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# The balance between individual and state

Sir Ian Gilmour, the Lord Privy Seal (pictured right), delivered a speech in Cambridge last Thursday simply entitled *Conservation*. It was in fact a powerful argument against the Government's economic policy, and we publish here an extended extract as a contribution to the growing debate in and outside the Cabinet.



not afford to go on as we were.

There is, or should be, no Conservative hostility to the state. There is no Conservative dogma about the state and the individual. Conservatives do not see these as mutually antagonistic entities, but as mutually dependant and mutually sustaining entities.

Conservative political thought is wholly opposed to the so-called night-watchman state. Conservatives believe it to be impossible as well as undesirable. It is impossible because such a state would not survive except as an authoritarian or totalitarian regime.

A free state will not survive unless its people feel loyalty to it. And they will not feel loyalty unless they gain from the state protection and other benefits. Lectures on the ultimate beneficence of competition and on the dangers of interfering with market forces will not satisfy people who are in trouble. If the state is not interested in them, why should they be interested in the state?

In the Conservative view, therefore, economic liberalism à la Professor Hayek, because of its starkness and its failure to create a sense of community, is not a safeguard of political freedom but a threat to it.

And Conservatives believe the night-watchman state is undesirable because they know that there are certain things that only governments can do.

In 1887 President Cleveland vetoed a Bill to send \$10,000 to

victims of drought, saying: "Federal aid in such cases... weakens the sturdiness of our national character." That was liberal dogma at its worst.

Conservatives, on the contrary, believe with Burke that government is "a contrivance of human wisdom to provide for human wants." Only liberal ideologues, or Conservatives, are fundamentally opposed to the welfare state.

Indeed the welfare state is a thoroughly conservative institution—which is why Conservatives did so much to bring it into existence—and its roots go deep into British history.

Certainly for Conservatives the family comes before the state as the primary social unit. Families and individuals should as far as possible be encouraged and helped to look after themselves.

Yet, it is obvious that there are many families and individuals who find it difficult or impossible to look after themselves. I represent a relatively prosperous constituency, but even in Chesham and Amersham there are many people who undoubtedly need help from the state or from local government.

What the proportion of state help should be, and how much money should be spent on the social services is a matter of judgment. For myself, I think there is no doubt that the balance when we came into office had to be redressed not least because we simply could

shift in the economy about which Bacon and Ellis wrote so convincingly a few years ago.

Fourth, as unemployment rises rapidly this year, we will have to demonstrate not only concern for the social implications but also imagination about the reforms of the labour market and of pay bargaining which would help to create jobs rather than destroy them.

The justification of state help and welfare is that it enlarges freedom by diminishing poverty and by increasing security. The welfare state is therefore an essential ingredient in the political community. But the extent to which help is provided by way of subsidies or by insurance or by voluntary bodies or by self-help as a result of lower taxation and a more successful economy, and the extent to which it is secured or financed by taxation or charges, does not seem to me to be matters of fundamental principle.

The right conservative attitude to state interference in the economy is to my mind similar to the attitude to the welfare state I have just outlined.

Conservative interventionism is a necessary condition of freedom. If all economic power is in the hands of the state, all political power will be in the hands of the state, and inevitably there will be tyranny. That seems to me both theoretically impregnable and empirically true.

Conservatives therefore favour a free or mixed economy. And indeed some of them favour government in the economy. We are convinced that a mixed economy can not work and will lead to socialism and tyranny. Here I think we have fallen prey to the blandishments of liberal ideologues like von Mises and Professor Hayek.

... If the people will not accept government in such a way, it is little good to tell them nothing else is compatible with democracy. Confronted with such choices, they may well opt for the non-democratic alternative.

In his book *The Middle Way* Harold Macmillan expressed six beliefs that "capitalism had been conducted all along as if the theory of private enterprise were a matter of principle" and all intervention by the state had been resisted. "We should have had civil war before we had got to this point." In other words, Tory party has always to

modify the economic system so as to make it acceptable to the electorate, while ensuring that those modifications do not spell the end of democracy.

... 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.

It is on these points that most of the differences between Conservatives have in the past arisen. There has been one further point of difference: some of the free market school have not always seemed to realise that even in countries with economies much freer than ours, there is a good deal of governmental interference and that even if it were working much more efficiently than it is there would still be plenty of scope for governmental activity.

The interventionist state and the welfare state are not going to go away. That is something, as I have indicated, which I welcome. Those who believe otherwise have, in my view, fallen into the trap of ideology and dogma—which is of itself a Conservative's unpardonable sin.

Nevertheless, by pruning government intervention and by reducing the powers of the bureaucracy, we shall not only be helping the economy we shall be building up the authority of government—since it is partly because of excessive state interference that the authority of government has been undermined. In the Conservative view we believe as much in authority as in freedom, since indeed they believe the two things to be inseparable. It is the power of the authority of the state is one of their primary concerns.

But, to repeat, that authority would not be preserved by an attempt to return the economy from the economy altogether. The great Conservative task is rather to conjure up a better economy performance through more freedom for the individual while at the same time preserving a sense of community.