

NEWS SERVICE

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Text of a letter from the Rt Hon Lord Thorneycroft, CH, Chairman of the Conservative Party, to MPs, and the party organisation, on Sunday, 2nd August 1981

It is perhaps convenient that I should write a further letter to you before the summer Parliamentary recess. Neither the nation nor the Conservative Party is without its problems and a few comments upon them may not come amiss.

As a nation we face the great matter of unemployment. We are not alone in this. The leaders of the western world, meeting in Canada, all placed it high in the list of difficulties which confront them. Nor is it new, since it has been rising under all Governments and all policies for many years. Its impact was intensified by the upsurge of oil prices and the world recession which followed close upon it.

The problems of nations, like the problems of individuals, stem partly from events about them and partly from the things they do themselves. Our nation has not been particularly intelligent during past years in the way it has approached these issues. Over the past five years we have doubled our wages while our production fell. Our wage costs have increased by 88% in the United Kingdom, compared with 17% in Germany and nothing in Japan. Our share of world trade has sunk from 25% some thirty years ago to under 10% when Mrs. Thatcher became Prime Minister. We managed this decline fairly comfortably while world trade was expanding, but it has left us woefully unfit in a world where it has been contracting. We debased our currency and lived off our fat - but in the end the day came when we had to face the reality of our situation. This is what the Conservative Party is about. It is difficult to decide which we dislike most; the disease from which we suffer or the cure which we apply.

It is painful for a man to be compelled to live within his means; it is agony to try to persuade a whole nation so to do. All this has very little to do with economics. It has much to do with ingrained habits, ambitions, expectations and politicians, trade unionists, teachers and even churchmen painting a picture of an easy and effortless progress to an ever rising standard of life paid for . . . well paid for from somewhere. . . . from "reflation" . . . from "North Sea oil" . . . from running down our defences . . . from anything so long as it is not sacrifice or effort. It is, alas, a picture of a nation deeply tempted and powerfully persuaded to pursue the road to decadence.

Margaret Thatcher, her Cabinet and the Conservative Party stand today almost alone in their attempt to reverse these trends. No other party would attempt in any effective way whatever to interrupt this downward slide. Socialists, whether Democratic or otherwise, are united in their wish to see another spending spree. Roy Jenkins was outbidding even Peter Shore during the Warrington campaign in the political Rake's Progress. They claim in a few muttered asides to be able to soften the disasters which would flow from what they advocate. Mr. Jenkins would have an incomes and prices policy - we have only just stopped paying for the breakdown of the last one. Mr. Benn would put a protective wall around Britain - but we only exist by exporting a quarter of everything we make and would collapse within a closed economy. Mr. Foot . . . well Mr. Foot does not really want to know - spend it, borrow it, pinch it or just print it. If you want decadence take a long cold look at the policies of Mr. Foot. But the others are not far behind him.

The Conservative Party faces then a situation in which the resources available have been steadily eroded and depleted by the attitudes and policies of its political opponents including both the Social Democrats and the official Labour Party. These men created the great national monopolies whose costs now weigh so heavily upon us. They whipped up our appetites, damaged our competitive ability and strengthened already over-powerful Unions.

The resources we inherited from them were wholly inadequate to meet the obligations and expectations which they so energetically created and still encourage.

How then should we approach our task? Not, certainly, upon the basis of some doctrinaire economic theory. No member of Margaret Thatcher's Cabinet believes that some monetarist or other system exists which could, of itself, eradicate the problems crowding in upon us.

Money of course matters. The more we borrow, the higher the interest and mortgage rates tend to go. Yet we have not refrained from spending in the battle to maintain jobs or to meet the vast obligations left to us. Wages matter too. We are pricing too many young people out of jobs. Trade Union restrictions matter. They perpetuate the competitive disadvantages from which we suffer and they too cost us heavily in jobs. The whole paraphernalia of industrial bureaucracy which we inherited and which still largely endures, remains a strong disincentive to job creation.

Law and order matters, for no one will invest in an area where it has manifestly broken down. There are then practical steps which can be taken in every area of Government which will at least alleviate some of the ills from which we, in common with most other parts of the world, now suffer.

The Cabinet approaches these problems with one objective only: To find practical solutions to difficult problems without doing real and lasting damage to their achievements in the struggle against inflation and the establishment of a sound currency essential to our long term employment prospects. The Conservative Party has little love for theoretical solutions. It is concerned more closely with practical approaches, with common sense and with a meaningful compassion for those who find themselves suffering from the dual effects of a world recession and the grave errors of previous administrations.

I, as Chairman of this Party, approach the coming months with confidence. Our policies are clear cut and courageous and they are right. Our leaders are determined and our supporters loyal.

Importantly, we stand for an approach to the great problems which confront our nation quite different from that of those who so strenuously attack us. We reject the notion that we could cure our problems by returning to the habits which created them.

I thank you for your loyalty and your support and believe that together we will carry our cause forward to success.

To/

National Union Executive Committee
Constituency Chairmen
Constituency Agents
MPs, MEPs
Women's National Advisory Committee
Young Conservatives' N.A.C.
Conservative Trade Unionists N.A.C.
F.C.S. National Committee

