



## “AN ABC FOR CONSERVATIVES”

Extract from Speech to the Surrey Chambers Of Commerce, County Hall, Kingston

20 May 1997

I value direct speaking, and I hope you will forgive me if I am very direct this evening.

We meet less than three weeks after the political flood which swept away the Conservative Government. I am pleased to note that the tide ran in a different direction here in County Hall. May 1st destroyed a Government, but it did not destroy the achievements of the last 18 years. In my view the electorate quietly, almost gently, showed the Conservative Party the door on the grounds that a fifth term was unhealthy for British democracy. It was this feeling which fuelled the tactical voting which gave Tony Blair a majority of 179 on the basis of fewer votes than John Major took in 1992. I do not believe that this was an ideological election. The Labour Party has accepted many of the Conservative policies repeatedly endorsed by the British electorate over the last 18 years. What was rightly punished on May Day was the arrogance of a political party which had begun to assume that it had a right to perpetual power. That arrogance led it to indulge in internal feuding and press-driven paranoia about Europe.

The parliamentary indiscipline that destroyed John Major has produced a Labour Government with a huge majority that will, I fear, rapidly develop authoritarian and centralising tendencies. It may be better than previous Labour Governments, but it will still instinctively want to regulate, to interfere and to manage everything. The Trades Unions are on hand to offer advice which all too often will damage British competitiveness.

I salute Tony Blair's success in helping us escape from the lunacy of a Labour Party in thrall to Karl Marx. It would be a tragedy however if his government then fell prey to a centralising Cromwellian joylessness. Roundhead puritanism will first and foremost bear down on the individual and the small company. If the raising of indirect taxation was the weapon of Conservative Governments determined to cut direct taxation, look to this Labour Government for the destruction of allowances of all kinds. Do not be surprised if in four years time you are operating in a more regulated, less competitive society with a higher tax take.

I see nothing in the nature of the Labour Party's victory on May 1st which is irreversible in one term - unless the Conservative Party chooses the arrogant option of refusing to listen to the electorate. There are two areas where my Party must make major changes.

We should never have allowed ourselves to become a centralising Party. Conservatives are traditionally and rightly suspicious of concentrations of state power. The next Conservative Government should build on its empowerment of local schools and hospitals by returning real power to Local Government and recognising that, along with some form of devolution for Scotland and Wales, this is a sensible continuation of the principle of subsidiarity that we welcome in Europe.

Whatever else the British Electorate was doing on May 1st, it was not sending a message of encouragement to the Euro-sceptics. Conservative ministers will not get their hands back on the red boxes until they can convince the country that they are wholeheartedly committed to making a success of our membership of the European Union. While worrying about thousands of votes going to the Referendum Party and similar single-issue eccentrics, the Tory Government was swept away by the abstention of millions of their supporters who found the sight of Conservative ministers dancing to Teresa Gorman's tune unconvincing and undesirable.

In opposition the Conservative Party needs to learn a simple ABC on Europe.

Accept Amsterdam, Build a British identity for the post-imperial world and Consolidate Competitiveness in the global whirlwind that our own policies have unleashed.

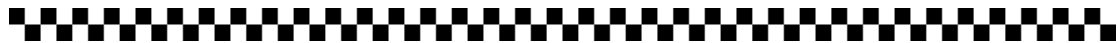
Just as the Labour Party learned the politics of acceptance during two decades of opposition, so the Tories must learn that the acceptance of the post-Amsterdam political settlement in Europe does not threaten our identity as a nation and is as irreversible as was the welfare state after 1950. It can be improved, it can be better managed, but it has become a fixed feature of the British political landscape. Those who advocate policies such as withdrawal from the CAP, knowing that they are incompatible with continued membership, show only how little they have learnt from the May Day defeat.

British energy should go into developing areas of British leadership in Europe of which defence, environment and the creation of global institutions are obvious candidates. Such policies need to be based not on Imperial nostalgia, or on dropping the Great from Great Britain. They should be based on a realistic assessment of where our national interests now lie as an economically successful, politically and culturally influential medium-sized power.

The unique British achievement of the last eighteen years has been to find a competitive formula involving de-regulation, privatisation and free trade which is the envy of our continental partners. This competitiveness needs to be consolidated not just here, but across the European Union.

In all this the role of business is clear. They must hold the Conservative Party's feet to the fire, and never again allow it to drift into rhetoric that threatens our place in the trading union that is our major weapon in defending Britain's commercial and political interests in a turbulent world.

I believe passionately that Conservative government provides a better environment for business than Labour. There can be no return to Conservative government until the Party faces up to the lessons of May Day.



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