

M E M O R A N D U M

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This is a first draft. You will probably wish to make changes and add points which you consider to be important: I shall be happy to work with you on this and also to add any topical points and comments which may arise during the week of the conference.

I confidently predict that the headlines on this speech will be either "Caring Maggie" or "Maggie's Vision".



FIRST DRAFT

Thank you, Mr. President, for that wonderful welcome - so very comforting in what, as always, has been a very demanding year - including a few of what a distinguished predecessor of mine, Harold MacMillan, used to call "local difficulties". We are a party which thrives on debate, as this conference has shown again, and which cares deeply about the great issues of the day. But we are also a party which knows what it stands for and what it seeks to achieve. We may argue about the methods, but we all have a common aim: to protect, and fight for, the values we believe in.

I would like to try, Mr. President, to put the debate in an historical perspective.

We live in a period of transition - the whole industrialised world, not just Britain, is seeing great changes, much of it due to new technology.

Old industries are declining and new ones are taking their place. Traditional jobs are being taken over by computers and other technology. The service sector is growing and will continue to grow.

The transitory unemployment created, as workers move from dying to expanding sectors, is making many people understandably apprehensive. Change of any kind is bound to be unsettling and therefore meets with resistance. It has happened throughout history. People complained about the disruptive effects of



electricity, the steam engine, and for all I know the wheel. Many people feared that Edison's light bulb would set New York on fire and there were, no doubt, angry protests when horse-drawn buses were replaced by motors.

It would be foolish to pretend that this transition can be accomplished without confusion and problems. But it would be equally foolish to pretend that a country like Britain, which is so heavily dependent on exports, can somehow ignore what is happening in the rest of the world - to behave as if these great events have nothing to do with us; to fight change; to turn the clock back.

Yet this is exactly what the Labour party proposes to do. It wants to give back to the trade unions the powers they used to have - and we all know what that means. It wants to return to the old levels of over-manning. It wants to make life difficult for the very people on which the future of Britain depends - the wealth creators.

Well, that defies common sense. The British people know, in their heart of hearts, that it is not a realistic answer. They know that we must adapt; that we must be strong enough to compete with countries like Japan and Germany in order to survive and prosper.

Governments can help by encouraging enterprise, positive thinking, the pursuit of excellence in every field. That is the way to create new jobs, and that is what this Government has been doing. Some people call it Thatcherism, I call it common sense.



I understand how people feel when their lives are disrupted. There is no problem which occupies more of my thinking - and that of my colleagues - than unemployment. It is a tragic problem we share with other nations. We have worked hard to mitigate the painful effects of change. But it is clearly absurd to pretend that Governments can do everything.

The Labour party would still have us believe that all the problems can be solved by the State - by Big Brother. It seeks to create a heavily directed society in which Whitehall would know best. It plans a degree of economic intervention and state control that makes Tony Benn's programme of the 1970's almost modest by comparison.

Well, we remember what happened under previous Labour Governments - the wasted years of Harold Wilson and Jim Callaghan.

We remember the disastrous economic experiments. We remember how powerful trade union leaders told the Government what to do, over beer and sandwiches, regardless of the consequences for the public. We remember the winter of discontent.

Mr. Kinnock may choose to forget, but we in the Conservative party are determined not to let it happen again.

Governments should not run businesses: they don't know how to do it. The weaknesses of the case for State ownership have become all too obvious. Planners do not have to suffer the consequences of their mistakes; ~~the Government~~ the Government will pick up the bill. Trade unions can - and do - insist that goods



should be produced at a loss; the public sector cannot go bankrupt so there is no final sanction on the state business. Political meddling and bureaucratic delay has a demoralising effect. And poor service can go on for years because there is no real compulsion to compete or excel.

When the state owns, nobody owns; and when nobody owns, nobody cares.

The job of Government is to set the right financial and legal framework and allow industry to work within it. It is to cut taxes, cut red tape, and encourage competition.

This Government has rolled back the frontiers of the state, and will continue to do so. Many other countries have followed our example. Privatisation has found its way to the Labour Government of New Zealand and to the statist bureaucracy of Brazil, to the new democracy of the Phillipines and even in an oriental version in China. Everywhere Governments are trying to cut deficits, repay debt, restrain the public sector.

We believe in popular capitalism - in a property-owning democracy.

~~We~~ are proud of the fact that so many people now own their home. In Scotland recently, I witnessed the sale of the millioneth council house. The Labour party opposed us on this, even though home ownership is immensely popular with the British people. But then the Labour party has never been very interested in what people want - it prefers to tell them what they should have.



We have also encouraged a great expansion in shareownership, and will go on doing so, with the sale of more shares in enterprises like British Gas and British Airways. Millions of people now have a stake in the companies they work for. More than one in five British companies now operate profit-sharing schemes for their employees.

Our aim is to consign to the dustbin that most misleading of phrases "the two sides of industry", which has done so much harm to Britain.

