Copied to: PM, SS, AH and JO'S

CONTRIBUTION FROM CHRIS PATTEN FOR PRIME MINISTER'S PARTY CONFERENCE SPEECH AUS O

It is twelve years since I first stood on this platform as Leader of the Conservative Party.

We were all a lot younger then. Some of us still feel quite young today. And I am told that the second twelve years is much easier.

One or two things have changed since 1975. In that year we were still recovering from our forth Election defeat out of the five we suffered in the '60s and '70s. People said that we couldn't govern the country again. Or, at least, that we couldn't govern without the say so of the TUC.

Britain, apparently, had to get used to guided and gutted democracy. Conservative principles were out. It was 'No Minister' but 'Yes General-Secretary'.

Hand in hand with that sell out went defeatism about Britain.

Nothing could be done about inflation. Nothing could be done about decline. Nothing could be done about the remorseless advance of foreign industrial competitors. Nothing could be done about penal taxes and bloated bureaucracy. Nothing could be done about industries nationalised forty years ago. They all said - you know, the smart people - that nothing, nothing could be done. Well, something was done.

Something was done and - here's another surprise for the pundits
- the British people liked it. Remember. We had all been
/lectured about...

lectured about political impossibility. You couldn't be a

Conservative, and sound like a Conservative, and win an Election.

And you certainly couldn't win an Election and then act like
a Conservative and win another Election. And, what was absolutely
beyond argument, was that you couldn't win two Elections and
go on behaving like a Conservative, and win yet a third Election.

Don't you just harbour the faintest suspicion that somewhere
along the line something went wrong with that theory.

I've got a straightforward idea of my own. If you stop talking and acting like a Conservative, that's the moment you'll get beaten. And that's the time you will deserve to get beaten.

It won't come as a shock to any of you to know that this Government will continue to put Conservative principles into practice. And when I look at what still needs to be done, I know that we've only just started.

But much as changed already, over the last decade. We've even made some impact on our opponents. Opposition politicans come. And Opposition politicans go. And a few of them learn a little on the way through.

Some things of course are impervious to change. The Labour

Party - despite the best efforts of advertising agents and

wishful thinkers, of Brahms and Gould - remains...the Labour

Party. Unredeemed and unelected. The language may alter.

We hear no more of nationalisation. Nowadays it's called social ownership. There's talk of a great policy re-think. But it's still Socialism that's on offer. I read somewhere that Labour want to try to appeal to the yuppies. No one should be taken in.

After all what's on offer are the klappies - Kinnock's Labour Party is extremely Speialist.

Maybe we've had more effect on what used to be called the Alliance. Today, that so-called alliance is split down the middle between those who understand that times have changed and those who want to bring back the old times. To bring back the '60s. Bring back inflation. Bring back incomes policies. Bring back national plans.

I used to wonder sometimes during the Election Campaign what the alliance leaders meant by consensus politics. I suppose that's what we've seen in action since the 11th June. If that's consensus, they can keep it. Poor Dr Owen is just the latest in the line to finish up with six inches of fraternal Steel between the shoulder blades.

I hope that those former Social Democrats who are seriously interested in politics, seriously interested in shaping the next decade, seriously committed to making our market economy competitive and our social policies successful, will join us in our work. They face a choice between a thoughtful commitment to improving Britain's Government and our quality of life or a frivilous involvement in Mission Impossible - trying to make the modern Liberal Party credible. Once, it was Gladstone, Asquith and Lloyd George. Today it's Steel, Smith and Alton - not quite the most suitable heirs to a great political tradition.

So, with open arms, we will welcome to the Conservative Party
the real Liberals who believe in liberty and the serious Social

Democrats who believe in an enterprise economy and a strongly

/defended Britain.

defended Britain. My message to them is this - 'Work with us. Share our dreams. Help us build Britain's future'.

None of us are gloating over our Election victories. That has not been the mood this week. We're entitled to a Party, to celebrations and cheers, but we know that Government is about service not place. And we know too that there's no excuse for triumphalism, no time for resting on our laurels, and no cause for complacency.

We cannot assume that victories will fall into our laps. We must not make the mistakes that we made after 1959 and that Labour made in their term. Every victory has to be worked for. It has to be deserved. It has to be earned.

There is much more work for us to do. We have to keep the initiative. We have to extend our political support. We have to win and go on winning, the battle of ideas. If we lose that, we shall find ourselves again on the retreat, driven back from one compromise of our principles to another, driven back and sooner or later routed.

We are not going to retreat. We are going to move forward, building steadily and carefully on our past successes - learning from our failures too - and setting Britain on a path from which no one will easily be able to shake her. We will leave our print - a print that will be indelible - not only on the last decade of the present century, but on the first decade of the next.

When I am asked what we have achieved so far, it seems to me /neither very...

neither very difficult to understand nor very sophisticated to explain. What we have tried to do is to re-establish at the centre of public debate and public policy a handful of simple truths.

Their very simplicity has made some people sneer. 'Thatcherism', they've called what we've been doing, and they've curled their lips. Well, you don't have to be a grocer's daughter to know that there's much to be said for having your name associated with a good product. And, as events have shown, there's no better product on the market, here or elsewhere. Yesterday they sneered. To be fair, some of them stayed on to applaud.

