

SIR G. HOWE MP.



HOUSE OF COMMONS
LONDON SW1A 0AA

A handwritten signature in black ink, appearing to be 'G. Howe', written over a diagonal line.

With the Compliments of

The Rt. Hon. Sir Geoffrey Howe, QC MP

This has been cleaned with
The PRIOR

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Friday 2nd June 1978

EXTRACT FROM SPEECH BY THE RT.HON.SIR GEOFFREY HOWE
SHADOW CHANCELLOR OF THE EXCHEQUER, TO THE MID OXON
CONSERVATIVE ASSOCIATION AT KIRTLINGTON PARK, KIRTLINGTON,
OXON, ON FRIDAY 2nd JUNE 1978

The economic "silver lining" with which Labour has for a moment misled the electors of Hamilton is already beginning to dissolve before our eyes.

Twelve months from now, prices will once again be going up by more than 10 per cent a year. The economy will have returned to near-stagnation. This year's spurt of higher living standards will have come to an end. And unemployment will have ceased to fall.

This is yesterday's verdict from the National Institute of Economic and Social Research. We shall still be living in a very sick economy. And, if this Government has remained in office, nothing will have been done to put Britain back on the road to recovery.

Labour spent their first two years in office taking Britain to the brink of bankruptcy. They doubled prices, more than doubled unemployment, doubled the tax burden and doubled public spending. Why? Because when they came in, they gave us a double dose of Socialism. What has happened is their own fault.

For the last two years, Labour have been cleaning up some of the mess which they created. They have looked as though they were behaving better because they have not been able to go on as badly as before. Stripped of their parliamentary majority, and under strict supervision by the International Monetary Fund, there was nothing else that they could do.

For the last three weeks, the Sunday Times has been reminding us that it was only with the utmost reluctance that a Labour Cabinet achieved as much sanity as that.

But the fundamental problems remain to be tackled. Nothing in Labour's record suggests that they have begun to understand what needs to be done.

Indeed, Labour's performance during the last 12 months shows just how quickly they will revert to type. Higher spending, higher borrowing, higher interest rates - and, in due course, another slide to bankruptcy, with higher taxes, higher prices and higher unemployment as well.

A Labour Government with a majority would only make things a great deal worse. For a vote for Mr. Callaghan is a vote for Mr. Benn: for more nationalisation and for less enterprise, for more equality and for less opportunity, for falling living standards and for fewer jobs.

A vote for Labour is a vote for an increasingly seedy society, for an increasingly sick economy.

This is why we cannot exaggerate the urgency and importance of the task on which we are engaged. We wish to halt and then reverse the long decline in Britain's standards, spiritual as well as material.

For, in their hearts, the British people are dismayed and ashamed by the picture which our country now all too often presents to the world: work-dodging, tax-dodging, intimidation, inertia, declining standards in far too many places.

The future need not be the same as the past. Straight dealing, hard work, respect for quality, mutual trust, fair rewards for the enterprising and a proper compassion for those who are unable to help themselves. These are some of the things which could once again be within our grasp.

But this will only be possible if we can make sure that the British people are not lulled into another round of torpor by the seeming improvement of Labour's brief pre-Election boomlet.

It is equally important that the British people should not be terrorised by Labour's latest scare campaign into rejecting the alternative policies which most people know to be necessary and which can only come from a long period of Conservative Government.

Even in today's difficult world, other nations are continuing to carve out for themselves higher living standards and, just as important, better provision for the poor and the sick in their societies. From California to Korea, from Singapore to Stuttgart, the dynamic of a free economy is continuing to deliver the goods, and the jobs - in all those places where it is allowed to do so.

Britain can do the same; but only if we have the courage once again to ensure that hard work, risk-taking, skill and energy are properly rewarded. Self-discipline, the deliberate pursuit of higher standards, the willingness to change jobs, to acquire new skills, to start new businesses - these are the things which we must cherish and encourage in the years ahead.

In the last 5 years, the post-tax living standard of a building labourer has been cut by 7 per cent; that is bad enough. But in the same period, the post-tax living standard of a building foreman has been cut by 28 per cent: exactly four times as much.

Skilled craftsmen, managers, entrepreneurs have received treatment that is even more harsh.

Is it any wonder that, as one building trade employer told me last week, he had to scour the records of no less than seven job centres in order to find one extra skilled craftsman?

Is it any wonder that, within the last few weeks, the Finance Director of Rolls Royce (fresh from negotiating their most recent North American contract) has decided, with the utmost reluctance, to seek a better reward in North America?

Is it any wonder that some of Britain's most hopeful growth companies are literally short of hundreds of skilled engineers and technologists?

These are some of the reasons why we need to curb public spending for a time, so that the resources may once again become available to reward success.

Lower personal taxes are probably the most important change which is needed. It will be said that such a change would enable some people to get richer more quickly than others. But how else to restore incentive to our society? How else to put the emphasis back on quality and performance?

Mr. Healey's latest budget proves beyond peradventure that a Labour Government is incapable of making the change.

A Conservative Government (and as must now be clear, only a Conservative Government) would be determined to restore a proper sense of priorities. And we should seek to do so because we want to make the working people of this country better off, to give them a chance to begin catching up the huge distance that we have been left behind.

Is it too much to expect the co-operation of the trade union movement in making these changes - so essential to their future wealth? Of course not!

Some trade union leaders have made plain their intention to go on playing their part in institutionalising Socialism as the British way of life. But many more have made plain their willingness to work together with an incoming Conservative Government. And the great majority of trade union members would positively welcome a commitment by their leaders to take up the offer which we make, of constructive partnership with the rest of society in the business of restoring the health of a market economy.

As we set about this task, of course it will be necessary to question some of the attitudes and some of the arguments that trade union leaders put forward.

A Conservative Government, no less than any other, would have to go on urging the necessity for responsibility and self-restraint in collective bargaining, free from direct Government interference.

A Conservative Government would naturally feel obliged, just as any other, to question the wisdom of those in the trade union movement, and elsewhere, who tend only to stress the need for job protection today (which will all too often prove illusory) - at the cost of job creation for tomorrow.

A Conservative Government, just like any other should, would need to question whether the rigid insistence upon closed shop agreements is compatible with the maintenance of personal freedom, or the willingness to undertake the economic changes that are necessary.

If a Labour Government is entitled, rightly, to assert these points in course of collective bargaining for the public service, then a Conservative Government is equally entitled to do the same.

These are some of the questions which it is essential for us to discuss together and to air in public debate. They are seldom absent from discussion between citizens on the shop floor, in the board-room and in the public bar.

Let us, therefore, hear no more cries of "confrontation" or of "union-bashing" - but rather a vital and constructive discussion about how to increase the nation's wealth. The Conservative Party seeks simply to establish not just the right, but the absolute necessity to analyse the arguments to which I have referred. For they are an essential part of the public debate that is necessary to improve the nation's understanding of its position - and of the policies that are necessary to restore the health of our economy and the future well-being of our people.

Those strident spokesmen of the Labour Party who seek to drive discussion off this ground are doing a grave dis-service to the freedom of speech and liberty of debate that are at the heart of Britain's survival as a democratic society - free, as she must be, to choose a future that is different from the drab prospect that is now on offer from the Labour Party.