

Free Enterprise, Democracy and the Single Currency: The Tasks Ahead of the Conservative Party

An Interview with John Redwood

by Philippe Chassaigne

To a distant observer of contemporary British politics, John Redwood may just be a member of the Eurosceptic wing of the Conservative party whose biggest claim to fame so far is standing for the party leadership election in July 1995 against Prime Minister John Major. Yet this would unmistakably be a superficial approach. Born in 1951, John Redwood graduated from Oxford University (Magdalen and St Anthony's Colleges) before working for leading firms in the banking and finance sector (such as Rothschilds) as an Investment Manager and Director. He started his political career as a Councillor for Oxfordshire (1973-1977) before sitting for Wokingham since 1987. He was Head of the Prime Minister's Policy Unit between 1983 and 1985. John Redwood's governmental career started when he became Parliamentary Under-Secretary of State at the Department of Trade and Industry (1989-1990). He then reached Cabinet status when he became Minister of Trade and Industry (1990-1992), of the Environment (1992-1993) and Secretary of State for Wales (1993-1995). A backbencher for the final years of the Conservative government, John Redwood ran in the leadership election caused by John Major's resignation following his party's electoral defeat in May 1997—an election which William Hague eventually won. He is now shadow Trade and Industry Secretary.



I would like to start with a question of a general nature. What would be your definition of the British “right”? The very notions of “right” and “left” are borrowed from French history and have been adapted to the British situation. Do you think there is such a thing as a British “right” and that the notions of “right” and “left” are in any way relevant to the British political scene today?

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No, I don't think they are. I don't find the right/left distinction very meaningful or helpful in describing modern British or European politics. The issues which I think define the differences in British politics are the issues of freedom and free enterprise, the issue of Europe, and the approach to social policy generally. On the question of freedom, it is the role of the Conservative Party to be the party that believes in more freedom rather than less freedom. We believe that government has a role, it should intervene, it should take certain decisions, set a framework of law, but that there must be limits to the intervention of the state and the expenditure of the state, and we would go for a smaller state than the rival parties, Liberal and Labour, on the other side of the House of Commons.

Europe is becoming the defining issue of modern European and British politics. The present Conservative Party believes in a Europe of nations, a group of sovereign states co-operating with one another, trading with one another, finding some common policies, but not going further towards integration.

The issue of how much European integration people want doesn't run neatly between the parties. It becomes an issue within the parties. You can find a lot of people in the Labour Party who would like less European integration than we have at the moment, you can find some other Labour people who would like immediate integration on a much bigger scale than we are currently envisaging. Similarly, there have been disagreements within the Conservative Party, which have attracted quite a lot of attention, on the European issue.

Then the third issue which I think defines the differences between the parties is that of social policy. The traditional Conservative position is that we are looking for ways of promoting self-reliance and prudence wherever possible, so we favour people taking the maximum responsibility for themselves and their families, whereas traditionally the parties of the so-called left have favoured the state assuming rather more of the responsibility. This distinction is breaking down. The so-called New Labour government seems to have rather more traditional conservative views and values on welfare reform, although not on other areas.

You've raised some of the topics we'll go back to later. The 1980s were years of acute ideological clashes, there was a clear dividing line between a Labour Party drifting to the left and a Conservative Party that was branded as more right-wing. Now, the Labour Party, or "New Labour" as it has called itself, has a more moderate approach to some key issues, especially social issues, and it has moved to the left of centre of British politics. Do you see this as heralding the end of ideological clashes, of ideological divisions?

I think there will be some very strong, passionate, clashes in politics two or three years ahead. I think the passionate ones will be over the issue of how much European integration we want, and again I stress I don't think that's a right/left divide, I think there are some traditional conservatives, "small c" conservatives, some of whom voted Labour in the past, who would like to see fewer powers surrendered, and then there are radicals, Euroenthusiasts, who would like to see rather more power surrendered. That will become the fundamental divide of British politics in the two or three years ahead.

