

INTRODUCTION

My first words must be of gratitude to those who organised
this conference and looked after our security, bringing
us safely to this great mass meeting.

There are many here today who bear the scars of injury and
bereavement inflicted by terrorists when last year
they struck in the hours of darkness.

^{It}
~~They~~ remind us of the risks we take and will continue
to take for ~~real~~ freedom.

And I should like to say a word ^{about} our friend and colleague

John Gummer whose dedication and tirelessness in
those traumatic hours and for many days afterwards
~~invoked~~ ^{won} universal admiration.

~~And Penny backed him all the way.~~

We thank him for his years of chairmanship of
our party, for his unfailing sense of duty and
loyalty and wish him well in his new work as a
member of our Ministerial team.

It is ten years ago since I first addressed this conference
as leader.

In the ^{town} Same ~~city~~.

In the Same hall.

From ^{the} Same platform.

Insert 1
Give them
~~But~~ Much ~~else~~ has changed.

It had to.

Insert 2

Earlier ^{government} ~~administrations~~ had so often failed to tackle
the real problems that afflicted us - then known ~~as~~ ^{the}
as the British Disease.

(6)

The question ^{so many governments} they asked was "will the medicine taste
all right" - not "will it work".

(5)

^{every} ~~So~~ all efforts ^{was} ~~were~~ made to find a way of avoiding
difficult problems rather than ^{dealing with} ~~confronting~~ them.

Jump up to

~~You will recall that ^I in the wake of our ~~own~~ defeat in 1974
the main question was not could Conservatives
govern well?~~

But could Conservatives govern at all - a question
which went to the very foundations of democracy.

WHAT WE COULDN'T DO BUT DID

~~Remember it well.~~

~~There was some cynical soft convenient consensus that~~

*They all said it
We were told*

~~You couldn't reform the trade unions - their leaders
wouldn't let you.~~

① *That's why we did it.*

~~You couldn't stand up to a coal strike - you'd be
beaten.~~

So we did - and we weren't.

→

~~You couldn't do without a rigid prices and incomes
policy decided by the leader of the CBI, the leader
of the TUC, and the leading members of government -
the big battalions behind closed doors.~~

So we did.

①

~~You couldn't do without exchange controls.~~ *can't do without ^{price rises} ~~exchange~~ controls - you'll get ~~inflation~~ ^{foreign exchange controls}*

②

But we did - and we got it done

~~You couldn't have laws in favour of council tenants~~ *can't give council tenants the right to buy the*

③

~~council would like it
purchasing their homes - because that would be~~

But we did and they wouldn't let it happen

interfering with local authorities.

So we did.

to say, well *You can't* *Post* *- the workers would then*
You ~~couldn't~~ denationalise some of the nationalised industries -

(4)
~~let alone give their employees precedence to buy~~
~~the shares.~~

But
~~so~~ we did. and they were surprised at the time

You couldn't really tackle inflation - put the nation's finances
on a sound footing.

So we did.

You couldn't really run policies to stimulate industry
to be competitive, enterprising and profitable.

So we did.

You couldn't reduce the penal rate of tax, or tax on savings,
income in surcharges and jobs.

So we did.

We were told - you'd never reduce major industrial
prices, which is a good thing.

But we did over half a century ago

~~And who was~~

Year.

And who was ~~the~~ other side

In May 1884 - ~~the~~ X ~~the~~
the side of the house to ~~was~~ sent to the house
The only ~~the~~ do in 1884.

~~Year~~

Within six and a half years -

- control had been dismantled
- // inflation down
- sustained good management of the nation's finances
- → industry and commerce producing more than ever before
- → personal ownership growing
- ^{on} overseas investment has multiplied more than six fold
and now bring us an annual income of £2.5 billion a
year - £180 per family.
- new businesses starting
- * for the first time in our history the number of companies
in Britain has reached one million.
- rates of income tax down
- three taxes abolished altogether [NIS, Savings Income
Savings Surcharge, Development Land Tax].

And I could go on.

The danger is that some people assume they can keep all
their benefits and at the same time have what is
reflation, larger budget deficits that would cure

unemployment.