First we said that no economy can thrive where the currency is debased. We said that no society can be fair or stable where inflation eats up savings, and redistributes the pounds in everyone's pocket.

A few years ago, it was a common place of political discussion that we would have to accommodate a high rate of inflation as part of the price of living a modern industrial democracy. But we knew that inflation threatens democracy. And we put its defeat at the top of our agenda.

That is a battle which never ends. And that is why, year after year, we have to fight what we spend in line with what we earn. It is why we will continue to cut Government borrowing. When we came in, in today's prices it was X. Now it is Y. But we haven't yet won the day. I hope that before long, like any business large or small, we shall balance the books.

/Our second ...

Our second insight was that men and women need the incentive that goes with keeping more of what you earn and the security that goes with ownership.

So as economic growth has taken off, we have put tax cuts ahead of spending increases. And until we have provided incentives at every level of earnings, that will remain our order of priorities.

No one can tell me that working men and women aren't interested in their take-home pay. If that were true, a lot of trade union leaders would be out of a job. And no one can tell me, either, that tax rates aren't a problem any more in Britain when a nurse on X pays Y, when a teacher on A pays B, when a middle manager on D pays E.

People earn more than they did under Labour, as an honest teacher or nurse would admit. And they pay less tax. But we haven't reached the end of the road of tax cuts and tax reform. Not by a long way.

WE've cut taxes and we've increased the chance every individual and every family has to buy a stake in Britain. Home ownership has increased from A to B. X million council tenants now own the roof over their head. There has been no act of political and economic liberation in Britain to equal that since the War.

We had to fight every inch of the way the legislative battle to give council house tenants that right. Against Labour opposition. Against Liberal opposition. Does Mr Kinnock now applaud what has happened? Is he pleased that so many families have the same right of ownership as he. Does Mr Steel welcome

it? Now that it has happened, now that it has proved so popular is it the sort of liberal liberating measure of which the leader of the Liberal Party approves.

Home ownership has soared and share ownership with it. When we came to office, there we X, now there are Y. There are today more share owners than trade unionists. By the next Election I hope we shall be able to say that there are more share owners than Labour voters.

I am particularly pleased that so many working people have bought shares in their own firms. A B and C in X Y and Z industries that were nationalised.

Political slogans don't always coincide with political actions.

For years we've talked about wanting to create a property-owning democracy. Looking back, I wonder whether we did as much in those days as we should have done to achieve that goal. I don't believe anyone will be able, in the years ahead, to make a similar charge against us.

The third main element in our down to earth philosophy has been the passionate belief that the market and competition are the best engine of prosperity and the best guardian of liberty.

There's nothing very original in that. It's an idea eloquently developed by economists and philosophers over the years; an idea which has, when put into practice, shaped the political institutions of free societies and brought unimagined wealth to countries and continents.

But it's a profound truth which, perhaps because of its very clarity, we forget from time to time, forget at our peril.

Curiously and a little nervously at first, yet with growing enthusiasm and commitment, we have rediscovered this old truth, in Britain and abroad too. We can even hear faint and distant echoes of our arguments in Moscow. What price Socialism in Britain, when Mr Gorbachev doesn't seem to keen on it in the Soviet Union!

Price stability. Tax cuts. Ownership. Enterprise. Look at the results we've achieved already.

[Here there should be a passage on our economic achievements - for example take two companies and compare them before and after 1979; take two small businesses and recount what's happened to them; take a foreign market where we're now in a lead and or a domestic market].

Thanks heavens, our economic rejuvenation has begun to cut into the unemployment figures. X and Y have happened. We are creating more jobs not through spending money. Not by subsidies. Not by industrial plans. There are more jobs because our industry is more successful. Winning markets is the way to creating jobs. Economic success has enabled us to play a more prominent and creative role in the world at large, arguing for the same approach to the world's economic problems that has helped us tackle our own. International bankers, the Finance Ministers of other nations, all listen to you a lot harder when they owe you money rather than the other way around. We are now the second biggest investor in the world, the model of a stable

economy. That is one reason why we have been able to play a leading role in helping to tackle the global debt crisis. In the years ahead, we shall be in the vanguard of the fight to role back protectionism and to secure free trade. We shall be fighting for the steady reduction of world food subsidies and for the reform of the food and budgetary policies of the European Community. A strong Britain counts again in the world.

I have reminded you where the political adventure began. And
I have pointed out where the path has led. But is this where
we pitch our tents? Is this where we dig in? Or was our last
Election victory a staging post on a longer journey?

What I know with every fibre of my being is that it would be fatal for us to stand where we are. What is to be our slogan for the 1990s? Are we really going to excite Britain's imagination and win Britain's backing with the promise that we have what we hold. Is 'consolidate' to be the word that we stitch on our banners? Whose blood runs faster in their veins at the prospect of five years of consolidation?

That isn't to say that we can abandon what we have achieved.

We hold on to that. And we move on - applying the same principles

- on to more challenging terrain.

