

PRIME MINISTER

ARTICLE FOR THE DAILY TELEGRAPH

We have provisionally agreed to supply the Daily Telegraph with an article by you for Monday. Robin Harris has drafted the attached with some assistance from John O'Sullivan.

JHW
2

JOHN WHITTINGDALE

16 November 1990

DRAFT ARTICLE

Not because I am
afraid of an
agreement.

Everyone knows that I did not want this leadership election.
But because it's contest now
It risks great damage to the Conservative Party's prospects.

Moreover,

And it comes at a time when in Europe and in the Gulf it is important that the outside world should have seen strength and unity where it now sees division. But now that the contest is occurring, let us be in no doubt about the choice which faces the Conservative Party.

When I was elected Party leader in 1975 the Party had lost four out of five General Elections. We offered no clear vision of our kind of Britain to the electorate. We had accepted Socialism half way. And, not surprisingly the electorate had decided that if we didn't have the confidence of our convictions neither should they: if we believed in a sort of corporatist semi-Socialism then perhaps full-bloodied Socialism was the answer.

Against great opposition both outside and inside the Conservative Party a number of us insisted on a return to fundamental Conservative principles. I hold by those principles now. Lower taxes. More free enterprise. A property-owning democracy. Upholding the rule of law and the authority of Parliament. And defending Britain's interests wherever and whenever they were threatened. These are the things which people expect of the Conservative Party. And

for as long as I am Leader of the Conservative Party these are the things for which it will stand.

My opponent is urging the Conservative Party to abandon the approach which has won us three successive General Elections and which will win us a fourth - if we have the stomach to fight it as a team. The differences could not be clearer - and they are not just ones, in this case, of style but of substance. I believe that individuals and businesses must be left free to flourish and create the wealth we need for higher living standards. He believes in State planning and State intervention. I believe that we can and will make a success of the European Community - but not as an inward-looking protectionist club arrogantly excluding the newly liberated nations of the East but rather as a great enterprise in which free peoples in a free market advance together.

It is not the interests of the Party, but the ^{and the country} ambitions and the bitterness of individuals which have prompted this contest.

The tragedy for the Conservative Party, however, is that deep as those disagreements between us are, there was no need to bring them to a head now. // The problems we have been facing

~~are now being overcome, and had steadiness of nerve rather than overarching ambition been more evident it would have been the better for all.~~ For inflation will soon be coming

down ^{sharply} again, because we have taken the tough and, yes, unpopular measures to curb it. ^{new system of local government finance} The Community Charge - which ^{throw us the melting pot again} ~~turn upside down again~~ - is now

my opponent now wants to

And interest rates will then come down too. The country will be in a new affair.

as funds - Eastern Europe for the foreseeable future.

My opponent is committed to a huge shift of power from Westminster & Brussels; to the lips of a single currency in place of

Sted. ... - 1 K K - Exclusion

it is already strengthening accountability.
bedding settling down: And I doubt whether any Government of any political complexion will change it substantially. In Europe, though there are indeed arguments to be won, the closer that we get to practical decisions about ~~closer~~ economic union the more sensible and persuasive does our case become. The Government is totally united behind our carefully worked out plan for a common currency - the hard ECU - and totally united in opposition to a single European currency, which would remove from the elected Government and the House of Commons a large part of their control over economic policy. Moreover, across Europe - indeed across the world - freedom and free enterprise are sweeping away State intervention and control: politicians in any Party and in any country who fail to recognise that risk being swept away as well.

After eleven years of Conservative Government Britain's revival has been dramatic. We have more people in work than ever before - 2 million more than in 1983. And we have created more jobs here than in the rest of the European Community put together. Living standards are at record levels - up by a quarter. Home ownership now extends to 70 per cent of the nation's families. The number of people who own shares has trebled. Britain attracts more foreign investment than any other European country. And it is coming here because we have a Conservative Government committed to free enterprise policies - a Government whose consistency of

purpose gives it credibility in the eyes of business. And not just the eyes of business. For our allies know that when tyranny has to be resisted and freedom defended Britain under the Government which I lead will never shirk its duties.