I do not believe that Keynes, if he were still with us, would share this view.

JOB CREATION

Printing extra money would not increase output - it would increase prices, make industries uncompetitive before long and put more people out of a job.

For inflation affects every industry, all commerce and all those who work within it.

We have to struggle to get it down further to match the 2 per cent of Germany, Holland, Japan, whose goods find ready markets across Europe.

Job creation is founded on the success of British industry and commerce and all our policies, from knocking off NIS to cutting controls and putting low tax on people and profit, have been designed to help.

More jobs are being created, more businesses are being born - hundreds of little businesses - young people starting up on their own.

Look at the labels in the fashion world, at the names in the Top Ten records, the Top Twenty albums.

A lot are British earning not only money but prestige abroad.

Not to mention the many scientists and technicians
who are part of the technology revolution.

Europe's biggest difficulty is in providing sufficient new jobs
to prevent unemployment rising.

It is no small task.

Here the number of young people in the age group 16-24

① has gone up from about 7 million in the late 1970s
to well over 8 million today. [8½m?]

② ^{Li} Countries far ^{east} away who know ^{nothing} ~~nothing~~ of a welfare state,

or a Health and Safety Act, ^{put} have millions of

~~to work~~ young people ^{to work} producing and selling to Europe the very

goods we ^{use} need to produce in the engineering shops

of the West Midlands, the ^{Centric?} factories of

Lancashire and the shipyards of the Clyde and Tyne.

As if this weren't enough, we are in the midst of a new

③ round of innovation - the computer and the micro-chip.

Why have we been slower to adapt to these changes than the
United States - or Japan?

Mr. Chairman, when we work for the regeneration of British

industry we must not seek to rebuild the industry of a
bygone age.

Nor can we set standards of pay we cannot earn in
the market places of the world.

As consumers we choose value for money - as
producers we must ^{delimit it} ~~do the same~~.

A job creating culture must be our goal - a culture which gives

higher status to the men and women ^{us} ~~we~~ set up new
businesses, who create jobs.

A culture where entrepreneurs and engineers are
honoured as much as administrators.

A culture whose people believe their role is to
create jobs for others, not require others to create
jobs for them.

But we cannot just leave it at that.

David Young was the creator of the Youth Training Scheme -

now to be extended to two years.

YTS

It is an excellent scheme - I have seen it at work in

Glasgow, Chester, Wrexham, Surrey, Cornwall.

Young people, hardworking - everything an employer could wish.

~~And~~ we must train our young people.

It is absurd that in the *market* ? of unemployment

there is a shortage of skilled people for some jobs.

And we must look at *mobility* motability.

It's no use having unemployed bricklayers and electricians in one place and being unable to get them in another.

And industry and commerce could follow your own example

Mr. Chairman (Basil Feldman) and that of firms

like Marks and Spencers and carry out a rigorous

examination of everything they buy to see if it could

be better made in Britain.

We shall only crack the problem if every employer and entrepreneur

and ^{under} ? ¹ ~~and~~ trade union does its bit to help.

John Redwood

Do you remember that pessimistic and down at heel world we inherited in 1979?

Insert 2.

Do you remember Britain then?

~~The pessimistic world we inherited in 1979~~

The butt end of bad jokes around the world, renowned as the sick man of Europe.

~~The only thing we were good at exporting was the British disease.~~

~~It was a world where new hospitals and roads couldn't be built because the money had run out and where rubbish piled up in the streets.~~

~~We had pessimism in our soul.~~

Insert 2a

①

We mouthed the language of compassion but no longer had the wherewithal to pay for it.

②

We still went to international conferences but were no longer taken seriously.

~~We grew cynical about ourselves.~~

④

We expected Government to do more and more as we were prepared to do less and less.

Charity didn't even begin at home: it had to come
by giro cheque from Whitehall.

The businessmen, Ministers, senior civil servants and
professionals who should have led the nation opening
up more opportunities and possibilities, so often sank
back and made knowing comments about the inevitability
of decline or the terminal nature of our sickness.

② | We expected union leaders to hold their members and the country

to ransom.

