MODS -v- ROCKERS

Tessa Keswick has set us two separate questions this evening which are all too often muddled up. Is it right for the Conservative Party to modernise? And does modernisation mean becoming libertarian? I want to tackle each of these questions in turn.

The question of how far the Party should modernise has been captured in this vivid image of mods versus rockers. But it is a long-standing issue for any Party which calls itself Conservative. Disraeli in 'Conningsby' put his finger on what he called 'the awkward question' of, 'what will you conserve?'. Many Conservatives will instinctively approach the question in the spirit of Palmerston who responded to a proposal for radical reform with the riposte: "Change, change, aren't things bad enough already?".

My own view is unambiguously that the Party is right to modernise. William Hague WAS right to offer a fresh start when he was elected as leader after our landslide defeat in 1997.

What does 'modernisation' mean? At its most trivial it simply means that we in the Conservative Party are part of a culture which itself is changing. We are not some outsiders with a tenuous relationship to British society. We are the

representatives of Middle Britain and as the way in which people speak or dress or indeed their sexual mores change, so will the Conservative Party change as well. We do not sound and dress like Conservative politicians a generation ago any more than BBC announcers do. We should not be uncomfortable with these changes, we should welcome them as part of living in a dynamic country which is not some dusty fossil. After all, it was Thatcherism which did more than anything else to break open the fusty snobbiness of our country and we would look pretty stupid if we did not accept the consequences of our own policies.

There is a further and deeper sense in which the Conservative Party is modernising. The problems which we need to tackle are changing. Back in 1979 Margaret Thatcher came to power to tackle a problem of economic decline that many feared was irreversible. Her programme has been a triumphant success. When we came to office in 1979 Britain was the sick man of Europe. When we left office in 1997 we were Europe's most dynamic and flexible economy. But we became so preoccupied with addressing Britain's economic problems that we ended up sounding like the economics party, shining a searchlight beam of economic analysis on every problem. And that meant the electorate thought we sounded a bit like the cynic in Oscar Wilde's epigram who knows the price of everything and the value of nothing. Now, new issues are to the fore - constitutional reform, the role of national identity in a globalised economy, how to tackle the appalling social problems that have

followed on from the fragmentation of the family. These are all important questions on which Conservatives have as much to say as we have on the economy. Part of the eternal challenge and excitement of politics is that we are always having to face these new problems. That a further meaning of modernisation - as the electorates' concerns shift, so must the Conservative Party shift as well.

A leader in the Daily Telegraph warned about compromising with what it called the Blairite zeitgeist. And certainly there is nothing more excruciatingly embarrassing than a bogus attempt to ape manners and customs which are not really yours - the trendy vicar syndrome. Nor am I talking about some elusive and fanciful rainbow coalition. But that editorial in the Daily Telegraph was preceded by a two-page feature on the success of the British pop group, Radio Head. I find myself sharing many of the political views of Charles Moore but I also enjoy the non-political pages of the Daily Telegraph . The Daily Telegraph has changed its reporting on culture and arts, the style of its City columns, its sports reporting, very radically in the past ten years. All we are asking is that the Conservative Party should be able to change in the same way.

After we were defeated in 1997 I went back and studied how the Party had responded to our two previous landslide defeats in 1906 and 1945. The CPS published the results as a pamphlet, *After the Landslide*. Those two previous

landslides convinced me that the traditionalists who do not believe the Conservative Party should change do not, paradoxically, even have history on their side. The Conservative Party which won office on its own in 1922, sixteen years after its defeat in 1906, had changed profoundly. Bonar Law had told the Party Conference brutally in 1917 that "our Party on the old lines will never have a future in the life of this country". Similarly, after the 1945 election, the Party changed radically. This time the process of change was deliberate and managed and perhaps as a result we were back in office after six years rather than sixteen. But again, change we did. So modernisation is not some break with Conservative history - modernisation is what the Party does, especially after a landslide defeat. It is why we have been the Western world's most successful and long-lived political party. So long as we carry on responding to the stimulus and excitement of changes in our culture and our society whilst remaining true to our basic principles, we will enjoy a third century of political success.

If anybody is reluctant to accept this message of modernisation it may be perhaps because they confuse it with the very different second question which is also on the agenda tonight. Is the future of the Party libertarian? Let me confess that I once was pretty much a libertarian. My interest in politics began with the excitement of the pamphlets of the IEA and as a free-market follower of Hayek and Freidman. But I have ended up as something rather different - a

Conservative. In my case that means a free-marketeer with children. I am not a libertarian.

There are two strands in the British political tradition which have been held in creative tension by the Conservative Party throughout its history. On the one hand there is the excitement of freedom, choice, mobility, and opportunity. It is the world of the consumer in the market place where the only rules are abstract and minimal. On the other hand there is a different strand of order, tradition, belonging, and roots - our sense of community embodied in institutions which are far bigger than any one of us which go back long before us and will still matter long after we have disappeared. It is a tension we all feel personally as well. Each one of us in our own lives is trying to balance these two conflicting pressures. Do you move house to get a better job if it means leaving your friends and disrupting your child's education? Do you drive to the out-of-town superstore or do you pay a bit more at the local shop? Do you split up from your partner when you are not getting on or do you think it is a long-term relationship which you should stick to through a rough patch?

These are not just personal questions: they are at the heart of much political theory. It is the tension between 'Gesselschaft' - the anonymous structure of transactions and rules in a modern free-market society - and 'Gemeinschaft' -

the close ties of community where understanding do not have to be explicit because they are so deeply shared.

These two principles can both be traced far back in the tradition of Conservative thought. The excitement and dynamism of Conservatism is generated by a creative tension between these two principles: our belief on the one hand in individual freedom, private property, and the market economy; and on the other hand a commitment to maintaining the institutions which old our nation together.