The choice before the electors of this country at the next Election must be totally clear. They can choose a Conservative Government which is proud of its record and brims over with ideas and energy for the future. Or they can choose Socialism. It will certainly be a tough campaign. But all the history of this Party shows that it is when you try to fudge a choice like that, when you try to apologise for what you've done rather than defend it, when you prefer rhetoric to substance, when you go for gloss not guts that people turn aside in disgust.

The Conservative Party which I lead will never cynically put appearances first. We will offer to the British people a continuation of the reforms which have revived our fortunes as a Party and a country. We will cut taxes - because and only because we will curb State intervention and spending. We will give thousands more families the chance to buy their homes. We will tear schools free from the wasteful bureaucracy with which they are encumbered, give parents far more choice and step up the drive for higher standards. We will widen still further the opportunities in training, leaving it to businesses and trainees, not bureaucrats, to

make the key decisions. We will privatise more State-owned industries so as to bring market disciplines and customer power to bear - and to bring in private investment to raise standards of service. We will spell out our vision of a free, classless, open Britain in which talent can flourish and families feel secure. And we will do these things without apology or compromise with Socialism.

These are the things I went in to politics to achieve. They are being achieved by a Party which has shown time after time that if it remains true to itself, to its principles and to the abiding interests of the country has no match in British politics. These are things which I shall fight for while I have the opportunity, the strength and the support to do so.

1080 words approx

14.11.90



10 DOWNING STREET
LONDON SW1A 2AA

7.35

15/11

John

RM has not yet had
John O'Sullivan's comments
but expects them later
today.

Could you please:

- a) Get Dominic Morris
to check the facts
- b) Do you need to speak
to Bernard re the
practice of it? CR

DRAFT ARTICLE

18-00 hrs
GMT
15/11

Everyone knows that I did not want this leadership election. Not because I am afraid of an argument. But because this contest now risks great damage to the Conservative Party's prospects. Moreover, it comes at a time when in Europe and in the Gulf it is important that the outside world should have seen strength and unity where it now sees division. But now that the contest is occurring, let us be in no doubt about the choice which faces the Conservative Party.

When I was elected Party leader in 1975 the Party had lost four out of five General Elections. We offered no clear vision of our kind of Britain to the electorate. We had accepted Socialism half way. And, not surprisingly the electorate had decided that if we didn't have the confidence of our convictions neither should they: if we believed in a sort of corporatist semi-Socialism then perhaps full-bloodied Socialism was the answer.

Against great opposition both outside and inside the Conservative Party a number of us insisted on a return to fundamental Conservative principles. I hold by those principles now. Lower taxes. More free enterprise. A property-owning democracy. Upholding the rule of law and the authority of Parliament. And defending Britain's interests

wherever and whenever they were threatened. These are the things which people expect of the Conservative Party. And for as long as I am Leader of the Conservative Party these are the things for which it will stand.

My opponent is urging the Conservative Party to abandon the approach which has won us three successive General Elections and which will win us a fourth - if we have the stomach to fight it as a team. The differences could not be clearer - and they are not just ones, in this case, of style but of substance.

I believe that individuals and businesses must be left free to flourish and create the wealth we need for higher living standards. He has never made a secret of his beliefs in State planning and State intervention. Indeed, unlike Mr Kinnock, my opponent seems actually to believe in corporatism.

I believe that we can and will make a success of the European Community - but not as an inward-looking protectionist club arrogantly excluding the newly liberated nations of the East but rather as a great enterprise in which free peoples in a free market advance together. My opponent is committed to a huge shift of power from Westminster to Brussels: and to the exclusion of our friends in Eastern Europe for the

foreseeable future. Quite where he stands on economic and monetary union it is hard to say. Is he in favour of a single currency or not? With what timetable? By what means? His answers are almost as opaque - as long on rhetoric and short on substance - as those of Mr Kinnock.

I am utterly determined to ensure that Britain plays a full and effective role in the development of the European Community. Our destiny lies in Europe - as I have said time after time.

As the debate about institutional reform and economic and monetary union gets down to specifics, I am confident that we will win the arguments - just as we did on reform of the CAP, the Community's finances and the Single Market. In particular, our goal of allowing consumers to choose how far and fast they wish to progress to economic and monetary union - without the State imposing its own timetable - will increasingly appeal to other countries, as the weaknesses of the Delors plan are exposed. We will win the arguments because we are right on substance - and because time after time our style has proved effective.