~~We expected the lights to go out and the trains
to seize up in winter.~~

~~We knew we couldn't compete internationally
because the world was so unfair.~~

So why not print a few more pound notes and borrow
a bit more overseas to get us out of a fix?
Why not fudge another deal for a few more months
to tide us over?

E. R.
What a way to run a country!

When we said there was another way we were told there could
not be.

✓ Don't challenge trade union power - Labour's In place of Strife
showed it could not be done.

✓ Don't denationalise - it won't work.

✓ Don't abolish price and wage controls - you'll have even worse
inflation.

Don't rebuild private enterprise - profit is a dirty word.

Don't try to control public spending - wait for the international
bankers to force you to do that.

So many better notters held sway in the press, in the

administration, throughout the higher echelons of
business and commerce.

But we had the common sense of so many ordinary
British people behind us.

They understood that you have to dare ^{in order} to care.

So we enacted laws to give trade union members their rights
back.

We were told no-one would use them.

They did.

We were told it could not work in the public sector.

But it's beginning to.

We were told a coal strike would always bring down an
elected government.

It would always restore the power of trade union
bosses.

It didn't.

We set about returning public assets to their employees and
to the people.

We were told British Telecom was too big to sell.

It wasn't.

We were told a private British Telecom would exploit its customers.

Instead, service improved and real prices went down.

We were told that without price, dividend, wage and exchange controls prices would go up and the pound would go down.

Yet when we scrapped them inflation fell and the pound rose immediately.

And as we set out a better climate for business we generated higher profits.

And people saw that that led to record investment and is now leading to the fastest rate of new job creation in the whole of Western Europe.

So now it's vital not to let Labour take us back to that gloomy world of do nothing, go nowhere government control.

Can you see all those people from Bournemouth last week achieving the success for Britain that eluded them throughout the 1960s and 1970s?

It's a rum kind of army where the general is awarded a bravery medal for standing up to his own troops, and where they go on to vote him down nonetheless.

For the rest of Labour's programme is just self delusion and day-dreaming.

If I was a magician of course I would conjure yet another million jobs overnight.

If I was wonder woman I would crack every drug ring in Britain before supper on Saturday.

And if I was leader of the Labour Party I would think up some new ideas.

So let Labour picket and protest, let Liberals dream and

E. B.

dither, we have work to do.

It has to be not once, not twice, but three times a lady.

But we want to look forward - not back.

There is still much to do.

One thing cannot change - the unremitting battle against inflation.

A few months ago it seemed that our precious achievement of much lower inflation was slipping away.

Government borrowing had gone up by more than £2000 million as a result of the coal strike.

Foreigners lost confidence, the pound fell and prices started rising.

For five or six weeks complaints about the cost of living led my political correspondence.

We acted firmly but it was a salutary warning and one

↙ which the reflationists should take heed.

~~_____~~
Despite firmness in spending, we've been fair too.

During the recession and in the years since we have done better than other countries in protecting ^{r welfare} welfare programmes.

[Look at speech 2 years ago and Treasury brief - Germany and France delayed increased in pensions. France introduced hospital charges, etc.]

The health service has been safe with us and will be too.

There are real problems about how to pay for social security in the future.

There will be more pensioners at a time when the population of working age will fall.

Norman Fowler has told you of his review.

A word of warning about how others may present it.

They will distort and misrepresent every change we make.

They will play on people's ~~wishes~~^{hopes} and raise ~~them~~^{their} to expectations.

They will not be inhibited by the need to make the sums add up nor the wisdom of being fair as between the working population who find the money and the ~~wants~~^{needs} of the pensioners.

They will accuse us of being hard and uncaring just

because we are concerned that there won't be enough money to meet the country's obligations - unless we take corrective action now.

Tough and tender - I think was the phrase chosen at the other conferences.

But they'll cop out when there are tough decisions to be taken.

It is dishonest to pretend there is not a problem.

Even more to recognise there is a problem and then refuse to do anything about it.

The legislation to implement the reforms will come forward this coming session and should be completed by the end of July next year.

