

The debate and the accusations about public spending will continue but we made our intentions perfectly clear during the campaign:

"Any future government which sets out honestly to reduce inflation and taxation will have to make substantial economies and there should be no doubt about our intention to do so".

We have to make economies ^{now} because the last government planned to spend money the nation had not earned. They seemed to revert to that time in 1976 just before the IMF was called in to take charge of Britain's affairs. We believe we can exercise our own self-discipline rather than have it imposed from outside.

~~Either we have to make economies or~~
Economies - we have to make them or you have to pay more in tax or more in rates or government has to borrow more and you have to pay even more in interest rates. That is the stark alternative. ~~We had to reduce the spending they planned to make.~~ In terms of what money will buy we have kept public spending where it was last year and next year we hope to keep it at the same level as this. But within that total we are spending more on police and defence as we were elected to do and we are proud of it. So we have to look for economies elsewhere. And there are quite a lot to be made.

/Did you know that

Did you know that the administrative cost of Central Government is about £6,000 m. a year - more than the whole of last year's revenue from VAT? ~~The~~ local authorities, although employing over 2 m. people already, took on a further 30,000 last year. Now, we believe in a highly effective, efficient and well-paid public service. But you will never get it by taking on more people to administer more regulations a lot of which ^{will} stop small businesses from getting more trade. Trade we must have if Britain is to prosper.

Have you ever looked at a P.45 form ?.....
Did you know that in the Treasury 1,700 sheets of paper are issued each month to each employee at executive level? That there are an extra 3,000 feet of files each year? Did you know that the cost of paying each week's pension across the counter to each person is 25p? And there are some 8 m. pensioners. These things and a lot more have been discovered by members of the Civil Service anxious to provide good management of the services they run, *and to do things better*

There are other bigger matters. We are challenged about the education service. Now I know a bit about that. And I know that you do not necessarily get better education by constantly spending more on it. If you did then by now everyone should be having a perfect education. Yes there will be reductions in education spending. But look at the facts. Today there are about 9 m. pupils in school. In 4 years' time there will be only 8 m. and probably a lot fewer by the end of the decade. So you would not expect to spend as much on 8 m. pupils as you would have on 9 m.

/Let us look too

Let us look too at the numbers of overseas students in our universities and colleges. Personally I believe we should take in a reasonable number because we have a duty to do so and they take our traditions back to their own country. But we cannot go on taking more. In my time we had some 68,600 overseas students in college and university. Now five years later there are 116,000. Look too at school meals. In the last year of Labour Government they cost on average 54p. each. Of that, only 17p. was spent on food. The rest went on overheads. That is why both we and the local authorities want to look at the school meals service.

We are criticised for cutting out waste and making economies but we are not the only government that in the light of falling school numbers has had to plan reductions in expenditure. Many of you will remember the debates over teacher training. When I ceased to be Minister of Education, there were some 114,000 students being trained to be teachers in the colleges. The last Labour Government took the view that the numbers had to be reduced. They were quite right and we agreed. We did not try to make capital out of it. What they were doing had to be done. Now there are only 46,000 being trained. We did not have marches or wave banners or protest. We recognised there are certain steps that must be taken and as an Opposition we were responsible enough to support those who took them. So perhaps they will treat our plans with the same realism and responsibility as we extended to theirs. Perhaps.

/The real point about

The real point about public expenditure is this. Every extra £ Government spends it takes from the ^{product} ~~tax~~ of the people. Every extra £ the Government borrows is a £ no longer available for industry to invest. Every housewife ~~and~~ understands what it is like to live within a budget. She knows she has to and will find ways of economising without touching essentials. Governments and local government can do the same. ^{People who} If ~~you~~ really care ~~you~~ will look for the waste. ^{They} ~~You~~ will keep a careful watch on every item of expenditure just as they are, for example, at Beckenham Hospital where, ^{staff found} ~~threatened~~ with closing a ward, ^{they} ~~said~~ ^{would} ~~will~~ watch every penny ^{it} ~~and~~ expenditure every day, ^{the} ~~and~~ a ward is kept open. This is the constructive and realistic approach. ~~The~~ ^{Some} people preferred ~~to~~ protest and wave banners. It is easier to take up a public stance on these matters than it is to do something about it yourself. It is easier to talk about social justice and a new social order than it is to go and lend a hand voluntarily with supervising school meals, to help children across the road, or to go and help in an old people's home. But don't let it take any one in. To cast all your burdens on the State, ~~to take up a public stance on public issues,~~ to demand that other people be compelled to spend their money does not absolve any one from personal responsibility. The true morality consists not in lobbying ⁱⁿ ~~any~~ pressure groups but in quietly lending a hand yourself. ^{N.P.} On the economic side the fact is that we shall only be able to have flourishing public services when we have a flourishing trade and commerce. The latter must be a first priority if we are to rival the public services offered by our Continental neighbours. That is the reality from which there is no escape.

THOUGHTS ON THE MORAL CASE

Our views on the way a government should run the economy can be described as "libertarian": that is to say freedom to develop trade and industry within the framework of a strong and clear law.

The most important part of the case for this economic freedom is not the way it produces greater prosperity but its consistency with certain fundamental moral principles of life itself.

Each soul or person matters.

Man is imperfect.

He is a responsible being.

He has freedom to choose.

He has obligations to his fellow man.

Morality is personal. There is no such thing as a collective conscience, collective kindness, collective gentleness, collective freedom.

To talk of social justice, social responsibility, a new world order, may be easy and make us feel good but it does not absolve each of us from personal responsibility.

We don't carry out our moral commitment by taking up a public stance on these things, but only by choosing to do something about them ourselves.

You can't delegate personal morality to your country. You are your country.