It is quite understandable that some of my fellow Tory MPs are concerned that we are not doing well in the opinion polls. Of course, that is not too surprising: people expect

the Conservative Party to stand together: too often in recent months personal ambitions and private rancour have been all too much in evidence. And the electorate does not like it.

But the real problems we have been facing are now being overcome. First, inflation will soon be coming down sharply because we have taken the tough and, yes, unpopular measures to curb it. And interest rates will then come down too. Second, the new system of local government finance - which my opponent now wants to throw into the melting pot again - is now bedding down: it is already strengthening accountability. Of course, I don't rule out some further changes. But anyone who pretends that there is some simple, painless way to cut what Community Charge payers pay without cutting public spending is either seeking to deceive or simply has not done his sums. That is particularly true of my opponent's proposal to have all the bill for education - not just [] per cent as at present - met by central rather than local government.

- Either, central government could reduce the grant it gives locally to fund education - in which case it would not reduce the Community Charge by a penny piece;
- or central government could keep on paying the same

amount of grant to councils by reducing spending on Health or roads or law and order;

- or else it could keep on paying the same amount of grant and pay for all the extra spending by putting up the standard rate of income tax by [] pence in the pound.

If that's a solution, let's stick with the problem.

It hasn't been by quick fixes and sleight of hand that the achievements of these Tory years have been won - but by sticking to right principles and policies in good times as in bad. This is what lies behind Britain's dramatic revival as a nation. Just look at the facts.

- We have more people in work than ever before - 2 million more than when Labour were in power.
- We have created more jobs here than in the rest of the European Community put together.
- Living standards are at record levels - up by a quarter.
- Home ownership now extends to nearly 70 per cent of

the nation's families.

- The number of people who own shares has trebled.

Britain attracts more foreign investment than any other European country. And it is coming here because we have a Conservative Government committed to free enterprise policies - a Government whose consistency of purpose gives it credibility in the eyes of business.

And not just the eyes of business. For our allies know that when tyranny has to be resisted and freedom defended Britain under the Government which I lead will never shirk its duties.

Across the world - freedom and free enterprise are sweeping away State intervention and control: politicians in any Party and in any country who fail to recognise that risk being swept away as well. The key question at the next Election will be which Party can run a free enterprise economy better. So our strategy must be to set out the choice before the electors of this country in the starkest possible terms. They can choose a Conservative Government which is proud of its record and brims over with ideas and energy for the future. Or they can choose Socialism.

It will certainly be a tough campaign. But all the history of this nation shows that it is when you try to fudge a choice like that, when you try to apologise for what you've done rather than defend it, when you prefer rhetoric to substance, when you go for gloss not guts that people turn aside in disgust. The Conservative Party which I lead will never cynically put appearances first.

The Policy Groups, about which I told the 1922 Committee in July, will shortly begin to help us map out the programme for our next Parliament. But let me now set out just some of the key themes.

We will offer to the British people a continuation of the reforms which have revived our fortunes as a Party and a country.

We will cut taxes - because and only because we will continue to curb State intervention and spending.

We will give thousands more families the chance to buy their homes.

We will tear schools free from the wasteful bureaucracy with which they are encumbered, give parents far more choice; and we will increase the drive for higher standards.

We will widen still further the opportunities in training, leaving it to businesses and trainees, not bureaucrats, to make the key decisions.

We will privatise more State-owned industries so as to bring market disciplines and customer power to bear - and to bring in private investment to raise standards of service.

We will spell out our vision of a free, classless, open Britain in which talent can flourish and families feel secure.

And we will do these things without apology or compromise with Socialism.

These are the things I went in to politics to achieve. They are being achieved by a Party which has shown time after time that if it remains true to itself, to its principles and to the abiding interests of the country it has no match in British politics.

