



10 DOWNING STREET

20<sup>th</sup> March 1930

Dear Sir,

Thank you so much for your letter of  
17<sup>th</sup> March, with which you enclosed the  
text of your speech in Cambridge on the  
following evening.

I admire, in particular, page 18.

Yours,  
C. I.

The Rt. Hon. Sir Eric Gilman, Bt., M.P.

GILGOUR, D.P.



HOUSE OF COMMONS  
LONDON SW1A 0AA

Friday.

Dear Sir,

I thought I should  
send you the enclosed, more especially  
as the Paris Review is mentioned  
from time to time. Yours —  
G

1980

Speech by the Rt. Hon. Sir Ian Gilmour, Bt., M.P. to  
the Cambridge University Conservative Association  
on Saturday, November 8th at 8.0 p.m.

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R.A.B. Butler and the continuity of post war Conservatism.

I need not say how honoured I am to have been asked to speak on this occasion which celebrates the 30 years of Lord Butler's Presidency of CUCA. My chief qualification for doing so is of course that I did not go to Cambridge.

Just as in the 19th Century the only way peace could be brought to the quarrelling Christian sects in Jerusalem was to have a Moslem in charge of the Christian Holy Places, so presumably while the flower of Cambridge post-war Conservatism is gathered together in honour of RAB Butler the appropriate referee - which is a dangerous job these days - is an infidel from Oxford.



RAB became President of CUCA thirty years ago. But already before that some of his most important work had been done. I am not referring to his 1944 Education Act, important though that undoubtedly was, but to his work in opposition from 1945-1951.

Many people today seem to think that the Conservative return to power in 1951 was somehow foreordained, part of the nature of things. This was not at all how it seemed at the time; nor in retrospect does it seem at all inevitable.

For one thing the Labour Government of that day contained many figures of great stature; and although that Government made some serious mistakes it had some very considerable achievements to its credit. Indeed if Mr. Attlee had not from his point of view chosen the wrong time for the Election



both in 1950 and 1951, it is unlikely that the Tory Party would have got back.

But even without those mistakes it is quite certain that we would not have got back had it not been for the efforts of RAB, Oliver Stanley, Harold Macmillan and many others, under the leadership of Winston Churchill, to make the Conservative Party acceptable to the voters.

The Tory Party was blamed for the mass unemployment before the war, and it was blamed for the war. I am not saying that what the electorate thought was right or fair. I am merely saying that that is what the voters thought. It was largely due to Lord Butler that the Party overcame those handicaps and just scraped into office at the second attempt.

For many years, then, RAB was recognised, and rightly recognised, as one of the chief architects of post-war Conservatism and of the success of the Tory Party since 1945.

But times have changed. And I dare say he was rather startled to learn not long ago that virtually everything he did for the Tory Party and for Tory government in the post-war years was seriously mistaken; that the Party and government in those days got it all wrong.

We have recently been told, more than once, that post-war Toryism was an extraordinary episode, an aberration from the true course of Conservatism, if not a betrayal of it. In the post-war years, apparently, false trails were diligently followed and delusions embraced with enthusiasm.



The aberration, or the espousal of delusions, was according to one interpretation largely caused by a failure to pay proper attention to the quantity theory of money. There was also, it has been claimed, an inexplicable inability to notice that many of the population did not belong to Trade Unions or to big business. As a result Toryism found itself on alien and treacherous ground.

This view of the post-war years is, I need hardly say, both historically untrue and philosophically absurd; and I hope that Conservatives in twenty or thirty years time will take a more charitable view of the present Conservative Government than the fashionable ideologues of today take of RAB and the post-war Conservative leaders.



This view is, as I have said, historically untrue because it ignores the connection between pre-war and post-war Conservatism, because it ignores earlier Conservative thought and action, and because it ignores the prominence in the Party before the war of some of the leading post-war Conservatives.

Apart from its other difficulties, therefore, this theory implies either that Churchill, Butler, Eden, Macmillan, Hailsham & Co. were never Conservative at all or that after the war in a collective act of amnesia they suddenly forgot they were Conservatives and acted accordingly. Neither possibility seems wholly plausible.

The view is also philosophically absurd since it assumes that the policies and doctrines of today are not only suitable for the eighties but

could also have been suitable for the forties, fifties, and sixties and presumably for all other ages as well. This static view of politics and of Conservatism is profoundly untrue and deeply unconservative.

The policies and ideas of RAB Butler in the forties and fifties were designed to deal with the political and economic conditions of those days. Similarly the Conservative policies today are designed to deal with the problems of the eighties: inflation and stagnation. That damaging combination was unknown in the immediate post war years, and the political circumstances of today, like the economic conditions, are very different from what they were thirty years ago.

