundamental role in guaranteeing peace and freedom in Europe. By promoting enterprise, protecting the environment and fighting discrimination, the EU brings enormous benefits to Britain. Yet neither Conservative nor Labour Governments have made the most of Britain's potential as a core member of the EU.

Our priorities in Europe are:

- **Enlargement** of the EU to include the emerging democracies of central and eastern Europe
- **Reform** of the EU's institutions to make them more open, democratic and effective
- **Reaching agreement** on a constitutional settlement for Europe to define and limit the powers of the EU
- **Co-operation** with our European Liberal Democrat partners to achieve our aims in these areas



Liberal Democrats are firm supporters of the European Union, but as critical members of the European family, we are also firm on its failings. We believe that the EU offers the best means of promoting Britain's interests in Europe and in the wider world. Nations acting together can achieve more. The EU must have the resources and powers to act in areas where problems cannot be solved at a national level. But it should stay clear when European action is not necessary. Europe needs a new agenda for reform. Liberal Democrats are determined that Britain should lead this reform. We want a Eu-

rope where the interests of people not bureaucrats come first; a Europe that seeks to empower people, not impose upon them; and where European institutions concentrate on what they do best. We will work to:

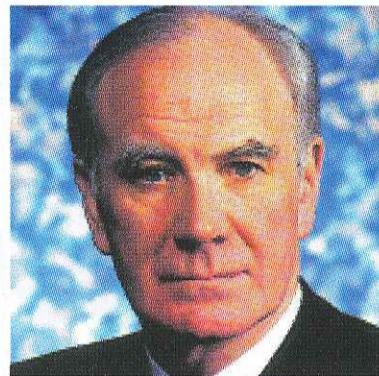
- Establish a Constitution for the European Union to define and limit the powers of the EU ensuring that decisions are made at the most appropriate level. It would set out the roles, responsibilities and powers of EU institutions in relation to member states. It would provide a stable and legitimate framework to reinforce democracy and restore public confidence in the EU. The Charter of Fundamental Rights

should be at the heart of a Constitution for Europe.

- Focus the scope of European Union action. We need to improve the quality of EU governance. The EU should focus its policy-making only on those areas for which EU-wide action is indispensable. This means ensuring that the principle of subsidiarity is fully respected. A standing scrutiny committee in the European Parliament should be established to ensure that EU proposals meet the criteria of subsidiarity and proportionality.
- Make the European Commission more democratically accountable. The Commission President's 'State of the Union' speech should be accompanied

by a detailed list of proposals, individually justified and explained. Each new EU legislative proposal should include a justification of why EU action is necessary. The work programme should be put to a substantive vote by the European Parliament in plenary session. The committees of the European Parliament should be able to cross-examine individual commissioners on the proposals under their responsibility. The European Parliament should have the power to vet and veto the appointment of each and every Commissioner and, if necessary, sack individual Commissioners.

- Make sure that European Union bodies are more open. All EU institutions should conform to the principles of freedom of information. The Council of Ministers should meet in public whenever it discusses legislation and publish a record of its proceedings. The political leader of the country holding the Presidency of the European Council should be obliged to appear before the plenary session of the European Parliament both before and after all meetings of the European Council.



'Reform of Europe is our priority'

Menzies Campbell,
Liberal Democrat spokesperson
on foreign affairs

- Maintain the veto in areas of vital interest to the UK. We favour the application of majority voting in the Council where necessary to ensure that the EU functions effectively. But we will maintain a veto on the constitution, defence, own resources, budgetary and tax matters and regulations on pay and social security.
- Improve Westminster's scrutiny of European legislation and of the activities of UK ministers attending the Council of Ministers. There should be no substantial initiatives for European legislation in the Council of Ministers which have not been scrutinised by the UK Parliament. Ministers, including the Prime Minister, should give evidence before a European Union Affairs Committee in Westminster prior to European Council meetings and any significant meeting of ministers.
- Increase the transparency of the European Central Bank. The Board of the Bank should publish its minutes and votes, following the practice of the Bank of England's Monetary Policy Committee.
- Support a European Common Foreign and Security Policy that includes a significant defence capability consistent with our membership of NATO and other international institutions.
- Hold meetings of the European Parliament only in Brussels to end the waste of time and money incurred by holding meetings in Strasbourg.
- Push for early enlargement of the EU. The nations of central and eastern Europe have now been waiting over ten years for the opportunity to benefit from EU membership. We will seek to ensure that there is no further slippage in accession schedules dependent upon meeting the Copenhagen criteria such as guaranteeing democracy, the rule of law and human rights.



Setting You Free

- Remove unnecessary regulations and reduce administrative costs. We support moves to streamline the role of the EU Commission and to strengthen measures against fraud. We will push for obligatory regulatory impact assessments on all new EU proposals with a direct bearing on businesses. We will also stop the practice of 'goldplating' EU regulations, whereby the UK government unnecessarily adds requirements to minimum EU standards.