1520 words approx

15.11.90

MR. WHITTINGDALE

In case the paragraph covering Hesltine's Education/Community charge idea stays in the article, you had better understand the basis from which the figures have been derived. It is as follows:

Total LA expenditure = £43.9 billion
of which education = £19.3 billion
Financed by:

	<u>Total</u> (billion)	<i>7.67</i> <u>Education</u> (billion)
RSG and other grants	£16.8	£6.5
Business rates	£12.1	£5.7
Community charge	£15.0	£7.0*

But this is on a gross Community charge basis i.e., it includes the £2.5 billion the central taxpayers provide through the transitional relief and Community charge benefit. That therefore needs to be taken out of the Community charge part of the equation and put to the central taxpayer part, for your sums to be robust. It therefore means that the Central Government ~~support~~ for the education part of LA expenditure rises to £7.67 billion (i.e., 40% of £19.3 billion).

That would leave £11.533 billion to be funded from income tax. In the coming year, 1p. on standard rate raises £1.95 billion. Thus the Heseltine proposal would put 5.91p. on the basic rate.

DM
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16 November 1990

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Handwritten calculations:
12 / 19 = 632
1200 / 372 = 322
6.5 + 5.7 = 12.2

But if you take away Education for low
 cost, you take away all the greater the for
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① you take away all the greater that for
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It would be paid for by the community charge
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~~if you take all education away for low cost~~
 taking education away for low cost
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 on other things

~~If you take all education away from local jobs~~

Taking education away from local sources
simply leaves local authorities free to spend more
on other things

Being in mind that only 30% of the local education
is born by the community charge

- ① ~~... the money ...~~
- ② ~~... the money ...~~
- ③ ~~... the money ...~~

~~But if you take away education for local
gov. you take away all the ...~~

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Against opposition both outside and inside the Conservative Party a number of us insisted on a return to fundamental Conservative principles. I hold by those principles now. Individual liberty. A property-owning democracy. Stronger families. More free enterprise. Lower taxes. Upholding the rule of law and the authority of Parliament. And

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FLAG
A

I am utterly determined to ensure that Britain plays a full and effective role in the development of the European Community. Our destiny lies in Europe - as I have said time and again.

But what kind of Europe? Not an inward-looking protectionist club arrogantly excluding the newly liberated

nations of the East but rather as a great enterprise in which free peoples in a free market advance together.

Some people seem to believe asking such questions is itself a sign of hostility to the Community. That is like arguing that if you intend to live in a house, you shouldn't point out that the roof is leaking or that the floor has dry rot. The result of such misplaced domestic patriotism would be to end up living in a rickety, uncomfortable structure. I prefer to build a Europe that is strong, free and diverse with elbow room for national differences.

But my opponent is committed to a different vision - a narrow Europe, with our friends in Eastern Europe excluded for the foreseeable future. Quite where he stands on economic and monetary union it is hard to say. Is he in favour of a single currency or not? With what timetable? By what means? His answers are almost as opaque - as long on rhetoric and short on substance - as those of Mr Kinnock.

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It is understandable that some of my fellow Tory MPs are concerned that we are not doing well in the opinion polls. Of course, that is not too surprising in view of recent events. People expect the Conservative Party to stand together. But too often in recent months personal ambitions and private rancour have been all too much in evidence. And the electorate does not like it. When this contest is over it must truly come to an end.

For the real problems we have been facing are now being overcome. First, inflation will soon be coming down sharply because we have taken the tough and, yes, unpopular measures to curb it. And interest rates will then come down too.

Second, the new system of local government finance - which my opponent now wants to throw into the melting pot again - is now bedding down: it is already strengthening accountability. Of course, I don't rule out some further

changes. But anyone who pretends that there is some simple, painless way to cut what Community Charge payers pay without cutting public spending is either seeking to deceive or simply has not done his sums. That is particularly true of my opponent's proposal to have all the bill for education - not just [] per cent as at present - met by central rather than local government.

FLAG
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- Either, central government could reduce accordingly the total grant it gives to local government for other services - in which case income tax would not go up, but it would not reduce the Community Charge by a penny piece;
- or central government could reduce spending on other things like Health or roads;
- or else it could pay for all the extra spending required by putting up the standard rate of income tax by 3 pence in the pound.

If that's a solution, it's worse than the problem.

It hasn't been by quick fixes and sleight of hand that the achievements of these Tory years have been won - but by sticking to right principles and policies in good times as in

bad. This is what lies behind Britain's dramatic revival as a nation. Just look at the facts.