Let me explain exactly what I mean.

In the 1980s I believe that we have won the argument over economic policy. But we still find ourselves locked in debate about social issues. About education. About welfare. About health. About the balance that a free society has to strike between encouraging the successful and protecting those who are in need.

We have succeeded more than some thought possible in challenging the assumptions that underpined economic policy for too long. But we are still arguing about social questions in the language of the Left. We started at a disadvantage.

And it's scarcely surprising that we often lose the arugment.

Yet if we continue to lose that argument, we risk loosing much more. If Labour's view of welfarism triumphs, that could spell defeat of our attempt to create a thriving market economy.

The only issue around which our opponents can regroup is their defence of welfare maxims which are wrong in principle and out-of-date in practice. So we have to spell cut more coherently and explicitly than we have done so far the Conservative view of social policy. We have to explain our vision of the relationship between an enterprise economy and social obligation. We have to turn that vision in to policies which work on the ground. It is time that in both political rhetoric and in administrative action we replaced a welfare state by a free and responsible community.

That means better provision for those who need it, not worse, it means more opportunity for the have nots to become the haves. It means restoring individual responsibility not prolonging dependence.

Some people claim that it is the language of a new brutalism.

Not for them rational debate - all they offer is the politics

of knee-jerk and tear-jerk. Their social philosophy is based

on three myths.

First they argue that you can only measure social concern by /levels of public...

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At its most ridiculous - and we are not immune to the disease ourselves - we find that the argument about public services is conducted entirely in terms of numbers of billions of pounds. The fact that Conservative Governments always manage to run the economy more successfully than Labour, so that we can afford to spend more on services than they did, should not seduce us into permanently making this mistake.

The second myth is that only the State can provide for need, or cope with disadvantage, in a way which combines affectiveness and generosity. That is self evidently untrue. How can you write-off the myriad activities of voluntary welfare organisations? The history of the Co-operative Movement? The working of Housing Associations? The day in and day out stories of good neighbourliness? The efforts of individuals to pull themselves up by their own bootstraps?

And how can you write off the evidence of your own eyes? The examples that everyone has of the State wasting money. Of the State loosing the file, putting you on the wrong list, slamming the 'phone down, keeping you waiting, blaming bureaucratic blunders on that ubiquitous Aunt Sally - 'Government cuts'.

The third myth is that alongside equality of respect and equality before the law we should guarantee every citizen equality of /social provision.

social provision. Duke or dustman—everyone should have the same. That is plainly ridiculous. It leads to worse than nonsense. It means that because we cannot afford to do exactly the same thing for everyone, we are stopped from helping those who are really in need. And it spreads the dependency culture far and wide. [Example - housing benefit?].

To challenge and overturn these myths is not to turn our back on our responsibilities as a community. I want us to carry out those responsibilities more competently and to better affect.

I want better education for everyone. Better health for everyone.

Better pensions for the elderly. Better homes. Better environments in our cities.

The Government is going to continue to play the central role in providing those services. That is inevitable. And those who deliver those services well - frequently in hard-pressed conditions - deserve decent pay and the public's respect that should accompany a job well down.

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But the Government is not and should not be the only provider.

If we want to improve our education, our health our housing,
our cities, we have to use Government to mobilise private
initiatives and energy. We need more flexibility not less.

Less bureaucracy not more. Some of the energy which is
revitalising our economy has to be channeled into regenerating
our social policies.

Let me show you how the reforms we have already set in train help to create a free and responsible community. [Housing - section on our housing reforms].

I believe that our most important task in this Parliament is to begin raising the quality of education in our schools.

That is in the national interests. And it is in the individual interest of every parent and above all every child. I want to see education as a vital part of the answer to Britain's problems not as one of the causes of those problems.

To compete more successfully in tomorrow's world - with Japan and Germany, with the United States and the newly emerging countries of the Pacific - we shall need a well educated, well trained, creative, fast thinking workforce. Few things are more alarming for the future of this country than the international comparisons that have been made of mathematical attainment among young people in Britain and abroad. If our education is backward today, our national performance will be backward tomorrow.

In the 1990s the problem gets sharper. The humber of teenagers will fall. But there will be no drop in the number of qualified men and women we need. So we shall either have to raise standards in schools - or lower them in universities and polytechnics.

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Children who needed to be able to count and multiply and operate a computer keyboard have learnt non-racist mathematics, whatever that may be.

Children who needed to be able to express themselves orally, and in writing, in clear English have been taught political slogans.

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Having dealt with housing, education and health, we could then turn to the inner cities where the use of public funds and public intervention to unlock private resources and private initiatives is most manifest. An inner cities section would square off the argument that we need to create a competitive market economy the underlying concepts and dynamism of which are integrated with our social policies in the community.

I won't try my hand at the build up to or the full resonance of a peroration. But it would seem to me that you could perfectly well fit a section of defence and disarmament in here, e.g. there's no point in creating a prospering, stable community

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It is twelve years since I first stood on this platform as Leader of the Conservative Party.

We were all a lot younger then. Some of us still feel quite young today. And I am told that the second twelve years is much easier.