Green Action

- **Putting the environment at the heart of Europe**

All EU policies should be analysed for their likely environmental impact, with results reported to the European Parliament. This is particularly important for EU overseas aid, where we will support the establishment of a specialised European aid agency. All member states must comply fully with EU environmental standards, and the European Court of Justice should apply higher fines to those failing to comply. We will support the initiative started at the Cardiff summit to integrate environmental objectives into all EU activities – particularly in the area of trade policy, where the Commission has sole competence to negotiate on the EU's behalf.

- **Strengthening Europe's voice on the global environment**

We will argue for the EU to play a greater role in raising environmental standards world-wide, through providing support for the UN Environment Programme and for the enforcement of environmental conventions, such as those protecting endangered species, combating climate change, and controlling the trade in GM products.

International

Britain can achieve far more by working with others than working alone. An internationalist approach is the best way to protect our freedom and our interests. We will work to build effective international and regional organisations to promote peace and freedom throughout the world, combat poverty and disease and tackle global environmental problems. **Liberal Democrats will:**

- Promote a foreign policy based on democracy, human rights and good governance
- Seek to make international institutions more able to address global security, trade and environmental issues
- Resist further erosion of Britain's defence capability while co-operating more closely with the country's allies

Events in one nation can have a profound impact on life in other countries. The world is no longer one of self-contained nation states. Britain has too often given aid and comfort to authoritarian regimes which oppress their people and threaten world stability. And as Britain's own defence capability has weakened, the country has been slow to pool resources with its allies.

Foreign policy

Britain stands at the centre of a web of global institutions. Our membership of the UN Security Council, the Commonwealth, the EU, NATO, and other global bodies gives Britain a key role in world affairs. But with power comes responsibility. We must not turn a blind eye to injustice nor support authoritarian regimes which oppress their people and threaten world stability. Britain's influence should be used to fight for human rights and equitable and peaceful relationships between nations.

The Liberal Democrat approach puts democratic values, human rights and good governance at the top of the foreign policy agenda. We will:

- End subsidies for arms sold to foreign regimes. We will put an end to the use of Export Credit Guarantees to support arms exports. We will establish a Parliamentary Arms Export Committee to monitor arms exports and scrutinise individual licence applications. We will require arms brokers to register under a Code of Conduct, and revoke the licences of those who break the code.
- Take account of human rights and development needs in government policy. We will audit relevant government departments to ensure that policies on issues such as aid, arms sales and credit guarantees conform to the standards we have set.
- Give priority to conflict prevention. It should focus on traditional threats to security but also the consequences of environmental degradation, resource depletion, volatile markets and unfair trade. Preventive diplomacy will be given a higher priority in the budgets of the Foreign and Commonwealth Office, Department for International Development and Ministry of Defence.
- Continue the fight against slave labour. We will co-operate with international bodies like the International La-

bour Organisation to stamp out slavery.

- Maintain funding for the BBC World Service and the British Council. We will ensure that these two organisations, which have a vital role in spreading the values of freedom and democracy, receive proper funding.

International security

We favour greater international co-operation to make the world a safer place and to uphold human rights in other countries. We will:

- Seek to strengthen the powers of the UN. The UN needs a more active role in holding member states to account for gross and persistent breaches of the Universal Declaration of Human Rights. Too many UN Conventions and Security Council resolutions are flouted and ignored. We propose that the Secretary General conducts an audit to determine outstanding obligations and the action needed to comply with them.
- Ensure that the United Nations has the resources to act. We will promote the establishment of a Staff College based in Britain to train UN peacekeepers. We also advocate the formation of a UN Rapid Reaction Disaster Task Force to tackle both man-made and natural disasters.
- Work with Britain's partners in the Commonwealth to make it more effective in promoting conflict resolution, good governance and democratic values.
- Support the International Criminal Court. If powerful and well resourced, the Court will enhance human rights. We will press opponents of the court to recognise its authority.

Defence

We are proud of Britain's record of defending democracy and to remember those who have given their lives, we will make the day after Remembrance Sunday a public holiday. British armed forces rightly enjoy the respect of the world. It is essential to preserve that reputation. But as the country's own defence capability has shrunk since the end of the Cold War, it has been slow to pool resources with allies. Britain's capabilities must continue to adapt to meet the challenges of the 21st Century. We will:

- Resist further erosion of Britain's defence capability. We will maintain the current level of spending and resist any further reductions.

- Promote flexibility, mobility, rapid deployment and joint operations as the basis of Britain's defence policy, to enable the UK to honour Britain's commitments to the EU, NATO, the Commonwealth and the UN.