Allied to that, will be a colossal debate about how much constitutional reform we want. The Liberal and Labour parties are pursuing a European corporatist agenda, including proportional representation, the establishment of more so-called independent bodies to make decisions in place of democratic government, and the ceding of more powers to the Council of Ministers and the other European institutions. We, the Conservatives, will be opposing that, and I think that will be a very big, important debate.

If we look at British political history in a broader perspective, what are, according to you, the reasons why there has been for the past 50 or 60 years no, or virtually no, extreme right political movement in Britain with a large following?

Because we are not extreme people and we have a different democratic system and tradition. I do think proportional representation, or even the style of double voting that you have in France encourages extreme candidates more than our system. In our system, you only get elected if you have more votes than any of the other candidates in that particular area, in that particular constituency, so there is no prize or incentive to run unless you can attract majority or near-majority support in that constituency. Anyone who has thought of being an extreme left or right-wing candidate has realised that they are not going to get very far, and there is no reward.

But I think also it's the temper of the British people. I don't think we are extreme in our views. We are comfortable with our history, and we can be proud of our past. At times this may seem smug to foreigners, but we feel that we're at peace with our past, we understand why we've done what we've done, and we have never lived through a revolution in the way that other countries have had to do. So I think that means that we do take less extreme positions than some in continental politics.

Let's raise more "personal" questions. Could you explain when, and why, you joined the Conservative Party?

I joined the Conservative Party when I was at school. I joined it because I had a lot of sympathy with its values and its principles, values and principles that have seen me through my lifetime so far, and which I think are timeless. I do believe that government needs to do those things which only government can do: defend the country and stand up for the weak. Government should not get involved, normally, in the lives of everyone else, or as little as possible. I do believe that you need a strong framework of law, but the law should not extend into too many features of daily life. I do believe that a free enterprise economy works better than a state planned economy. I do believe that markets with plenty of competitors work much better than markets dominated by one or two very large companies. I do believe that Britain has a global role, and that Britain needs to be global in her aspirations and her viewpoints. She must never be narrowly xenophobic, either in a British or a European sense. She must be world-wide in her views, her contribution, her ambitions. That's why I joined the Conservative Party.

This was in...

The 1960's.

These were the years of the so-called "post-war consensus," a time when the two parties were supposed to be ideologically closer. You had no hesitation, you knew that these values were still defended, were still the values of the Conservative Party?

They are the traditional Conservative values which have gained more prominence at some times than at others. It was watching a Labour government in the 1960s¹ that made me realise I was Conservative, when

1. The Harold Wilson government (1964-1970).

I saw what a dreadful mess they made of it all. I then helped the Conservative Party in the early '70s to define itself as a different alternative to that unsuccessful Labour consensus.

You are labelled a Thatcherite, and you are very close to the ideas advocated by Lady Thatcher. But apart from Lady Thatcher..

Well, I advised Lady Thatcher and I gave her the idea of privatisation.² I don't know whether that makes me a Thatcherite. I also had some disagreements with Lady Thatcher over various things. I think I have my own distinctive viewpoint on political issues. Many of my views are central to the Conservative tradition.

But apart from Lady Thatcher, is there any other political figure in the Conservative Party that you particularly revere, someone you consider a guide, an inspiration in your political action?

No. The political figure I admire most in British history is Queen Elizabeth I,³ who I think played Britain's hand particularly well. She understood that it was difficult staying alive as Britain in a world of a superpower, which was then Spain, and at a time of huge ideological splits over religion, which, of course, tore France apart. But she handled it extremely well, and Britain ended her reign in a much stronger position than it had begun it.

It was England at the time...

England and Wales, and they became Britain immediately after she died, because she ensured a peaceful succession to the king of Scotland.⁴

Maybe a more controversial question: not only are you often presented in the press, once again, as a Thatcherite, but also as a representative of

2. As Head of the Prime Minister's Policy Unit in 1983-1985. The institution itself was created by Harold Wilson in 1974 to advise the Prime Minister on short- and medium-term policy.