One or two things have changed since 1975. In that year we were still recovering from our forth Election defeat out of the five we suffered in the '60s and '70s. People said that we couldn't govern the country again. Or, at least, that we couldn't govern without the say so of the TUC.

Britain, apparently, had to get used to guided and gutted democracy. Conservative principles were out. It was 'No Minister' but 'Yes General-Secretary'.

Sill nam

Hand in hand with that sell out went defeatism about Britain.

Nothing could be done about inflation. Nothing could be done about decline. Nothing could be done about the remorseless advance of foreign industrial competitors. Nothing could be done about penal taxes and bloated bureaucracy. Nothing could be done about industries nationalised forty years ago. They all said - you know, the smart people - that nothing, nothing could be done. Well, something was done.

Something was done and - here's another surprise for the pundits
- the British people liked it. Remember. We had all been
/lectured about...

lectured about political impossibility. You couldn't be a Conservative, and sound like a Conservative, and win an Election. And you certainly couldn't win an Election and then act like a Conservative and win another Election. And, what was absolutely beyond argument, was that you couldn't win two Elections and go on behaving like a Conservative, and win yet a third Election. Don't you just harbour the faintest suspicion that somewhere along the line something went wrong with that theory.

Siet

I've got a straightforward idea of my own. If you stop talking and acting like a Conservative, that's the moment you'll get beaten. And that's the time you will deserve to get beaten.

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It won't come as a shock to any of you to know that this

Government will continue to put Conservative principles into

practice. And when I look at what still needs to be done, I

know that we've only just started.

But much as changed already, over the last decade. We've even made some impact on our opponents. Opposition politicans come. And Opposition politicans go. And a few of them learn a little on the way through.

Some things of course are impervious to change. The Labour

Party - despite the best efforts of advertising agents and

wishful thinkers, of Brahms and Gould - remains...the Labour

Party. Unredeemed and unelected. The language may alter.

We hear no more of nationalisation. Nowadays it's called social

ownership. There's talk of a great policy re-think. But it's

still Socialism that's on offer. I read somewhere that Labour

want to try to appeal to the yuppies. No one should be taken in.

/After all...

After all what's on offer are the klappies - Kinnock's Labour Party is extremely Socialist.

Maybe we've had more effect on what used to be called the Alliance. Today, that so-called alliance is split down the middle between those who understand that times have changed and those who want to bring back the old times. To bring back the '60s. Bring back inflation. Bring back incomes policies. Bring back national plans.

I used to wonder sometimes during the Election Campaign what the alliance leaders meant by consensus politics. I suppose that's what we've seen in action since the 11th June. If that's consensus, they can keep it. Poor Dr Owen is just the latest in the line to finish up with six inches of fraternal Steel between the shoulder blades.

I hope that those former Social Democrats who are seriously interested in politics, seriously interested in shaping the next decade, seriously committed to making our market economy competitive and our social policies successful, will join us in our work. They face a choice between a thoughtful commitment to improving Britain's Government and our quality of life or

a frivilous involvement in Mission Impossible - trying to make
the modern Liberal Party credible. Once, it was Gladstone,
Asquith and Lloyd George. Today it's Steel, Smith and Alton
- not quite the most suitable heirs to a great political tradition.

So, with open arms, we will welcome to the Conservative Party
the real Liberals who believe in liberty and the serious Social
Democrats who believe in an enterprise economy and a strongly

/defended Britain.

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defended Britain. My message to them is this - 'Work with us. Share our dreams. Help us build Britain's future'.

None of us are gloating over our Election victories. That has not been the mood this week. We're entitled to a Party, to celebrations and cheers, but we know that Government is about service not place. And we know too that there's no excuse for triumphalism, no time for resting on our laurels, and no cause for complacency.

That has not been the mood this week. We're entitled to a Party, to celebrations and cheers, but we know that Government is about service not place. And we know too that there's no excuse for triumphalism, no time for resting on our laurels, and no cause for complacency.

We cannot assume that victories will fall into our laps. We must not make the mistakes that we made after 1959 and that Labour made in their term. Every victory has to be worked for. It has to be deserved. It has to be earned.

There is much more work for us to do. We have to keep the initiative. We have to extend our political support. We have to win and go on winning, the battle of ideas. If we lose that, we shall find ourselves again on the retreat, driven back from one compromise of our principles to another, driven back and sooner or later routed.

We are not going to retreat. We are going to move forward, building steadily and carefully on our past successes - learning from our failures too - and setting Britain on a path from which no one will easily be able to shake her. We will leave our print - a print that will be indelible - not only on the last decade of the present century, but on the first decade of the next.

When I am asked what we have achieved so far, it seems to me /neither very...

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neither very difficult to understand nor very sophisticated to explain. What we have tried to do is to re-establish at the centre of public debate and public policy a handful of simple truths.

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Their very simplicity has made some people sneer. Thatcherism' they've called what we've been doing, and they've curled their lips. Well, you don't have to be a grocer's daughter to know that there's much to be said for having your name associated with a good product. And, as events have shown, there's no better product on the market, here or elsewhere. Yesterday they sneered. To be fair, some of them stayed on to applaud.