- Promote equal opportunities and family welfare in the armed forces. We will oppose unfair discrimination in the forces. We will review welfare policies in order to set minimum and consistent standards that can be applied at home and abroad for service families.

- Work for the elimination worldwide of all nuclear weapons. We urge a new round of multilateral arms reduction talks, but will retain the UK's minimum nuclear deterrent for the foreseeable future.

- Oppose the National Missile Defence System (NMD). The system currently being proposed by the USA represents a threat to international stability and arms control agreements.

- Put in place a moratorium on the use of Depleted Uranium Shells until there is clear evidence regarding the health risks involved.

Trade, aid and international development

Genuinely liberal trade benefits all the countries of the world, rich and poor. We will press for a fairer global trading system, and do more to assist the poor nations. We advocate effective aid policies to address the problems of developing countries and promote democracy and good governance. We will:

- Promote genuine liberal trade. The removal of barriers to trade has stimulated economic growth and prosperity throughout much of the world, and the World Trade Organisation has helped establish and maintain international rules which guarantee equal treatment for all members, large or small. However, trade liberalisation has sometimes been pursued at the expense of other objectives, such as environmental protection or public health. We will work to reform the WTO so that environmental objectives and principles are fully integrated into its activities and poorer countries are helped to participate fully within it.

- Encourage fair competition. We would press for a global competition authority within the WTO to encourage co-ordination of the anti-monopoly activities of individual nations to tackle the growing concentration of corporate mo-

nopoly power more effectively. We want world-wide agreement to reduce subsidies, common in areas such as fossil fuel production, agriculture, forestry and fisheries: this would encourage trade, open markets to poorer countries' exports and reduce environmental damage.

- Honour the UK's commitment to meet the UN target of increasing overseas aid to 0.7% over the next ten years. We support the moves already made by the British Government to reduce the debts of the poorest countries. But Britain could lead more rapid action on debt relief by bodies such as the International Monetary Fund and the World Bank. Their Poverty Reduction Strategy Programmes should attach at least as much importance to governments taking action to tackle poverty as to liberalising their economies.

- End links between aid and trade. Tied aid is a form of protectionism which inhibits development. We will subject all aid programmes to thorough assessment for their environmental, social and human rights consequences.

- Direct aid towards women. Women in developing countries face discrimination and economic exclusion. All aid packages should address gender inequality, with a high priority for family planning and maternal health services.

- Step up the fight against HIV/AIDS. The AIDS pandemic is a global emergency which undermines economic development and threatens international security. We will increase backing for the development of an AIDS vaccine. Working with bodies such as the churches, we will support large-scale AIDS/HIV education programmes and press for mother-to-child AIDS treatment drugs to be made available cheaply.

- Promote universal primary education. Education is essential to economic development. We will spearhead initiatives to increase the resources for basic education in developing countries. In return for financial support recipient countries should be obliged to reduce expenditure on arms.

- Implement the OECD convention on bribery. We will allow UK registered companies to be prosecuted for bribery offences committed overseas.



'We'll work for human rights and peace between nations'

Dr. Jenny Tonge, Liberal Democrat spokesperson on overseas development



Setting You Free

- Stop using taxpayers' money to support the arms trade by ending subsidies for arms sold to foreign regimes.

Green Action

● Global climate change

We will place Britain at the forefront of climate change negotiations, pressing other nations to ratify and implement the 1997 Kyoto Protocol by the Rio+10 world summit in mid 2002. We will seek to extend its terms and targets further. We will ensure that Britain achieves its target well before the deadline, and establishes a new target of a 20% reduction in CO₂ emissions by 2010.

● Introduce stronger environmental objectives

into the Common Agricultural Policy, lending and investment policies of the IMF, World Bank and regional development banks. WTO rules should respect environmental principles, as long as these are applied in a non-protectionist way.

● Promote sustainable development

We will ensure that environmental and social sustainability is a prime objective of aid and technology transfer policies.

● Improve Environmental Governance

The Rio+10 summit in 2002 is an opportunity to improve the international community's ability to tackle environmental threats. We want a substantial increase in resources for the UN Environment Programme and for the implementation of environmental agreements. We also advocate a UN Economic and Environmental Security Council for Sustainability.

Freedom to thrive

No Government can deliver freedom without creating a sound and sustainable economy, in which business can thrive, the environment is safeguarded and employees are properly protected, nationally and internationally.

Liberal Democrats will:

- **Create** a competitive and sound economy to deliver prosperity for all
- **Enable** British Euro entry, subject to the decision of the British people in a referendum
- **Make** taxation and spending policies clearer and more accountable
- **Strengthen** the independence of the Bank of England

The Conservatives were incompetent stewards of the British economy. The Thatcher and Major years went from boom to bust again. While some made their fortunes, sectors of the economy such as manufacturing and farming suffered a steady decline. The Conservatives failed to make the public investment needed for the long term, starving schools, training and the transport system. Labour has done too little to redress the mistakes of the Conservatives. They were too timid in their first three

years in power, failing to recognise the very poor state of the public sector.