- We have created more jobs here than in the rest of the European Community put together.
- Living standards are at record levels - up by a quarter.
- Home ownership now extends to nearly 70 per cent of the nation's families.
- The number of shareholders in Britain has trebled.
- Last year there were fewer strikes in Britain than at any time for half a century.

Britain attracts more foreign investment than any other European country. And it is coming here because we have a Conservative Government committed to free enterprise policies - a Government whose consistency of purpose gives it credibility in the eyes of business.

And not just in the eyes of business. For when tyranny has to be resisted and freedom defended our allies know that Britain under this Government will never shirk its duties.

Britain acted to counter Saddam Hussein's aggression more promptly than did any other European country. We have the will to do so. And we were able to do so because we kept our defences strong. In a world where dangerous and unstable regimes are frequently on the point of acquiring nuclear weapons this Government will never abandon our nuclear deterrent.

But it is not just our economic revival or our greater standing in the world which should inspire pride in our country's achievements under this Conservative Government. For we have exported a revolution of freedom through ideas and example which has helped bring the walls of Socialist oppression tumbling down.

Sadly, there are those who simply cannot grasp the scale of what has been achieved in these last eleven years. There has always been a certain kind of Englishman who believes that foreign grass is greener, who becomes so obsessed with what others think of us that he overlooks the virtues of his fellow countrymen and minimises their achievements. These are the people who are always so anxious to run for a train for fear of being left behind that they fail to ask its destination or the price demanded for a ticket. But those with a wider vision and a deeper sense of history will recognise that the tide of history is moving inexorably away

from State intervention and controls; that protectionism is the greatest and growing threat to prosperity; and that freedom and free enterprise are the ideas whose time has come. It is Governments, Parties and politicians who fail to recognise these truths who will truly be left behind.

The key question at the next Election will be which Party can run a free enterprise economy better. So our strategy must be to set out the choice before the electors of this country in the clearest possible terms. They can choose a Conservative Government which is proud of its record and brims over with ideas and energy for the future. Or they can choose Socialism.

It will certainly be a tough General Election campaign. But all the history of this nation shows that it is when you try to fudge a choice like that, when you try to apologise for what you've done rather than defend it, when you prefer gloss to substance, that people turn aside in disgust. The Conservative Party which I lead will never cynically put appearances first. A Party that appeals on the slogan of 'vote for us, because we can win' will govern on the principle, 'we're here because we're here, because we're here, because we're here, because we're here'. We could never have revived Britain through relying on such a threadbare philosophy.

Our Conservative revolution has not yet run out of steam. The Policy Groups, about which I told the 1922 Committee in July, will shortly begin to help us map out the programme for our next Parliament.

We will spell out our vision of a free, classless, open Britain in which talent can flourish and families feel secure.

And we will do this without apology or compromise with Socialism.

That is what I went into politics to achieve. And it now underpins the achievement of a Party which has shown time after time that if it remains true to itself, to its principles and to the abiding interests of the country it has no match in British politics.

1770 words approx

16.11.90

ARTICLE BY THE PRIME MINISTER FOR THE DAILY TELEGRAPH

Everyone knows that I did not want this leadership election. Not because I am afraid of an argument. But because this contest could risk great damage to the Conservative Party's prospects. Moreover, it comes at a time when in Europe and in the Gulf it is important that the outside world should have seen strength and unity where it now sees division. But now that the contest is occurring, let us be in no doubt about the choice which faces the Conservative Party.

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Against opposition both outside and inside the Conservative Party a number of us worked on a return to fundamental Conservative principles. I hold by those principles now. Individual liberty. A property-owning democracy. Stronger families. More free enterprise. Lower taxes. Upholding the rule of law and the authority of Parliament. And defending Britain's interests wherever and whenever they were threatened. These are the things which people expect of the Conservative Party. And for as long as I am Leader of the Conservative Party these are the things for

which it will stand.

Michael Heseltine is urging the Conservative Party to abandon the approach which has won us three successive General Elections and which will win us a fourth - if we have the will to fight it as a team. The differences could not be clearer - and they are not just ones, in this case, of style but of substance.

I believe that individuals and businesses must be left free to flourish and create the wealth we need for higher living standards. He has never made a secret of his beliefs in State intervention and State planning - although he dislikes the use of the word 'plan'.