First we said that no economy can thrive where the currency is debased. We said that no society can be fair or stable where inflation eats up savings, and redistributes the pounds in everyone's pocket.

A few years ago, it was a common place of political discussion that we would have to accommodate a high rate of inflation as part of the price of living a modern industrial democracy. But we knew that inflation threatens democracy. And we put its defeat at the top of our agenda.

That is a battle which never ends. And that is why, year after year, we have to fight what we spend in line with what we earn. It is why we will continue to cut Government borrowing. When we came in, in today's prices it was X. Now it is Y. But we haven't yet won the day. I hope that before long, like any business large or small, we shall balance the books.

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Our second insight was that men and women need the incentive that goes with keeping more of what you earn and the security that goes with ownership.

So as economic growth has taken off, we have put tax cuts ahead of spending increases. And until we have provided incentives at every level of earnings, that will remain our order of priorities.

No one can tell me that working men and women aren't interested in their take-home pay. If that were true, a lot of trade union leaders would be out of a job. And no one can tell me, either, that tax rates aren't a problem any more in Britain when a nurse on X pays Y, when a teacher on A pays B, when a middle manager on D pays E.

People earn more than they did under Labour, as an honest teacher or nurse would admit. And they pay less tax. But we haven't reached the end of the road of tax cuts and tax reform. Not by a long way.

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WE've cut taxes and we've increased the chance every individual and every family has to buy a stake in Britain. Home ownership has increased from A to B. X million council tenants now own the roof over their head. There has been no act of political and economic liberation in Britain to equal that since the War.

We had to fight every inch of the way the legislative battle to give council house tenants that right. Against Labour opposition. Against Liberal opposition. Does Mr Kinnock now applaud what has happened? Is he pleased that so many families have the same right of ownership as he. Does Mr Steel welcome

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it? Now that it has happened, now that it has proved so popular is it the sort of liberal liberating measure of which the leader of the Liberal Party approves.

Josh in they what.

Good been of They are plus do Same. Home ownership has soared and share ownership with it. we came to office, there we X, now there are Y. There are today more share owners than trade unionists. By the next Election I hope we shall be able to say that there are more share owners than Labour voters.

I am particularly pleased that so many working people have bought shares in their own firms. A B and C in X Y and Z industries that were nationalised.

Political slogans don't always coincide with political actions. For years we've talked about wanting to create a property-owning democracy. Looking back, I wonder whether we did as much in those days as we should have done to achieve that goal. I don't believe anyone will be able, in the years ahead, to make a similar You know he hating in their - food charge against us. the wond got

The third main element in our down to earth philosophy has been the passionate belief that the (market and competition) are the best engine of prosperity and the best guardian of liberty.

Societies - property & theye.

There's nothing very original in that. It's an idea eloquently developed by economists and philosophers over the years; an idea which has, when put into practice, shaped the political institutions of free societies and brought unimagined wealth to countries and continents.

But it's a profound truth which, perhaps because of its very clarity, we forget from time to time, forget at our peril.

Curiously and a little nervously at first, yet with growing enthusiasm and commitment, we have rediscovered this old truth, in Britain and abroad too. We can even hear faint and distant echoes of our arguments in Moscow. What price Socialism in Britain, when Mr Gorbachev doesn't seem to keen on it in the Soviet Union!

Price stability. Tax cuts. Ownership. Enterprise. Look at the results we've achieved already.

Johns Horagn.

[Here there should be a passage on our economic achievements - for example take two companies and compare them before and after 1979; take two small businesses and recount what's happened to them; take a foreign market where we're now in a lead and or a domestic market].

Thanks heavens, our economic rejuvenation has begun to cut into the unemployment figures. X and Y have happened. We are creating more jobs not through spending money. Not by subsidies. Not by industrial plans. There are more jobs because our industry is more successful. Winning markets is the way to creating jobs. Economic success has enabled us to play a more prominent and creative role in the world at large, arguing for the same approach to the world's economic problems that has helped us tackle our own. International bankers, the Finance Ministers of other nations, all listen to you a lot harder when they owe you money rather than the other way around. We are now the second biggest investor in the world, the model of a stable

leading role in helping to tackle the global debt crisis. In the years ahead, we shall be in the vanguard of the fight to role back protectionism and to secure free trade. We shall be fighting for the steady reduction of world food subsidies and for the reform of the food and budgetary policies of the European Community. A strong Britain counts again in the world.

I have reminded you where the political adventure began. And
I have pointed out where the path has led. But is this where
we pitch our tents? Is this where we dig in? Or was our last
Election victory/a staging post on a longer journey?

What I know with every fibre of my being is that it would be fatal for us to stand where we are. What is to be our slogan for the 1990s? Are we really going to excite Britain's imagination and win Britain's backing with the promise that we have what we hold. Is 'consolidate' to be the word that we stitch on our banners? Whose blood runs faster in their veins at the prospect of five years of consolidation?



That isn't to say that we can abandon what we have achieved.

We hold on to that. And we move on - applying the same principles

- on to more challenging terrain.

