

SPEECH BY THE RT HON MARGARET THATCHER MP  
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I know that you would first want me to congratulate Professor Thomas and everyone who is with him tonight, on a splendid year's work, and to say that we fully realise the importance of the role which you are undertaking.

I want really to say just three things. The first is this.

It is sometimes said that the Government which I represent adopts laissez-faire tactics. I always react vigorously to that because we are not a laissez-faire government, and in my political philosophy we do not believe in a laissez-faire government. I believe we should have a very strong government, strong in doing the things which only a government can do. If you attempt to do everything, you diminish your effectiveness and your strength in the areas where you should be strong. Only government can look after the defence of the realm, and you must be strong to look after defence, particularly today when the equipment is so sophisticated that you would not have time to retrieve your mistakes. I believe in very strong government for defence.

Secondly, only government can enforce the rule of law, and therefore government must be strong to see that there is a just law, and to see that the forces of law are such that they can enforce it.

Thirdly, only a government can see that there is an honest currency. Any government that pursues a dishonest currency as an instrument of policy cannot be an honest government, and cannot be a government that has any integrity whatsoever.

These are the areas where one must be strong and have strong government. Let it never be said that I do not want a strong government.



2.

Then there are areas where government is involved together with the private sector. Government must never, never have a monopoly of education if we are to remain a free society, nor a monopoly of health. Those are the areas where a government must be in, in part, and it is for us to see that there is a safety-net to look after people who, through no fault of their own, come across misfortune.

We must, in fact, define the role where government should be strong, and not allow governments to get into everything where people can do things the better by themselves.

I remember hearing Milton Friedman in a lecture which was not concerned with economics at all. His theme was that any good economist should be a moral philosopher as well. He said that if you make political decisions of absolutely every single thing and everything in the realm of politics, that decision is made on a 51-49% basis, and all the time you may very well have half the people dissatisfied. What you have to do is to limit the area of political decision so that each and every person responsible for making their own decisions have the freedom, independence and capacity to develop character. He called it "red socks and blue socks". If politically 51% have red socks, then 49% are dissatisfied because they want blue. Taken out of the political ring, everyone can have blue, pink, red, green or striped, according to their political tastes. I tackled him about it one time: no, it was not socks, he said - it was neckties. There is a small baseball team called the Red Socks, and no one could use that term.

It is an example of what one is trying to do. You must have limitation of government if you are trying to get a free society, but strength of government in only those things which government can do.



All the new inventions, developments and enterprises in our society have usually come from the word of individuals taken on by people who are prepared to back them. They ultimately come to the market and benefit individuals enormously with increasing prosperity.

Our job in industry is not to get into industry too much (because we are struggling to get out) - (see, Keith says Hear, Hear!). Our job is to create the economic background.

They are two constants of policy at the moment. One is inflation, the other incentive.

The rate of inflation is coming down, as you know. But there is more to it than that. The significance is this. The rate is coming down without a statutory prices policy, without a formal incomes policy, and without expensive subsidies. So, for the first time - when we are through this bad patch of water which we have been in for many, many years - we will be in a position to face expansion without having to unwind one of those catastrophies. That will be a tremendous advantage.

I constantly say that to get inflation down is not enough. To increase the number of jobs is not enough. You must keep incentive and motivation in society, otherwise you will not have the positive element to get expansion going. I really do not think we have had quite enough thanks for this, or pats on the back from the media.

That is why in the very first budget we did take down the top rates of income tax. It was vital to do so. When I met the inventors and innovators recently, they all said to me that we should not get inventions until once again we have become an enterprising and risk-taking society. It will take quite a time to turn around and do that.



4.

On the economic climate, we have to create the background. But we cannot go too much into industry - although you might have noticed one or two decisions lately - we are trying to get out, and not in. I realise every day how much easier our problems would have been had we been in office three years before.

The third point is really what I would call the human factor. I remember reading a very interesting essay, written in the early part of this century, about what would happen if we ever went over to universal franchise. The dangers portrayed in that essay were extremely interesting. One would get political fellowship instead of political leadership. Everyone would be trying to find out what most of the people wanted, and leaders would be trying to give it to them. It was very interesting and perceptive.

We really cannot have democracy being the negation of leadership. I think this is where the Centre for Policy Studies is so important, and it is what Keith and I are trying to do. We believe it might win us the next election by being courageous and getting the people to follow us, because we believe in them very much better than our opponents.

When I hear talk of "the centre", it could be the centre between the extreme Left and the Left. That is what it is in danger of being. Never go for the centre. Do you think there would ever have been any of the old religions in the world if the Old and New Testament prophets had said "I'm going out and seeking consensus." They went out on conviction, and we go out on the basis of conviction. If you value human liberty, you cannot have that unless it is underpinned by economic liberty, and you will not have that unless it is underpinned by political liberty, because the three are totally inseparable. The people on the other side of the iron curtain know it. They long to have what we take for granted. Others value it as much as we do.

One final point. We just have to put our views over again and again and again.



5.

If there is one thing we are not as good as as our opponents at, it is putting our case again and again and again, and again.

I want to thank and congratulate the Centre for Policy Studies and say to them what most people say to me:

"Stick at it! You will win through."