It is a barren activity for people to seek to rewrite history in accordance with their current economic dogmas, especially when they did not hold those dogmas at the relevant time, and probably will not hold them for very much longer anyway.



So far from RAB and his colleagues having got it all wrong, we are today celebrating the most successful Conservative Chancellor since the war. Like Geoffrey Howe today, RAB Butler was faced with horrendous problems. As he himself put it in 1953, 'the path of restrictions has been so firmly fixed in people's minds that it tends to be regarded as the inevitable line of conduct.'

He magisterially took the economy off that path, and was able to undo much of the damage done during the years of war and socialism. He used almost every available weapon. In those days monetary policy was out of fashion. RAB reintroduced it, and Bank Rate which had remained at 2% since 1932 was raised in stages. But his ideal was expansion, which he summed up in his famous promise that the standard of living could be doubled in 25 years, and which he believed could only be achieved 'if the fresh winds of freedom and opportunity were allowed to blow vigorously through the economy'. Indeed Mr. Sam Brittan thought in 1964 that Lord Butler's policy had been excessively laissez-faire. But his ambition was to use to the full all the human and material resources of this country.



I said that he used almost every available economic weapon. He did not use incomes policy. Instead he suffered from what Harold Macmillan in his autobiography called the industrial appeasement of Churchill and Monkton. Indeed the first Conservative Chancellor to try to have an incomes policy was Peter Thorneycroft. I mention that only to demonstrate that post war history is less simple than some people imagine.

But, simple or not, there is surely something inherently nonsensical about Tories of all people seeking to cut themselves off from their own past. Some even talk as though Harold Macmillan was responsible for Britain's inflation. Time lags are very much "in" nowadays, but a lag of 15 or 20 years stretches credibility.

Every Conservative government since the war has been confronted by two intractable problems: low productivity and inflationary wage claims by the trade unions. The extent and context of these problems have varied, world conditions have altered, and different solutions have been tried. But there has been a great deal of continuity.

Every Tory government has wanted an increase in wealth without inflation. Every Tory government has sought to help the least well off. Every Tory government has sought to make British industry more competitive. Every Tory government has sought to curb excessive wage claims. Every Tory government has encouraged the ownership of private property. Every Tory government has been fully committed to NATO and to the defence of the West. One could go on and on, but I will spare you.



The Republican Senator Borah said in 1923 "Any man who can carry a Republican primary is a Republican ... He might believe in the Communist State, in the dictatorship of the proletariat, in the abolition of private property, and in the extermination of the bourgeoisie; yet if he carried his Republican primary he would still be a Republican'.

That is going a little far.. But he had a point. To go heresy hunting into the past is an activity much better left to our opponents.



After the last speech I made in this university, I was accused by that very distinguished author and journalist, the editor of The Times, William Rees Mogg, who is a close friend and admirer of RABs, of having 'a nauseous distaste for economics'.

Well, that is an accusation I can live with. It is better than being accused of hating dogs, or cats or babies. But in fact I do not have any such prejudice.

But economics, like politics, is not a science. It cannot be, because the human element is too large. One is always unwise, therefore, to take the current wisdom of economists as gospel truth. After all we have seen that wisdom alter often enough. And it is anybody's guess when the economic fashion will change. I would guess that it won't last half as long as blue jeans or beards. As John Biffen said the other day, we are 'deeply agnostic about certainties in politics or certainties in economics'.

I think it was Harold Macmillan who said the economy was not a motor car, it was more like a horse. And that is why economic sages are necessarily

more like racing tipsters than scientists and their views should be treated with sceptical attention rather than with pious agreement or enthusiastic support.

Economists and those connected with the craft tend to be red. Either they are red in the Socialist or Communist sense: free enterprise has failed and everything therefore must be brought under the control of the state; this inevitably leads to political tyranny and economic failure. Or they are red in tooth and claw like nature: everything has to be left to natural economic laws; there is no scope for mitigating the rigours of these laws by political means in order to prevent or lessen the social and economic hardship they cause; any political interference is futile, self-defeating and blasphemous.

Both shades of reds ignore the experience of the last 150 years. The red 'Socialists' ignore that free economies have worked infinitely better than



Socialist ones and that wherever they have been tried Socialist and Communist states have been disastrous both economically and politically.

The red 'naturists' ignore that economics have been successfully affected by politics for more than a century and that those economists who 'proved' that the country would go bankrupt if women and children were not forced to work for more than 10 hours a day were hopelessly mistaken.