It should be as natural for people to own shares as to own their home or own a car. People should not be classified as either earners or owners, as either employees or shareholders. They should be both. It is good and honourable to have a stake in the business that provides your livelihood.

Popular capitalism is nothing less than a crusade to enfranchise the many in the economic life of the nation. We are returning power to the people.

All this helps to build a robust and more responsible society. The strength of our policies is that they are founded on the basic instincts of our people - an instinct for ownership, for thrift, for honest work, for fair rewards, and for helping others. We do not seek to divide the country: we seek to unite it in a common purpose.

It was this basic instinct - and a spirit of adventure - which once made Britain the leading industrial nation in the world. It is still vital to our future.



Some people think it's clever to deride it. They choose to ignore the basic fact of economic life: that you have to create wealth before you can spend it, and that wealth is created through the effort of the individual.

They are the same people who have never had anything good to say about anyone or anything, including their country.

In their eyes, everything that Britain does is wrong. Every setback, however small, is seen as proof that the situation is hopeless. Their favourite word is "crisis". It's a crisis when the pound goes down, and a crisis when the pound goes up. It's a crisis when the price of oil goes down and a crisis when the price of oil goes up.

They are reluctant to acknowledge good news and take a perverse pleasure in failure. Their thinking is dominated by cynicism, pettiness, and envy. They are the hand-wringing merchants of gloom and despondency. The spirit of adventure, pride in achievement, patriotism - all these things are sneered at.

It is extraordinary that so many other countries have far more good to say about Britain than we do ourselves.

Well, Maggie is not sneering. I despise such a negative, destructive attitude. I applaud endeavour in every field. I admire people who do their best and I am certainly not ashamed of being a patriot.

To say this is not to be complacent - far from it. There is much to be done, and we shall do it. We do not ignore this country's problems, nor do we flinch from the challenge they



present. But I see no reason why we should indulge in the tiresome old practise of self-denigration, the defeatist view that nothing we do as a nation is ever right.

There is a great deal to be proud of. The successes of our exporters. The impressive advances in science and industry. The effort of millions of our people to create new enterprises and new jobs.

Inflation has been brought down from the horrifying levels reached under the last Labour Government, and is now at its lowest for many years. The number of days lost through strikes has fallen dramatically. Industry has become more efficient. Rates of income tax have been reduced. Personal ownership has grown. The standard of living has never been higher. We are not lurching from one financial crisis to another, as we have done in the past.

These are genuine achievements in which we can all take pleasure and pride. We shouldn't be afraid of good news.

Much has been said and written about the disruptive effects of new technology. But what about the benefits? It has created new opportunities - and jobs - and it has made life easier in the home, in the office, and in the factory. It is taking over tedious or intractable tasks, improving the quality and efficiency of existing technologies, speeding up communications, helping to educate our children and contributing to further substantial advances in fields like medicine..



Computers have become increasingly useful to doctors. Bio-technology - the use of micro organisms in manufacturing - is expected to produce other exciting new medicines in the years to come. It will also produce super-fertile crops and cheaper industrial materials.

Because of all these advances - which surely merit far more prominence in discussions about the quality of life - you and I not only have less reason to fear ill health but we are also likely to live longer. In the Middle Ages, most people died before they were thirty. Even a hundred years ago people considered themselves lucky if they made it to fifty or sixty. Today we can reasonably look forward to seventy, and the way things are going the average life expectancy in countries like Britain should be close to eighty by the end of the century. The chances of living to a hundred have risen six-fold in the past thirty years.

Yes, it brings problems. It means, among other things, that there will be more mouths to feed, though countries like Britain now have falling birth rates. But these are problems which are surmountable - if we have the will, the courage, and the imagination to meet them head on.

I make no apology for preferring success to failure. But let no-one say that this party, this Government, this Prime Minister lack compassion for those who are going through difficult times, through no fault of their own. We have done a great deal to help. But compassion has to be tempered by realism.



As every housewife knows, you can't just spend, spend, spend without regard for what you earn or can afford. Government money is not some abstract concept; it has to come from somewhere. Britain is not lurching from one financial crisis to another because we are careful.

That, too, is not Thatcherism but common sense. We are not in the business of buying votes.

I care.

I care about the sick, which is why spending on the health service is higher than ever before. That is Conservative care in practise.

I care about the unemployed. Scarcely a day passes without the government looking at new ways of speeding job creation.

I care about all the people - especially the nine million pensioners - who saw their savings devastated by runaway inflation under a Labour Government. That is why we have reduced the inflation rate to the lowest level in two decades.

I care about law and order - the right of decent people to be protected against crime, hooliganism, and the cancer of drugs. There is no excuse for those who do not respect that right. There is no excuse for the burglar, the bully, the rapist, the evil dealer in drugs. There is no excuse for the terrorist. This party, and this Government, have always backed the police in their battle to uphold the rule of law. We shall go on doing so. That battle calls for the resolve and commitment of the British people. Our institutions of justice, the courts and the police require the unswerving support of every law abiding citizen. No one is above the law.