The matter of local authority rates will take rather longer, especially as we are considering the whole structure of local government finance.

It's so complicated that only a few Treasurers and few Finance Chairmen fully understand it.

It has been bedevilled by the first law of rating.

Every anomaly requires a remedy even it creates

if it creates 2
even more anomalies.

Environment Ministers are busy writing a saga called when the anomalies had to stop.

It will require a genius on their part to complete
and forbearance on the part of other Ministers
not to start the network of complicat^{ions}ers again.

I trust that both will be forthcoming.

The Green Paper is due out about this time of the
year.

EDUCATION

is deeply concerned about the education

Years ago, when I was Secretary of State for Education,

of our children.

I worked above all to try to raise the standard of education.

But so many in the service were more concerned about the organisation of schools, or the money spent per pupil and the proportion of teachers to pupils.

Today, more money is being spent per pupil than ever before

and there are more teachers proportionate to pupils than ever before.

~~And yet all is not well in our~~

And yet there are still as many if not more problems than ~~ever~~ ^{when I}

~~before. was best that for education.~~

The position with teachers causes us great anxiety.

The burden on heads and deputy heads is enormous and the strains are evident.

~~So often~~ ^{So often} there have been ~~disputes~~ ^{disputes} about the precise ^{by} definition of a teacher's ^{work} duties, ~~school meals,~~ ^{what} ~~the~~ ^{is expected to do - class etc.}

seeing parents, extra activities, ~~that~~ it seems

eminently sensible and reasonable to set them ~~down~~ out

and agree them. *with the teachers*

And as above all we want to raise standards in education,

it is ^{surely} wise to introduce a system which will pay better

teachers more.

On that understanding

~~For that purpose~~ £1,250 million of your money has been

pledged in ~~the~~ pay over and above the annual

increases.

*By that would mean for the lowest
for a year and 4% of pay for a
response of £7,500 to the highest level*

The negotiations are complex because Government is

not the employees ^{are} but local authorities and so we

cannot communicate directly with every teacher.

*£24,000
- that 7
- by
- nearly
- school.*

[outcome of negotiations]

*I really think
the Labour position ~~about~~ regards
£20,000 as the def- of the rule - that
to be settled, for 2 levels - the middle
~~the~~ I do not
agree and I don't suppose teachers do either
But I most earnestly hope this ^{should be}
settled. For ~~it is a bad one~~ ^{it should be}
settled by example rather than a bad one.*

White

Parents in many of our schools in ~~shire counties~~ and outer cities ^{all} seem ^{will continue} ~~very~~ satisfied with the education their children are receiving.

~~But~~ the story for some ^{especially} of the inner city areas is very different.

~~Parents~~ are ^{often} worried about the ~~poor~~ quality of the ~~teaching and learning in the schools,~~ the poor examination results; the absence of good discipline and behaviour; the trauma which quiet and sensitive children suffer; ~~the perversion and destruction of values and attitudes which we regard as fundamental to our culture and civilisation;~~ the politicisation of education and attempts ^{some} by local education authorities to control the curriculum and to use it for political ends.

Talk of parental choice and appeal committees sound pretty hollow to parents who in reality only have equally bad schools from which to choose.

That this should happen in any school in Great Britain is disturbing.

But there are concerned parents across the country who have felt their worries are ignored and because of intimidation have found it hard to let their anxieties be known.

Added to that, some teachers have to deal with ~~highly~~

~~difficult~~ ^{and} and disruptive pupils making their task ~~impossible~~ and ^{exhausting} ?

Moreover, when they take disciplinary measures they do not always receive the backing from the LEA which they deserve.

There is hope. ^{for}

~~Used to~~ ^{Some} Headteachers, teachers and parents are speaking out - ^{they believe} our schools are for teaching and learning and to set standards which may last a lifetime.

^{Sullivan is giving her current attention to this to the worry of, let's say - - - -}

I always think of what a character is one of Sulus stories said:

"I would awaken or keep alive in their ^{the children} memory the things that we have been, the grand, brave things

that some of our race have done, and I would stir up
a longing, a determination for the future that we
must win back."