Michael Gove has been writing about these tensions recently because globalisation throws them into sharp relief. Is the world of international commerce a threat to distinctive national cultures that we want to sustain? But these dilemmas have go back long before globalisation and the Conservative Party has responded to them in different ways at different times.

Disraeli made his political reputation as an opponent of free trade. He went on to establish the Conservative Party as the party of Empire. But he did not make the mistake of trying to make the empire a protectionist economic bloc. Let me give you an example. In the first Budget of his new Government in 1874 he faced the dilemma of whether or not to abolish the sugar duties. They put up the price of sugar for the working man whom he had enfranchised and

interfered with the free operation of the market. On the other hand, the sugar duties protected the economies of the British West Indies, an important part of the Empire. He went ahead and abolished the sugar duties: cheap sugar for British workers was more important than the Empire.

Baldwinian Conservatism was very different. It was protectionist and corporatist. It was about big corporatist blocs that were safe from the pressures of international trade and competition. At the same time there were beautiful, lyrical if not rather elegiac speeches about Englishness influenced by Baldwin's cousin, Rudyard Kipling, and written by Arthur Bryant. It was Baldwin who first used the expression "One Nation" in a major political speech:

> 'I want to see the spirit of service to the whole nation the birthright of every member of the Unionist Party - unionist in the sense that we stand for the union of those two nations of which Disraeli spoke two generations ago; the union among our own people to make one nation of our own people at home which, if secured, nothing else matters in the world.'

After the War the Conservative Party moved once more to embrace the market. The Conservative Government decided for example to bring in commercial

television in the 1950s and break the old Reithian monopoly. Cultural Conservatism was abandoned in favour of enterprise in the market and choice.

Both themes co-exist within Conservatism but they will not have equal weight at any one time. The relative weight we attach to each one will depend on circumstances. Burke put it as well as anyone: 'Circumstances (which some with gentlemen pass for nothing) give in reality to every political principle its distinguishing colour, and discriminating effect. The circumstances are what render every civil and political scheme beneficial or noxious to mankind.'

So as I look at the balance between these two themes in Conservatism, the libertarian and authoritarian strands if you like, I judge them by the circumstances of today. As a practising politician I ask myself the following simple question. As people get fed up with Tony Blair's Labour Government, what do they dislike about it? Do they say that what we need is more good, strong laws, more state interference, more protection from the destructive effects of commerce and economic change? Or do they say that the trouble with this Government is its endlessly fussy and intrusive regulations, about moralising, the bossiness, the flow of new legislation.

I personally am in no doubt in my own mind that it is the second objection to this Labour Government which will drive them from office. It was once

observed that in Switzerland everything which is not forbidden is compulsory. I sometimes think that this Labour Government is taking Britain in the same way. There is a clear link between the lunacies of political correctness through to the burdens of regulation on business. People will turn to us to give them a break from the endless nannying and interference made all the more offensive by the moralising tone of it all.

Let me offer some historical evidence in support of my argument. We know that Tony Blair dreams of reuniting what he sees as the British progressive tradition that was fragmented between Labour and Liberals at the end of the nineteenth century. In may ways his agenda has a lot in common with the agenda of the late nineteenth century progressives. That was before economics came to dominate the British political debate as heavily as it did throughout the twentieth century. More political argument was about constitutional change and social policy. It is quite instructive to look at how the Conservative Party responded to the Lib-Lab progressives of the late nineteenth and early twentieth centuries. Popular Conservatism in the late nineteenth and early twentieth century attacked late nineteenth century liberalism for its moral prissiness, intervening in the pleasures and freedoms of the working man. This was the robust Conservatism of the pub, the football match, and the betting slip. Conservative MPs, for example, were prominent in supporting or even owning local football teams in the newly-formed league. And then as women got the

vote, this argument was developed further. As one recent historian of Conservatism puts it, 'the working man's right to live as he pleased became the working class family's right to be protected from the unwarranted intrusions of an increasingly interventionist state'. So my view is that our electoral appeal must unambiguously rest on offering to give people a break from the pettifogging prissiness of this Government. Freedom, not authoritarianism, is what we offer.

It would not be right to leave it there however because the authoritarians, a term which I use because it appears in the title rather than because I regard it as applying to any of my colleagues, are responding to something real and pressing. As we look at the dreadful circumstances of the death of Damilola Taylor in Peckham, it is absolutely clear that the old agenda of ever-more expenditure on the welfare state has got nowhere. You cannot understand what has gone wrong in Peckham without understanding the collapse in authority in our schools and the moral emptiness that is caused when it seems almost impossible to sustain a stable family life. The biggest deprivation in Peckham is not material, bad though that may be, but moral and cultural. It is the absence of stable families and any sense of a moral order which is the real poverty there. And that is what gives force to the so-called authoritarian tendency. They are moral re-armers who want to use the instruments of the state to help prop up a moral framework which now looks all too dangerously fragile.

I understand the power of this appeal and it comes from the noblest of motives - genuine concern for the plight of some of the most deprived areas of our country. But I just do not believe that the state and government is an instrument that is very good at delivering such moral renewal. Indeed I would go further and say that big government and big state and ever more ambitious legislation has been part of the problem and is not part of the solution.

We do need stronger institutions that help strengthen the moral fabric of our society. But I do not believe that that can come from national initiatives. It is the local school, the local doctors, even the local charities, who can do far more. They suffer if they are instead merely on the receiving end of instructions from Whitehall. It is what I have called in the past Civic Conservatism and it is why William Hague is rightly looking at ways in which we can encourage local provision of welfare, particularly faith-based welfare, as an alternative to centralised state control. That is the best way to tackle the legitimate and understandable concern many people have about the moral state of our country.

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