I care about the freedom of the individual to run his own life - instead of having it done for him by the State. Personal



liberty has to be constantly defended and strengthened; it should never be taken for granted.

I care about the pursuit of excellence in every field. success need not necessarily be measured in financial terms; what matters is giving one's best.

I care about people being able to own their home and to have a stake in the business they work for.

The notion that ceilings should be set on this and that - so dear to the left - should fill everyone with dismay. Not everyone can be rich - not everyone wants to be - but in a free society we all have the right to enjoy the rewards of effort. Set artificial ceilings and you deny people the chance to improve their lives through their own efforts. The lowest common denominator becomes all-important. The speed of the convoy becomes the speed of the slowest ship.

Savings, income, property, whatever you call it, it's nice to have a little bit of your own.

I care about the principle I was taught when I was young - an honest day's pay for an honest day's work.

I care about parliamentary democracy and free speech; I don't want to see Britain run by militants who have no time for either.

I care about making sure that Britain's best brains and brightest talents are not driven away by excessive taxation. That is why we have brought income tax down; our opponents want to put it up. They want to put their hands in your pockets, your pockets, not just those of the rich.



I care about our friendship with the United States - a country which has done so much to uphold freedom in the democratic world, and which has fought so valiantly against tyranny of every kind. We in Britain value our independence, but we also value our friends.

I care about the defence of this country. This Government has never faltered in its resolve to defend Britain from aggressors and never will.

No-one in their senses wants nuclear weapons for their own use. But equally no responsible Prime Minister could take the reckless gamble of giving up our nuclear defences while our greatest potential enemy kept theirs. Policies which would throw out all American nuclear bases - bases which have been here since the time of Mr. Attlee, President Truman and Winston Churchill - would wreck Nato and leave us totally isolated from our allies. The nuclear deterrent has prevented not only nuclear war but also conventional war. And to us, peace is precious beyond price.

I care about the young people of Britain and their future. That is why we have launched the largest youth training programme this country has ever seen. I am much impressed - and encouraged - by the enthusiastic response of so many young men and women.

We in this party are deeply concerned about the young and we are doing everything we can to help. But we don't want to see this country handed over to people who want to create a new Soviet Union, a new Poland, a new Czechoslovakia, a new East Germany. The young are sensible enough to know what those societies are like, and we have no intention of going down that road. This lady has seen enough of life - and the world - not to believe in a socialist Utopia.



So have others. Alexander Solzhenitzyn has warned the West against what he called "the misty phantom of socialism". Socialism, he said, "has created the illusion of quenching people's thirst for justice; socialism has lured their conscience into thinking that the steamroller which is about to flatten them is a blessing in disguise, a salvation. And socialism, more than anything else, has caused public hypocrisy to thrive".

Andrei Sakharov, the Nobel prize winner and dissident, has also urged us to beware of what he called "the pursuit of leftish liberal fadishness". The leftists, he said, usually accept too trustingly the dogmas of the socialist system, and avoid listening to anything that contradicts it."

They are warnings that should be heeded.

I have a vision of the future.

I want to see a Britain which recognises the realities of a challenging period in our history and comes to terms with them - a Britain which makes the most of its opportunities in the world.

I want to see a Britain in which people remain free to develop their full potential, in every field of endeavour.

I want to see a Britain which has no truck with outmoded Marxist doctrine about class warfare. For us it is not who you are, who your family is, or where you come from that matters. It is what you are and what you can do for our country that counts.



I want to see a Britain free from the shackles of excessive state control.

I want to see a Britain in which people show compassion for their fellow citizens and are prepared to help those in genuine need, but don't expect Governments to do everything for them.

I want to see a Britain which admires initiative, effort and success instead of denigrating it.

I want to see a Britain where many, many more people have genuine new jobs - jobs which will last - and where taxation is reduced still further.

I want to see a Britain in which there is a high standard of health care, where savings keep their value, where the standards in our schools are a source of pride and where people respect the rule of law.

I want to see a Britain which is respected in the world, not pitied; a Britain which is strong; not feeble; a Britain which is positive, not defeatist.

Above all, I want to see a Britain which values the great benefits of living in a free society - and which is determined to preserve them. That is my vision. It is a vision worth fighting for, and I shall fight - for however long it takes.

We have accomplished much, and I most warmly thank you for all your efforts.

Let us not be deterred by the cynics, the woe-mongers, the self-appointed levellers, the petty would-be dictators, the people with glib solutions and cheap compromises, the



faint-hearted, the people who reject common sense because it does not suit their purpose.

There is still much to be done, and we need many more years in which to do it. We intend to win the next election, whenever that may be.

Let us go forward from this conference with the resolve to do our very best for this great party - and for Great Britain.