3. Queen of England (1558-1603).

4. James VI of Scots (1567-1625) and I of England (1603-1625). He became king of England at the death of Queen Elizabeth I, who was her cousin. The English and Scottish crowns were united, but there was no kingdom of Great Britain until 1707 and the passing of the Act of Union.

the right wing of the Conservative Party. What do you think of this label?

Well, I don't accept this label. I am myself, I've expressed my views over many years at considerable length, some might say at too great a length, and I stand or fall by those views. I now wish to make a strong contribution to the success of William Hague as the new leader of the Conservative Party. I think it's desperately important for my country that the Conservatives win the next general election, because I don't think there's going to be much left of the Britain we know and love if we have to face more than one Parliament under Labour control.

Let's move to the second topic I wanted to discuss in this interview: the Conservative party and the present state of the party. You have just stated how important it was for the party to win the next general election; what are the prospects for your party in the near future? What is written on the Tory agenda?

The Conservative Party will complete its internal reforms in the next three months. We will be looking outwards to an increasing extent, because we wish to enrol a large number of new members into the party. We are just beginning to see signs of a membership revival. The immediate future politically is for us to win a lot of council seats in local government. Over the summer we have won 68 seats where we held only 34 in those places before, so we've doubled our number in the by-elections we've contested, and we must do well in the next two years' council elections. We need to show again that the Conservatives can be the main force in local government, and we need to demonstrate to people that we can govern well in each locality, and to build up their trust for the general election when we will be asking them to let us govern at the centre again.

I think we will see a steady improvement in our fortunes, because this Labour government is making so many mistakes and doing so much damage in such a short space of time. They've just put through the most massive range of tax increases, despite promising in the election that they would not do so. It is damaging the prospects of savers by taxing pension savings, and now removing the special tax breaks that accrued to the so-called Tessa and PEPS, specialised savings schemes which were very popular. This, I think, is undermining their support in the country. They've also put interest rates up on five separate occasions, so people buying homes on mortgages, which have floating interest rates in Britain, are very badly affected by that. So we see a steady, gentle progress towards greater popularity.

As a former Secretary for Wales, why do you think the Conservative Party has been literally eradicated from the non-English parts of Britain?

Well, we always face the fact that, particularly in South Wales where most of the Welsh population lives, they traditionally preferred Labour to the Conservatives. It was a more extreme verdict this time than before, but we never regarded Wales as our strongest or most lively place of political support over the years. I think it was just an extreme version of the national mood. People in Scotland and Wales did not like all that the Conservative government had been doing, and they added to their general dislike of the Conservative government their assumption that part of the problem was rules from London, that led to the things they didn't like about the Conservative government. I think they will now discover that superimposing another layer of government into the structure will only do them damage. It will mean that they have to pay higher taxes, one way or another, and they would have even more government, and I cannot believe that the answer to what problems there are in Britain is more government. The answer must be less government. And so we will continue to make that case.

You have just mentioned the issue of devolution. Do you think that, with this process of devolution, the very existence of the British nation is being threatened?

I don't think the British nation is about to split apart, but I do think Mr Blair's devolution policy is weakening rather than strengthening the Union. And of course, once you grant people devolved assemblies, you give encouragement to nationalist sentiment in those parts of what was the United Kingdom. We are very worried by the way in which Mr Blair is trying to appease nationalist sentiment in a way that cannot work. Nationalism is a very small minority view in Wales, and is a minority view in Scotland, but Mr Blair has shown to the nationalists that with this Labour government, if they push hard enough, they will get more concessions. And so we are worried that Mr Blair is on a slippery slope of doing damage to the Union because of the way he's handling this issue.

