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First is the deep and heartfelt concern for the personal hardship and waste reflected in every factory closure and redundancy.

I learned from childhood the dignity which comes from work. And, by contrast, the affront to self-esteem which comes from enforced idleness. For us, work was the only way of life we knew and we were brought up to believe that it was not only a necessity but a virtue. The concern of the Conference today is fixed on the number of unemployed people. But we seek not only to display and demonstrate that concern but to find and pursue those policies which offer the best hope of more job prospects in the future. To do that we must learn the lessons of the past in order to avoid the very policies and mistakes that led to the increase of inflation and unemployment and to the condition of our inner cities in the first place.

And Governments cannot do it alone. Today's unemployment is partly due to the sharp increase in oil prices which absorbed money that might otherwise have gone to increased investment or to the purchase of goods and services from our own industries. But that is not all. Too much of our present unemployment is due to the enormous past wage increases unmatched by higher output, to union restrictive practices, to overmanning, to strikes,

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to indifferent management, and to the mistaken belief that come what may, Government would always step in to bail out companies in difficulty. No policy whatever you call it can succeed unless it overcomes these things.

For the good which no-one can deny, trite as it may seem, is that we have to earn our living in a world which can choose between the goods we produce and those of other countries. And the tragedy is that many of our people spend five days of the week making British goods and the sixth day spending their earnings on foreign goods; goods made in countries that have learned the very lessons which have eluded us.

To us this is not to show lack of sympathy for the unemployed. It is to take the very constructive measures that will give them a chance once again. To avoid these matters, whether the North West, the North East, Scotland, the West Midlands, the South East, the City Centres, the old ports, would be to deceive those who are looking to us for help and hope.

In the meantime, it is a traditionally Conservative duty to relieve hardship wherever it occurs. No Government on its own can or ever will be able to provide full employment in a free Society. But it can provide

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the framework in which new businesses and services will have a chance to grow. The policies that have worked so well in some of the industrialised countries, the Singapores, the Hong Kongs, the Taiwans, all of whom are producing goods which compete with ours, can work to our advantage too.