I am utterly determined to ensure that Britain plays a full and effective role in the development of the European Community. Our destiny lies in Europe - as I have said time and again.

But what kind of Europe? Not an inward-looking protectionist group which excludes the newly liberated nations of the East, but rather a great enterprise in which free peoples in a free market advance together.

Some people seem to believe asking such questions is itself a sign of hostility to the Community. That is like arguing that if you intend to live in a house, you shouldn't point out that the roof is leaking or that the staircase is unsafe. The result would be to end up living in a rickety, uncomfortable structure. I prefer to build a Europe that is strong, free and diverse with elbow room for national differences.

But Michael Heseltine is committed to a different vision - a narrow Europe, with our friends in Eastern Europe excluded for the foreseeable future. Quite where he stands on economic and monetary union it is hard to say. Is he in favour of a single currency or not? With what timetable? By what means? Opaque answers that are long on rhetoric and short on substance will not do.

As the debate about institutional reform and economic and monetary union gets down to specifics, I am confident that we will win the arguments - just as we did on reform of the CAP, the Community's finances and the Single Market. In particular, our goal of allowing consumers to choose how far and fast they wish to progress to economic and monetary union - without the State imposing its own timetable - will increasingly appeal to other countries, as the weaknesses of the Delors plan are exposed. We will win the arguments because we are right on substance - and we will deserve to win because our style is honest and direct and has proved effective. We say the same thing in public and in private, in Brussels and in Westminster; and people respect us for it.

It is understandable that some of my fellow Tory MPs are concerned that we are not doing well in the opinion polls. Of course, that is not too surprising in view of recent events. People expect the Conservative Party to stand together. But too often in recent months personal ambitions and private rancour have been all too much in evidence. And the electorate does not like it. When this contest is over it must truly come to an end.

For the real problems we have been facing are now being overcome. First, inflation will soon be coming down sharply because we have taken the tough and, yes, unpopular measures to curb it. And interest rates will then come down too.

Second, the new system of local government finance - which ~~Michael Heseltine~~^{others} now wants to throw into the melting pot again - is now bedding down: it is already strengthening accountability. Of course, I don't rule out some further changes. We will keep it under review. We have already announced some changes that are yet to work through to the charge payer. However, it is now suggested that there is some painless way of cutting Community Charge simply by taking education away from local government. Around 70 per cent of the costs of education are already borne by the taxpayer and business. There is no reason to suppose that if local authorities were relieved of the other 30 per cent, there would be a matching reduction in Community Charge - it would simply leave local authorities free to spend more money on other services. At the same time either income tax would have to go up to pay for the increased burden of education on central government or else spending would have to be cut elsewhere, for example on health, law and order or welfare services. The end result of increased income tax and precious little reduction in community charge would be the worst of all worlds.

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look at the facts.

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- We have doubled the assistance to disabled people.
- The number of shareholders in Britain has trebled.
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to do so. And we were able to do so because we kept our defences strong. In a world where dangerous and unstable regimes are frequently on the point of acquiring nuclear weapons this Government will not abandon our nuclear deterrent.

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The key question at the next Election will be which Party can run a free enterprise economy better. The one which believes in it, or others who adopt it is a temporary expedient. So our strategy must be to set out the choice before the electors of this country in the clearest possible terms. They can choose a Conservative Government which is proud of its record and brims over with ideas and energy for the future. Or they can choose Socialism.

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ARTICLE BY THE PRIME MINISTER FOR THE DAILY TELEGRAPH

Everyone knows that I did not want this leadership election. Not because I am afraid of an argument. But because this contest could risk great damage to the Conservative Party's prospects. Moreover, it comes at a time when in Europe and in the Gulf it is important that the outside world should have seen strength and unity where it now sees division. But now that the contest is occurring, let us be in no doubt about the choice which faces the Conservative Party.

When I was elected Party leader in 1975 the Party had lost four out of five General Elections. We offered no clear vision of our kind of Britain to the electorate. We had accepted Socialism half way. And, not surprisingly the electorate had decided that if we didn't have the confidence of our convictions neither should they. If we believed in a sort of corporatist semi-Socialism then perhaps true believers in true Socialism would be a better bet.