Do you think that this theme, the defence of the British nation, could to some extent be central to the Conservative Party campaign for the next general election—together with the issue of European integration, of course?

No, I don't think that will be our principal theme. We will remain the unionist party, and so it will be one of our policies that we will say that we

want a more united kingdom and not a less united kingdom, and we speak for the majorities in every party. The Conservatives will still think it is better to be part of the United Kingdom than to have three or four separate territories governing themselves to a greater or lesser extent. But I think our big ideas are likely to be the ideas of freedom and democracy. I think we will have a lot of work to do to restore a vibrant democracy in Britain after the attacks on democracy made by this Labour government. This Labour government will have transferred far too many things away from British democratic debate and British democratic control, and I think that will be one of our leading themes to the British people.

One more question related to the issue of devolution: what do you think of the election of the mayor of London?

The Conservatives in the referendum campaign will be supporting the idea of a mayor but will not be supporting the idea of a cumbersome bureaucratic and government structure in addition to a mayor whom we see as a representative of London. We are very worried that what Labour will end up doing is creating in London the same kinds of extra costs and complexities that they are busily creating in Wales and Scotland, when most Londoners just want a voice or a figurehead for London, rather than another layer of government.

Yet another question about the Conservative party and the Conservative ideology: a lot of scholars consider that, although Lady Thatcher won three elections in a row, the Thatcherite ideals were never supported by a majority of the British people. There is an oft-quoted example for this: an opinion poll conducted in 1989,⁵ showing that 43 percent of the people preferred “a mainly socialist society in which public interest and a more controlled economy are most important,” and 55 percent “a society emphasising social and collective provision of welfare”—which were obviously not the values which Lady Thatcher advocated. What do you think of this appreciation, all the more interesting in the light of the recent evolution of the Labour Party, which has adopted most of the reforms conducted by Lady Thatcher?

I don't accept at all that poll analysis or the implied analysis of what Lady Thatcher was doing. Lady Thatcher did not cut public expenditure. Lady Thatcher increased public spending on welfare and health very substantially indeed.⁶ I think the British people do have moderate political

5. MORI opinion poll, March 1989.

6. Public expenditure on welfare increased in value, yet it remained at 22% of the GNP between 1981 and 1991.

views, as I do, and I think what we want is the government to do those things that only the government can do. We do need to spend ever-increasing amounts on our health service, and we want the principle that there should be health care for free at the point of use for those who need it, and we do believe in decent benefits for those who are disabled or handicapped and cannot earn an income of their own. At the same time, we wish to have a free enterprise society, where as many as possible can take care of themselves because they can earn decent salaries in the market place. That is what I think Margaret Thatcher was trying to achieve, although very often the rhetoric and the newspaper analysis got in the way of that. And that, I think, is still the view of the British people, that is why Mr Blair has changed his rhetoric although not his politics very often, because he understands that there is a majority or a consensus in Britain. More freedom and more free enterprise to make the economy work, but more sensible compassion through state spending for that minority of people who cannot look after themselves.

I referred, more specifically, to the arguments presented by such a distinguished analyst of the Conservative Party as Anthony Seldon who, in one of his books,⁷ develops the idea that Margaret Thatcher half lost her ideological crusade.

Well, I don't know whether I would agree with his definition of what her ideological crusade was. She ran a series of campaigns. Her crusades changed over time, and her first crusade was to reform trade-union law, which was very successful. It took quite a lot of effort, but we did move from being the worst country in Western Europe for strikes and labour relations to being the best, and that was a direct result of the reforms led by Margaret Thatcher and Norman Tebbit. Norman Tebbit was a very important figure in all this, he deserves a lot of the credit.

Then in the middle period when I was advising her, the crusade was to privatise the nationalised industries and to create a society based on wider home and share ownership, and I think that was a broadly successful crusade which had much more popular appeal than the narrow Conservative vote. We got very big majorities in favour of employees owning shares in their companies and people owning their own homes. Indeed, in this country now around three quarters of all people own their own homes, so they have voted in a very positive way by following the policy. So I think that was a very strong theme.