Let me explain exactly what I mean.

not enough, you was

In the 1980s I believe that we have won the argument over economic policy. But we still find ourselves locked in debate about social issues. About education. About welfare. About health. About the balance that a free society has to strike between encouraging the successful and protecting those who are in need.

We have succeeded more than some thought possible in challenging the assumptions that underpined economic policy for too long. But we are still arguing about social questions in the language of the Left. We started at a disadvantage.

And it's scarcely surprising that we often lose the arugment.

Yet if we continue to lose that argument, we risk loosing much more. If Labour's view of welfarism triumphs, that could spell defeat of our attempt to create a thriving market economy.

The only issue around which our opponents can regroup is their defence of welfare maxims which are wrong in principle and out-of-date in practice. So we have to spell out more coherently and explicitly than we have done so far the Conservative view of social policy. We have to explain our vision of the relationship between an enterprise economy and social obligation. We have to turn that vision in to policies which work on the ground. It is time that in both political rhetoric and in administrative action we replaced a welfare state by a free and responsible community.

That means better provision for those who need it, not worse, it means more opportunity for the have nots to become the haves. It means restoring individual responsibility not prolonging dependence.

Some people claim that it is the language of a new brutalism. Not for them rational debate - all they offer is the politics of knee-jerk and tear-jerk. Their social philosophy is based on three myths.

First they argue that you can only measure social concern by /levels of public...

levels of public expenditure. How convenient life would be if that were so. And how absurd as well. Are we to believe that a Socialist ILEA cares more about the education of inner London children because it spends so much money. Tell that to the parents of Southwark and Barking.

At its most ridiculous - and we are not immune to the disease ourselves - we find that the argument about public services is conducted entirely in terms of numbers of billions of pounds. The fact that Conservative Governments always manage to run the economy more successfully than Labour, so that we can afford to spend more on services than they did, should not seduce us into permanently making this mistake.

The second myth is that only the State can provide for need, or cope with disadvantage, in a way which combines affectiveness and generosity. That is self evidently untrue. How can you write-off the myriad activities of voluntary welfare organisations? The history of the Co-operative Movement? The working of Housing Associations? The day in and day out stories of good neighbour-liness? The efforts of individuals to pull themselves up by their own bootstraps?

And how can you write off the evidence of your own eyes? The examples that everyone has of the State wasting money. Of the State loosing the file, putting you on the wrong list, slamming the 'phone down, keeping you waiting, blaming bureaucratic blunders on that ubiquitous Aunt Sally - 'Government cuts'.

The third myth is that alongside equality of respect and equality before the law we should guarantee every citizen equality of /social provision.

- 12 -

social provision. Duke or dustman - everyone should have the same. That is plainly ridiculous. It leads to worse than nonsense. It means that because we cannot afford to do exactly the same thing for everyone, we are stopped from helping those who are really in need. And it spreads the dependency culture far and wide. [Example - housing benefit?].

To challenge and overturn these myths is not to turn our back on our responsibilities as a community. I want us to carry out those responsibilities more competently and to better affect.

I want better education for everyone. Better health for everyone.

Better pensions for the elderly. Better homes. Better environments in our cities.

The Government is going to continue to play the central role in providing those services. That is inevitable. And those who deliver those services well - frequently in hard-pressed conditions - deserve decent pay and the public's respect that should accompany a job well down.

But the Government is not and should not be the only provider.

If we want to improve our education, our health, our housing,
our cities, we have to use Government to mobilise private
initiatives and energy. We need more flexibility not less.

Less bureaucracy not more. Some of the energy which is
revitalising our economy has to be channeled into regenerating
our social policies.

Let me show you how the reforms we have already set in train help to create a free and responsible community. [Housing - section on our housing reforms].

Education

Churis

I believe that our most important task in this Parliament is to begin raising the quality of education in our schools. That is in the national interests. And it is in the individual interest of every parent and above all every child. I want to see education as a vital part of the answer to Britain's problems not as one of the causes of those problems.

To compete more successfully in tomorrow's world - with Japan and Germany, with the United States and the newly emerging countries of the Pacific - we shall need a well educated, well trained, creative, fast thinking workforce. Few things are more alarming for the future of this country than the international comparisons that have been made of mathematical attainment among young people in Britain and abroad. If our education is backward today, our national performance will be backward tomorrow.

In the 1990s the problem gets sharper. The number of teenagers will fall. But there will be no drop in the number of qualified men and women we need. So we shall either have to raise standards in schools - or lower them in universities and polytechnics.

Yet it is the plight of individual boys and girls, rather than our national problems, which most worries me. We do pretty well for the bright and the academically gifted But the academically average and the below average too often get a raw deal from our education system. They are not getting the education they deserve and need. Their prospects are blighted. They are turned off school by the 10,000.

In the last few years, we have seen another disadvantage heaped

/on the shoulders...

on the shoulders of those youngsters in our inner cities who should be helped by their education to escape into a better future. Extremist education authorities and extremist teachers have compounded those disadvantages. They have failed to give those young people the education they need. They have stuffed their heads with dangerous nonsense.