Open and honest taxes

Schools, hospitals, pensions and the police desperately need further investment, and this is our priority. We will be honest about the cost of the investment we wish to make and clear about the benefits this will bring. We will:

- Provide improvements in education costing more than £3 billion a year, funded by putting one penny on the basic rate of income tax.
- Provide substantial immediate increases in pensions and raise invest-

ment in the NHS, funded by setting a new top tax rate of 50% on income over £100,000 a year, and by closing loopholes in Capital Gains Tax. To put this measure into perspective, for most of the Thatcher years the top rate was 60%, starting on substantially lower incomes.

- Invest in the police and public transport by closing loopholes in Capital Gains Tax (CGT). We will abolish the CGT exemption on capital gains held at death and abolish the complex CGT taper introduced by Gordon Brown, but maintain the present exemptions for transfers between spouses, and reintroduce indexation and retirement relief.
- Send each household an annual Citizen's Tax Contract. This would show in simple terms how much tax is being raised, what services are being delivered and why changes have been made. It would oblige central government to provide the kind of information about expenditure and taxation which local government already sends out with Council Tax bills. People will have a right to know how their taxes are being used and why.
- Make taxation and spending policies clearer and more accountable. We will require an annual Fiscal Assessment to be published sixty days before every budget by the Monetary Policy Committee of the Bank of England. It would set out the current effect of tax policy on interest rates, and the anticipated impact in the year ahead of existing plans and likely alternatives. This would make fiscal policy more transparent and open.
- Promote better value for money. Too many government programmes have been introduced in the past without proper analysis of pilot projects. We will use evidence-based policy making to give the taxpayer better value for money.

As resources allow, we plan to:

- Give taxpayers greater choice over how taxes are spent. Taxpayers in each of the nations of the UK will be given a series of specific investment options and will be able to express their choice by returning a tear-off slip from their annual P60 forms. They would be given the opportunity, say, to choose to give 1% of income tax (currently around £1 billion) money to hospitals or schools. This measure will be introduced when revenues allow, following consultation between the UK government and the nations and regions of the UK.
- Remove taxation for the lowest paid. We believe that people start paying tax at too low an income and will work to reduce the burden of taxation on the low paid. Over time, we will cut the 10p tax rate to zero, so nobody pays any tax on their earnings up to £6,500. At present, this would take 1.4 million people on low incomes (1.1 million of whom are women) out of tax altogether. Anyone earning less than £25,000 would pay less tax - even allowing for our 1p for education.

A competitive and sound economy

Labour have been timid over the euro, leaving manufacturing, farming and tourism to suffer the effects of an uncompetitively high value of the pound. We will:

- Improve the infrastructure of the nations and regions of the UK. We would allow the Scottish Parliament, the National Assembly for Wales, the Northern Ireland Assembly, the English regions and local authorities to borrow for investment directly from the market, subject to rules similar to those already established for central government.
- Create a competitive and sound economy, enabling British euro entry subject to the decision of the British people in a referendum. Membership of the euro at a competitive and sustainable rate would offer Britain considerable benefits. It would end the exchange rate instability which has destroyed many thousands of jobs, safeguard the investment in hundreds of thousands of further jobs by overseas firms, and reduce the costs of trade with the rest of the EU. Unlike the Conservatives, we believe the British people deserve the opportunity to have their say in a referendum.
- Encourage sustainable economic development. We will give local authorities greater powers to borrow and invest for local development, encourage the use of local exchange and trading systems, and promote volunteering.



'We will give the British people their say on whether we join the Euro, via a referendum'

Matthew Taylor, Liberal Democrat Treasury spokesperson



Setting You Free

- **Strengthen the independence of the Bank of England.**

The Liberal Democrats were the only party to propose independence for the Bank at the last election.

Labour adopted our proposal, but we would go further.

We will make members of the Monetary Policy Committee more independent by giving them non-renewable terms and making them more representative of the UK as a whole.

We will also make the appointments system more open and transparent.

Green Action

- **Greening the budget**

We will publish a full 'Green Budget' assessment of every budget.

This will ensure that environmental priorities are at the heart of government spending plans, and that the Chancellor is held to account for making economic policy more sustainable.

- **Making the polluter pay**

We regard it as essential to make a major shift in taxation from 'goods' like wealth creation, which benefit Britain, to 'bads' which are harmful, like pollution.

We also want to support green technology and new environmental industries.

We will establish a Green Tax Commission to make clear recommendations on reforming the tax system, guaranteeing that increases in environmental taxes will be matched by tax cuts elsewhere.

Green taxation will involve taxing differently, not taxing more.

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