7. See Anthony Seldon (ed.), *How Conservative Governments Fall. The Tory Party in Power Since 1783* (London: Fontana, 1996) 403-408, more particularly 406-407.

Then in the latter years of Margaret Thatcher's term of office, she began to tackle the question of reforming the welfare system, but she never completed that work, and that was far more contentious.

Virtually all political scientists consider that the divisions within the Conservative Party were the major cause of its defeat in the last general election.

They're wrong. I think the main reason for our defeat in 1997 was our membership of the Exchange Rate Mechanism and the damage that did to our economy in 1992-93. It led directly to the tax increases which people felt broke the pledge of John Major in the 1992 election about taxes, and that caused the massive decline in our popularity. If you look at the opinion polls, the evidence is overwhelming. The Conservative support fell to 30 percent by the end of 1992, and it never recovered. We ended up with 31 percent in May '97. So all that happened between the end of '92 and '97, fascinating and interesting though it was, didn't make any difference to voters' views of the Conservative Party. Indeed it just endorsed what they had decided as a result of the disaster of the exchange rate mechanism. And the most important thing William Hague has done so far is to apologise to the British people for the Exchange Rate Mechanism because that was what did the damage to our fortunes.

But the economy recovered after 1993...

Very well indeed, and we had some very good economic policies. But it didn't matter. You see, people said in '97, "yes, that's quite right, the economy is now doing very well," but they did not give the government the credit. I think the government does deserve some credit for the recovery just as, understandably, the government was blamed for the problems in the first place. But because people's confidence had been destroyed in 1992, they said "yes, the economy's doing well, it's down to me, it's not down to the government."

In July 1995, you stood for the party leadership election against John Major. Your views were widely expressed at the time, but much less so in the French press. So, two and a half years later, how would you sum up the reasons why you did it, and no any other Conservative sharing your points of view?

When John Major said to the Cabinet that we had to "put up or shut up," I had a difficult choice to make. I had been going to Cabinet meetings regularly, explaining that I thought we were very unpopular, and that we

needed to change direction and policy in order to win back lost support. I decided that I did not any longer wish to belong to a Cabinet if I could no longer put those views, and that was how I interpreted John Major. He seemed to be saying to me, “you must not go on putting these views in private that are in disagreement with the government’s lines, you’ve either got to shut up or put up.” So, I then made soundings to see if someone who was better known and more popular than me would do the job, and none of them would. I decided that I would do it, just with a view to trying to get the government to change. I therefore ran on a slogan of “No change, no chance” to try and make the point to the government that unless they mended their ways they were going to lead us to a tragic defeat. Which is unfortunately what happened.

We’re about to reach the third and final point of this interview—Europe. You’ve already raised the matter many times, so it is not difficult to understand this is a crucial aspect for you.

It’s an important topic to Britain as a whole. It is the most fascinating and important topic in modern British politics. If we get this wrong, nothing else matters, because we won’t any longer have the opportunity to solve our own problems.

The Conservative Party seems finally to have reached a common attitude towards the European question. Do you think it is an exaggeration to say that the party as a whole stands on a firm Eurosceptic line?

I don’t find that a very helpful description. I think both Eurosceptic and Euroenthusiast are terms of abuse and they don’t characterise the subtlety of the two positions. For our part, in the Conservative Party, we are committed to our continent. Europe is our continent not our country, and we don’t wish it to become our country. But we do wish to be friends with other nations in Western Europe, and we wish to trade as much as possible, and to develop common policies where sensible. We wish to do that more on the basis of unanimity, of willing agreement, rather than on the basis of qualified majority, enforced agreement. And that is perhaps the difference between ourselves and some of the governments—but not necessarily the peoples—of Western Europe. And so we wish to remain committed to our continent in all sorts of ways. We wish to remain committed to its defence through NATO. We wish to remain committed to its trade through the single market, the European Economic Community. We wish to remain committed to a better environment in Western Europe which entails negotiations not just with Community partners but also with Switzerland and Norway and Central Europe, everywhere outside the Community. So

we have perhaps a wider view of Europe than some of the Brussels politicians.