Children who needed to be able to count and multiply and operate a computer keyboard have learnt non-racist mathematics, whatever that may be.

Children who needed to be able to express themselves orally, and in writing, in clear English have been taught political slogans.

Children who needed to be taught to respect the values of life have been taught their inalienable right to be gay.

Those children have been cheated - wickedly cheated - of their just claim to a sound start in life.

We should not only be worried about the most seriously injuried casualties in our schools. For too many of our young, we have tolerated the second or third best, the slap-dash, the 'so what' culture. Every good teacher, and every good school, is a reminder of what too many young people are denied.

For years we have talked about education as a partnership between central and local Government, between parents and
teachers. The trouble is that over the years central Government
- representing the nation's interest - and parents - representing

/their own children's...

their own children's interests - have been relegated to the side-lines. That is what we are going to change.

I believe that Government has the primary responsibility for establishing minimum standards for the education are children receive. That is why we are introducing a National Core Curriculum. For good teachers that will provide a floor on which they can build with their own skill and professionalism.

We're introducing a attainment levels and testing for 7, 11, 14 and 16. The assessment of education standards is too important to be left any more to hunch and anecdote.

If we're failing our children I want to know where that's happening why it's happening and which children need more help. I want that - and I believe every other parent whats it too.

[Then a section detailing what we're doing to help the parents - the individual. I have two thoughts here.

- 1. Of course choice in education is not and cannot be absolute.

 Some schools are good because of those they keep out as well as those they take in. But to state that obvious truth does not dispose of the proposition that we should and can give parents greater choice than they have at present. Those who oppose this must either believe that parents don't want what is best for their children or that they don't know what is best for their children. The first proposition is self evidently absurd.

 The second is patronising bunk.
- 2. In making the case for 'opt out' there is no reason on earth why local authorities should have a monopoly of free /education. What ...

education. What point of principle suggests this is right? Nove. Drive have well as we

[From here on in, I only have a few notes to offer I'm afraid.

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I would dearly love to say something here about health. I

don't believe that we can afford, politically or financially,
to go on as we are. Under the present system accountability
is fractured - only the Government is held to blame; there aren't
and never will be public resources to meet public expectations
and technological demand; resources are allocated on the basis
of shroud waving. I know that it's easier to describe the
disease than to prescribe the remedy. But we should at least
be opening up the argument, trying to inject more flexibility
and responsiveness into the system, and avoiding closing off
our options. This could be the place to start.

Having dealt with housing, education and health, we could then turn to the inner cities where the use of public funds and public intervention to unlock private resources and private initiatives is most manifest. An inner cities section would square off the argument that we need to create a competitive market economy the underlying concepts and dynamism of which are integrated with our social policies in the community.

I won't try my hand at the build up to or the full resonance of a peroration. But it would seem to me that you could perfectly well fit a section of defence and disarmament in here, e.g. there's no point in creating a prospering, stable community

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unless you defend it properly, etc. I assume that we would want to take some appropriate credit for the progress on disarmament.

One idea for the peroration: twelve years on, we'll be on the brnink of a new century. What would we all like to see - one or two teases about our opponents and then on to the high ground. Incidentally, the only remark of our opponents which is good enough to turn is the Kinnock - Biden 'First Kinnock in a thousand years'. The first Roberts/Thatcher varient would shape into something forceful and to the point].

CP/CR

29.9.87

1.

INTRODUCTION

Mr President, a lot has happened since we last met.

There was, for instance, our General Election victory in June - making it three wins in a row.

And why did we win? Because we know what we stood for.

We said what we stood for. And we stuck by what we stood for.

It was a historic victory. And I want to thank all those who played their part in that victory: each and every Conservative Party worker in the constituencies; the team at Central Office; and, above all, our Chairman, Norman Tebbit.

FROM IMPOSSIBILITY TO VICTORY

It is twelve years since I first stood on this platform as Leader of the Conservative Party.

We were all a lot younger then. Some of us still feel

quite young today. And I am told that the second twelve

years is much easier.

One or two things have all an anticle of us still feel

One or two things have changed since 1975. In that year we were still recovering from the fourth Election defeat we suffered in the '60s and '70s. People said that we couldn't govern the country again.

Remember - we had all been lectured about political impossibility.

You couldn't be a Conservative, and sound like a Conservative,

and win an Election. And you certainly couldn't win

an Election and then act like a Conservative and win

another Election. And, what was absolutely beyond argument,

was that you couldn't win two Elections and go on behaving

like a Conservative, and win yet a third Election. Don't

you just harbour the faintest suspicion that somewhere

along the line something went wrong with that theory.

I've got a straightforward idea of my own. If you stop talking and acting like a Conservative, that's the moment you'll get beaten. And that's the time you will deserve to get beaten.

The Labour Party, the Liberals, the SDP and the doubters have been saying since 1979 that Conservatism wouldn't and doesn't work. Now we learn that all our political opponents are feverishly packaging their policies to look like ours because they work so well.

It is music in our ears to discover that no Party now dares to say openly that it will take away from the people what we have given back to the people.

Mr President, the language may alter. But it's still Socialism that's on offer. No one should be taken in.