Against opposition both outside and inside the Conservative Party a number of us worked on a return to fundamental Conservative principles. I hold by those principles now. Individual liberty. A property-owning democracy. Stronger families. More free enterprise. Lower taxes. Upholding the rule of law and the authority of Parliament. And defending Britain's interests wherever and whenever they were threatened. These are the things which people expect of the Conservative Party. And for as long as I am Leader of the Conservative Party these are the things for

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~~Michael Heseltine is urging the Conservative Party to abandon the~~ *this*
approach which has won us three successive General Elections and
which will win us a fourth - if we have the will to fight it as a
team. ~~The differences could not be clearer - and they are not
just ones, in this case, of style but of substance.~~

I believe that individuals and businesses must be left free to
flourish and create the wealth we need for higher living
standards. *A return to the days of*
~~He has never made a secret of his beliefs in State~~
intervention and State planning - *would be disastrous*
~~although he dislikes the use of
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I am utterly determined to ensure that Britain plays a full and
effective role in the development of the European Community. Our
destiny lies in Europe - as I have said time and again.

But what kind of Europe? Not an inward-looking protectionist
group which excludes the newly liberated nations of the East,
but rather a great enterprise in which free peoples in a free
market advance together.

Some people seem to believe asking such questions is itself a
sign of hostility to the Community. That is like arguing that if
you intend to live in a house, you shouldn't point out that the
roof is leaking or that the staircase is unsafe. ~~The result
would be to end up living in a rickety, uncomfortable structure.~~
I prefer to build a Europe that is strong, free and diverse with
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Some people are
I ~~do not agree with those~~
~~But Michael Heseltine is~~ committed to a different vision - a narrow Europe, with our friends in Eastern Europe excluded for the foreseeable future. Quite ^{where} ~~he~~ ^{ARE} stands on economic and monetary union it is hard to say. ~~Is~~ ^{they} in favour of a single currency or not? With what timetable? By what means? Opaque answers that are long on rhetoric and short on substance will not do.

As the debate about institutional reform and economic and monetary union gets down to specifics, I am confident that we will win the arguments - just as we did on reform of the CAP, the Community's finances and the Single Market. In particular, our goal of allowing consumers to choose how far and fast they wish to progress to economic and monetary union - without the State imposing its own timetable - will increasingly appeal to other countries, as the weaknesses of the Delors plan are exposed. We will win the arguments because we are right on substance - and we will deserve to win because our style is honest and direct and has proved effective. We say the same thing in public and in private, in Brussels and in Westminster; and people respect us for it.

It is understandable that some of my fellow Tory MPs are concerned that we are not doing well in the opinion polls. Of course, that is not too surprising in view of recent events. People expect the Conservative Party to stand together. But too often in recent months personal ambitions and private rancour have been all too much in evidence. And the electorate does not like it. When this contest is over it must truly come to an end.

For the real problems we have been facing are now being overcome. First, inflation will soon be coming down sharply because we have taken the tough and, yes, unpopular measures to curb it. And interest rates will then come down too.

Second, the new system of local government finance - ~~which~~ ~~Michael Heseltine now wants to throw into the melting pot again~~ - is now bedding down: it is already strengthening accountability. Of course, I don't rule out some further changes. We will keep it under review. We have already announced some changes that are yet to work through to the charge payer. However, it is now suggested that there is some painless way of cutting Community Charge simply by taking education away from local government. Around 70 per cent of the costs of education are already borne by the taxpayer and business. There is no reason to suppose that if local authorities were relieved of the other 30 per cent, there would be a matching reduction in Community Charge - it would simply leave local authorities free to spend more money on other services. At the same time either income tax would have to go up to pay for the increased burden of education on central government or else spending would have to be cut elsewhere, for example on health, law and order or welfare services. The end result of increased income tax and precious little reduction in community charge would be the worst of all worlds.

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To Michael Trend
Daily Telegraph

From John Whittingdale

071 538 6455

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Michael Trend
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10 DOWNING STREET
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T O: MICHAEL TREND
DAILY TELEGRAPH

F R O M: JOHN WHITTINGDALE

D A T E: 18 NOV. 1990

N O . O F P A G E S T O F O L L O W : 7 (SEVEN)

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