Conservatism of course avoids both sorts of reds. Unlike Mr. Benn, we do not seek to abolish the laws of arithmetic together with the laws of the constitution and all other laws that are an inconvenience to him. But economics, or rather the prevailing economic fashion, are not our sole and absolute ruler.

Just as politically we believe in authority but believe in liberty as well, so we realise that while



there are rules of economics to be observed they do not all point infallibly in one direction with no deviation to right or left. There are always choices open to us and there are always choices to be made. We are not an economically determinist Party, still less a financially determinist one.

Keith Joseph's assertion that 'monetarism is not enough' is in danger of being quoted even more often than Disraeli's remark about our being a national party. But the government has acted in accordance with it by giving money to British Leyland, to Harland and Woolfe, to Inmos to the Meriden Co-operative, and to Dunlop, and by propping up the steel industry. Needless to say none of this adds up to anything approaching a U-turn; nor will there be such a manouvre. But the normal process of government involves adaptation of policy: the baby has to be preserved while the bath water is run away.

One of the main messages of Conservatism to this day is that politics and economics are indissolubly joined together.



There has been a striking absence of convincing thought on political economy since Keynes. In limited fields much valuable work has been done, but only in limited fields.

This absence of political thought is of no great loss to us. Our ideas and actions are grounded upon experience and common sense. But absence of political thought for the Socialists is like absence of meat and drink.

As a result of it, and as a result of the complete failure of the last two Labour Governments, the Social Democrats have been left naked in the Labour Conference Hall.

They have nothing to say, nothing to propose, nothing to do. The political arguments which they advanced with such certainty during the 1950's and 60's have been destroyed not only by events but by the Conservative case deployed against them. We have won overwhelmingly the battle of political ideas over the last few years. This has been primarily due to Margaret Thatcher. She has never been afraid to argue from firm principles, and she has shown a remarkable ability to translate complicated political propositions into simple, comprehensible language. This has been strikingly effective both here and abroad. She has not been content merely to defend. She has taken the argument into the enemy camp and made off with their tents.

Of course the Social Democrats have to go on calling themselves Socialists in order to stay in the Party. But as the whole point of their disagreement with the left wing activists is that they do not, to give them their due, actually believe in Socialism, the mindless repetition of the word Socialist deprives their utterances of any serious meaning.

Mr. Benn and the far hard left wing have reacted differently to the absence of political thought. Mr. Benn has noted the failure of the two Labour Governments of which he was a prominent member. But he refuses



to recognise the far greater failure of the far more left wing Governments elsewhere. He is like a man who runs out of a house when he smells smoke and rushes back in again when he sees flames.

Mr. Benn and his followers are not modern whizz kids looking forward to the 21st Century. They are old fashioned fuddy duddies encrusted in ancient dogma looking back to the 19th Century. There was some excuse for people who thought like Mr. Benn a hundred years ago. Marxism and other variants of Socialism had not been tried, and, despite its obvious theoretical flaws, there was, arguably, some remote possibility that it might work in practice. There is no such excuse today. Marxism has been tried and has been an evil and catastrophic failure.

The retreat of the sensible part of the Labour Party into a vacuum and the reversion of the rest of it to a Marxist second childhood presents a great opportunity and two dangers to the Conservative Party.

The first danger is that we might behave in some ways like the Labour Party. It is one of the quirks of two party systems that either by attraction or by repulsion the two parties often behave similarly. In the fifties the success of the Tory Government and RAB Butler's moderate policies and the success of free enterprise made the Labour Party much more moderate than it had been before. With the Labour Party breaking the consensus in the early 1970s and then moving ever outwards, there has been little possibility since then of creating a new national consensus that includes at least the more sensible members of the Labour Party. In consequence there has been a temptation in some quarters to go back to the 19th Century in search of allegedly eternal truths instead of seeking to adjust our ideas to take account of changing economic and political realities.

The second danger is that even a Labour Party which is manifestly unfit for government and indeed for every other activity might still win the next Election, because the voters customarily vote against the government of the day rather than for the opposition.



If the economy has not recovered by 1984 - even though it is not the Government's fault and is the result of world conditions - it is not impossible that the electorate will vote for a change, however unattractive that change is likely to be. And events at the Labour Party Conference and during the last few weeks leave no room for doubt that the change would be very unattractive indeed.

The opportunity is the obverse of the dangers. Despite the economic difficulties we have an unrivalled chance now to create and occupy a new Conservative middle ground, to be even more of a national Party than ever in the past.