Today the so-called alliance is split down the middle between those who understand that times have changed and those who want to bring back the old times. To bring back the '60s. National plans; incomes policies; inflation.

. . / . .

I used to wonder sometimes during the Election Campaign
what the alliance leaders meant by consensus politics.

I suppose that's what we've seen them pursuing since
the 11th June. If that's consensus, they can keep it.

Poor Dr Owen is just the latest in the line to finish
up with six inches of fraternal Steel between the shoulder
blades.

We would welcome to the Conservative Party the serious

Social Democrats who believe in an enterprise economy

and a strongly defended Britain; and the real Liberals

who believe in liberty. Work with us. Share our dreams.

Help us build Britain's future. Then is a bet still had been short the fortenis have short fully building have short that the fortenis have short that the fortenis short when I am asked what we have achieved so far, it seems

to me neither very difficult to understand nor very sophisticated to explain. What we have tried to do is to re-establish at the heart of politics a handful of simple truths.

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Sound morey.

FIRST, sound finance is vital. We said that no economy can thrive where the currency is debased. We said that no society can be fair or stable where inflation eats with the savings, and redistributes the pounds in everyone's pocket.

That is a battle which never ends. And that's why, year after year, we have to fight to see that we spend no more than we earn.

SECOND, men and women need:

of what you earn; and

ii) the security that goes with ownership.

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So as economic growth has taken off, we have tried to

put tax cuts ahead of more public spending. And until

we have provided incentives at every level of earnings,

that will remain our order of priorities. People earn

more than they did under Labour. And they keep more

of what they earn. But we haven't reached the end of

the road of tax cuts and tax reform. Not by a long

way.

Home ownership has soared, and share ownership with the legislative battle every inch of the way. Against Labour opposition. Against Liberal opposition.

Does the Labour Leader now applaud what has happened?

Is he pleased that so many families have the same right of ownership as he.

Does the Liberal Leader welcome it? Now that it has happened, now that it has proved so popular, is it the sort of liberal, liberating measure of which the Leader of the Liberal Party approves?

Political slogans don't always coincide with political actions. For years we've talked about wanting to create Conswalers have a property-owning democracy. Looking back, I wonder whether we did as much in those days as we should have done to achieve that goal. I don't believe anyone will be able, in the years ahead, to make a similar charge against us.

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Privatisation continues apace. And what an amazing example we have given the world. Privatisation features in countries as far apart as Togo and the People's Republic of China. In the United States and in France, in Tanzania and in Senegal, governments are following our example. It is

the spring-tide of the people's capitalism which is sweeping away the remnants of marxist socialism.

The main elevent

THIRD, encouraging free enterprise is vital if we want to create the wealth for a prosperous future.

There's nothing very original in that. It's an idea eloquently developed by economists and philosophers over the years; an idea which has, when put into practice, shaped the political institutions of free societies and brought unimagined wealth to countries and continents.

But it's a profound truth which, perhaps because of its very clarity, we forget from time to time, forget at our peril.

With growing enthusiasm and commitment, we have rediscovered this old truth, in Britain and abroad too. We can even hear faint and distant echoes of our arguments in Moscow.

What price Socialism in Britain, when Mr Gorbachev doesn't seem too keen on its results in the Soviet Union.

But look at the results we have achieved - price stability; tax cuts; ownership; enterprise. There is a new spirit of individual initiative.

Thank heavens, our economic rejuvenation has begun to

cut into the unemployment figures. Since we last met, lutrum

unemployment has fallen at record speed - by over 400,000.

in the last year. We fought unemployment by letting

resulting

new ideas and new industries have their chance. There

and newed

are more jobs because our industry to more successful.

Winning markets is the way to creating jobs.

Britain'

Economic success has enabled us/to play a more prominent and creative role in the world at large, arguing forthe same approach to the world's economic problems that has helped us tackle our own. International bankers, the Finance Ministers of other nations, all listen to you a lot harder when they owe you money rather than the other way around. We are now the second biggest investor in the world, the model of a stable economy. This is why Nigel Lawson has been able to play a leading role in helping to tackle the world debt crisis. the years ahead, we shall be in the vanguard of the fight to roll back protectionism and to secure free trade. We shall be fighting for the steady reform of the food and budgetary policies of the European Community. A strong Britain counts again in the world.

I sometimes wish some of our commentators also kept
up to date with their ideas, and especially their ideas
about Britain. They should recognise, as the world
outside is doing, that Britain is a changed nation these
days.

The old Britain of the 1970s, with its endless strikes, poor productivity, low investment, winters of discontent, above all its gloom, its pessimism, its sheer defeatism - that Britain is gone for ever.

We now have a new Britain, booming, confident, optimistic, rejoicing in its economic strength - a Britain to which foreigners come to admire, to imitate, to invest - A Britain whose people own their own homes, are acquiring the control of a stake in their economy, are exercising the expanded the own of choice now open to them. We now have a Britain to be proud of again.

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And I have pointed out where the path has led. But

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we dig in. Our last Election victory was but a staging

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We move on - applying the same principles - on to even more challenging ground.

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