Have the “Euroenthusiasts” been silenced, or do they have surrendered to the arguments of the “Eurosceptics”?

No, they haven’t surrendered. There are ten or fifteen members of Parliament on the Conservative side who would probably like more European integration than the rest of us. I respect their views. What is very welcome at the moment is that the main protagonists, including Ken Clarke,⁸ agree with the Shadow Cabinet that it would not be right to enter the single currency in the first wave, that it would not be right to enter the single currency unless the economies of Western Europe have come together.⁹ It would not be right to go ahead if it’s going to do economic damage. And so we have found agreement on the practicalities.¹⁰

At the time of the leadership election, you backed Ken Clarke.

Yes, in the final round. I backed myself in the previous rounds!

It was somewhat surprising, since Ken Clarke was labelled as much more pro-European.

The document we produced, I thought, showed that the two sides of the argument could be brought together. We produced a document which was very much along the lines I’ve been describing, that we wish to be part of our continent but we do not wish to go along with all of the integrationist plans that the Brussels establishment is developing.

Do you consider that Euroscepticism can or cannot be a criterion to distinguish between the right and the left, to the extent that the

8. Kenneth Clarke, Chancellor of the Exchequer from May 1993 to May 1997.

9. Such as the members of the Tory Positive European Group. The Eurosceptics have set up the CAFE (Conservative Against a Federal Europe).

10. The interview took place in December 1997. On January 5, 1998, a dozen Conservative dignitaries, among whom William Heseltine and former Foreign Secretary Geoffrey Howe, published in *The Independent* an open letter which is a scathing criticism of the party’s official line on the subject.

Conservative Eurosceptics belong to the right wing of the party and the Euroenthusiasts to its left wing?

It's all muddled up, it isn't a simple right/left divide. Why should it be right wing to want to keep your country's democracy and left wing to want to have a European one. I don't see that they're right or left. They're just different.

This is true. In the Labour Party Tony Benn is not a fanatic of European integration either.

No, he's very anti. Absolutely.

As far as the single currency is concerned, do you think that, in spite of all the rhetoric, the Labour Party, or at least its leaders, are really in favour of Britain being part of it? Is there a substantial difference between the policy this Labour government is implementing and the "wait-and-see" policy advocated by John Major?

Yes, there is an important difference, because the Labour government has said that in principle it wishes to join, whereas the previous Conservative government had been agnostic about the principle. So Labour do imply a greater commitment to the project. But I think one does have to ask how serious they are about that. This is a government that changes its views day by day, according to the pressure of events and the media agenda, and we've had conflicting stories even about the level of commitment to the principle of the single currency. So you must also look at what they're doing. You must look at the detail. And if you look at the Chancellor's detail, it is by no means clear how we could ever get to this single currency under his proposals, and his five tests of economic convergence are very unlikely to be met for a very long time. So then you have to ask, is the Chancellor more serious about saying he wants it in principle, or more serious about his economic tests. If he's more serious about his economic tests, then he isn't proposing we should join either. So he's muddled, in other words.

Is there any particular point that you would like to stress again in conclusion?

I think we're going to have a big battle on our hands to keep a vibrant democracy here in Westminster and here in the United Kingdom, given the attacks being made upon it by this Labour government. That I think will become the defining issue, and the contrast will be between a corporatist,

bureaucratic Labour Party that wishes to get rid of responsibility from Westminster and from democratic means, and a Conservative Party of principle that will say, what we must have is a very strong democracy here in Westminster that still exercises democratic control and questioning over the very formidable powers of the executive.