But to achieve that we shall have to find an answer to the problem of unemployment. We all know that unemployment doubled under the last Labour Government. Michael Foot and other socialist Ministers continually said that the current level of unemployment was 'intolerable'. And what did they do? They tolerated it.

We also know that had Labour won the last election unemployment would have sharply increased. Yet neither the deficiencies of our opponents nor the world recession absolve us from trying to deal with what the Prime Minister has rightly called a 'human tragedy'. As she said, 'human dignity and self respect are undermined when men and women are condemned to idleness. The waste of a country's most precious assets - the talent and energy of its people - make it the bounden duty of government to seek a real and lasting cure'.

There are no simple solutions here or anywhere else. Indeed post war Toryism has been most successful when it has not sought simple solutions. But for the reasons the Prime Minister has given and also for party reasons - the need to build a new consensus - we have to make a determined and sustained effort to slow down and then reverse the growth in unemployment. Of course it does not all depend on us. The unions must behave with sensible restraint.



But we shall need to develop imaginative policies like the enterprise zones to encourage new jobs and renewed economic vitality in the most depressed regions of the country. We cannot allow ourselves to underrate the human tragedy of high unemployment and industrial decline. We shall need to press ahead as rapidly as we can with our efforts to widen educational and training opportunities, since we cannot afford to waste any of the talent and enthusiasm which are among the nation's most valuable natural resources. We must encourage effective links between the world of education and the world of work, between academic education and vocational training, between the development of knowledge and its application to productive and profitable activities.

Above all, we cannot allow our society to become permanently divided between a fortunate skilled minority who can get work and an unfortunate unskilled majority for whom the employment prospects remain bleak. If we did, we would risk the creation of a 'Clockwork Orange' society with all its attendant alienation and misery.

The Labour Party has never had a monopoly of compassion and care. Conservatism has always had a human face, though we do not care to flaunt it. The legitimate boast of every Conservative Government since the war has been that we looked after those who were hardest hit by economic and social forces beyond their control. We have done so for the sake of national solidarity and because of our Conservative sense of community. What we did before we shall of course do again.



RAB wrote in his memoirs of the 1945-50 period that the party had to convince the electorate that 'we had an alternative policy to socialism which was viable, efficient and humane, which would release and reward enterprise and initiative but without abandoning social justice or reverting to mass unemployment'. We no longer have to convince the electorate that we have an alternative policy to socialism. But as a result of what we inherited and the world recession, the difficulties we face today are as great as they have ever been in peacetime. There are once more vast problems to be overcome and a Conservative opportunity to be seized.

That is the challenge. In meeting it the Tory party will show that the influence of the man whose 30 years as President of CUCA we are celebrating tonight lives on. Lord Butler has had at least as much influence on post war Conservatism as any other individual. It is in large part due to him that the Tory party has been so successful - much more successful than similar parties in most other countries.

~~But~~<sup>Ami</sup> just as RAB Butler and the Tory party surmounted the obstacles to success after 1945 so we shall confront and overcome the dangers of the eighties. The presence of Adam Butler in Mrs. Thatcher's government is a happy reminder of ~~the~~ Tory continuity. Conservatism has evolved continuously over the years, and it is precisely in our ability to meet new challenges that our strength has always lain. The Tory party has not broken - and will not break - with its past.



I AM GILMOUR

8 November 1980

CAMBRIDGE UNIVERSITY CONSERVATIVE ASSOCIATION

We have won overwhelmingly the battle of political ideas over the last few years. This has been primarily due to Margaret Thatcher. She has never been afraid to argue from firm principles, and she has shown a remarkable ability to translate complicated political propositions into simple, comprehensible language. This has been strikingly effective both here and abroad. She has not been content merely to defend. She has taken the argument into the enemy camp and made off with their tents.

IAN GILHOUE

FRIDAY, 28 MARCH, 1980

ANNUAL GENERAL MEETING OF CHESHAM  
AND AMERSHAM CONSERVATIVE ASSOCIATION

First, our top priority is to beat inflation, and that has involved tough decisions to reduce Government spending. Without the cuts in spending, we cannot get down Government borrowing, and that would mean no prospect of a fall in interest rates. The Government did not accept that it is impossible to tackle spending, borrowing and interest rates, and that is why the sometimes painful measures in the Budget have been taken.



LAN GILMOUR.

7 February 1980

CAMBRIDGE UNION

It seems to me fairly clear that two of the reasons why we have fallen economically so far behind most of our competitors is that we have such a large public sector and we have a good deal more governmental interference in the economy than most of them. I believe we would do better if we had more of a market economy.