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The Clare Boothe Luce Lecture

340

Unfinished Business, New Challenges

*By the Rt. Hon. Margaret
Thatcher, OM, FRS, MP*

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Unfinished Business, New Challenges

By the Rt. Hon. Margaret Thatcher OM, FRS, MP

Mr. Chairman, ladies and gentlemen, it's always a pleasure to be in the United States, and it is an additional pleasure to be here tonight to attend the presentation of the Clare Boothe Luce award and to deliver the first Clare Boothe Luce lecture.

Clare Boothe Luce was both a remarkable woman and a remarkable diplomat. So it is entirely fitting that an award named after her should have gone tonight to Mrs. Kathryn Davis and Ambassador Shelby Cullom Davis—a remarkable woman and a remarkable diplomat. Between them they have a combined record of devotion to public service and philanthropy that is rare even in the United States, but that would astonish those countries where such traditions have withered under the influence of socialism.

Nor has Ambassador Cullom Davis forgotten, as Chairman of The Heritage Foundation's Trustees, that among the legitimate aims of philanthropy is the nourishing of the values of freedom and the free economy that underpin the prosperity of this country and of the West as a whole.

I congratulate them both on deserving their award.

Mr. Chairman, it is sometimes asked if women can combine a career with motherhood—and, to be sure, it is not always easy to do so. But Clare Boothe Luce did far more than that: she combined being a wife and mother with the roles of magazine editor, playwright, war correspondent, Congresswoman, presidential advisor, painter, art collector, raconteur and scuba diver.

Could any *man* have done all that and still had the energy left to be a good father? I must ask Denis.

But if Clare had been simply a very successful woman, excelling in a number of careers, we would not be celebrating her here tonight. She was more than that. And she is remembered with particular admiration because in her political life she fought—fought bravely and fought wittily—on the side of freedom and against the evils of fascism and Communism that threatened it. As a friend of Winston Churchill, she supported, endorsed and helped to spread his warnings against the twin totalitarianism.

The collapse of Communism we have just witnessed would never have been possible if people like Clare had not resisted it in the days when it seemed likely to overwhelm Europe. I am delighted to be one of those paying tribute to her tonight.

The End of Communism

Mr. Chairman, ladies and gentlemen, we have lived through a decade of momentous events. An iron curtain has lifted from the continent of Europe. All the capitals of the ancient states of central and eastern Europe, Warsaw, Berlin, Prague, Kiev, Budapest, Bucharest, Sofia, Tallinn, Riga,

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Vilnius—and now Moscow itself, all these famous cities and the populations around them which lie in what was once the Soviet sphere, now enjoy a high and increasing measure of freedom.

An empire has crashed — but not just an empire of armies, slaves and tyrants. The empire was also one of ideas and dogmas. And when those failed, an empire of lies and propaganda fell too.

It fell because it was resolutely opposed. Opposed not simply by an alliance of free peoples—though certainly by that—but by the ideas of liberty, free enterprise, private property and democracy.

And it failed for another reason too.

Throughout the long years of that twilight struggle we call the Cold War, we in the West had allies in the enemy camp: the Russian people, the Czech people, the Hungarian people, the Polish people, the people of the Baltic states. They were our allies, the best allies we could have had. All we had to do to ensure their support was to tell the truth, to declare what no one now denies: that the system under which they lived was wicked, brutal and founded on force. And its fall is a Russian, a Polish, a Czech and a Hungarian victory every bit as much as it is an American or a Western victory. For it is the victory of truth over lies.

The power of truth, the power of ideas. Ultimately, they amount to the same thing, because only truthful ideas—ideas that are in tune with the essential dignity of man—can prevail across the years. The ruins of Marxist Communism in Eastern Europe and the Soviet Union testify most eloquently to that.

But Communism was only the extreme form of the socialist plague. Its failure was only the extreme failure of socialist doctrines throughout the world. And in its downfall it has pulled down the neighboring houses of socialism too. This has opened up enormous opportunities for the next stage of conservatism in all our countries.

The Rebirth of Conservatism

We Conservatives can claim to have foreseen, predicted and explained this collapse almost from the beginning, when socialism was merely an intellectual theory. But the more it was put into practice, the more we could point out its inevitable flaws and inherent unworkability.

In the 1970s we saw this failure in a system of high taxation and suffocating regulation that discouraged hard work, deterred enterprise and imposed stagflation on our economies.

In the 1980s we saw this failure in an educational system that couldn't teach all children the essentials of language, math and civic virtues.

And today we see this failure in a welfare system that keeps millions of people hooked on dependency.

Until the 1980s we Conservatives failed to mount an effective challenge to the socialist policies that led to these disasters. In office, we stood pat, and preserved much of the legacy of the previous socialist government. In opposition, we criticized the actions of the Left—but failed to offer convincing alternatives.

As a result, politics produced what my friend and mentor Keith Joseph has described as “the socialist ratchet.” Once a socialist reform had been introduced, it remained; but a law passed by a conservative government was open to repeal by the next socialist government. As a result, we moved convulsively but inexorably to the Left.

There were three reasons for this.

First, far too many on the right of centre had accepted a socialist way of thinking. Many conservatives felt that there was something better about the collectivist approach. Indeed, there seemed a sort of inevitability about it. The fact that it denies the human spirit and substitutes state judgment for personal responsibility was not considered.

Second, conservative politicians lacked the toughness and resolve to put conservative policies into practice.

Third—and this itself reflected the other two problems I have mentioned—we sometimes did not, when we came into office, have the practical policies worked out to put our principles into effect.

It was in order to fill this gap, that the conservative think tank was born.

As early as the 1960s, scholars had banded together to think long-range thoughts, building the foundations for future policies. In Britain, the independent Institute of Economic Affairs pioneered discussion of such ideas as monetarism, deregulation and the power of private property rights. In this country the American Enterprise Institute and the Hoover Institution laid similar intellectual foundations.

The innovation of the 1970s was the creation of what one might call the activist conservative think tank. These institutions took the long-range ideas of their elder brothers and applied them to practical problems.

In Britain, I was one of the founders, with Keith Joseph, of the Centre for Policy Studies, which was deeply involved in the reshaping of conservative policy between my election as party leader in 1975 and my election as Prime Minister in 1979.

Here in America, Ed Feulner was among those who launched The Heritage Foundation in the same period. I need hardly tell this audience of its achievements. You didn't just advise President Reagan on what he should do; you told him how he could do it. And as a practising politician I can testify that is the only advice worth having.

But perhaps I should tell this audience one other thing: however brilliant the ideas of intellectuals, they will get nowhere without politicians of courage who are prepared to fight to implement them.

I am afraid I had to make this point rather brutally to a dinner given by a British think tank at which politicians counted for little and it was the ideas and influence of intellectuals that really ruled the world. I was forced to remind them that although the cock may crow, it is the hen that lays the egg.

Mr. Chairman, it is not my job to intrude into the domestic politics of the United States and I do not intend to do so tonight,

My purpose instead is to examine those larger questions of political philosophy and strategy which affect us both—because we share the same values and political culture.

In the 1980s, Ronald Reagan and I found ourselves not only following but pioneering the same great themes in economic, social and foreign affairs. And with a little help from friends, many of them here tonight, we translated those conservative themes and aspirations into concrete policies.

Our belief in the virtues of hard work and enterprise led us to cut taxes.

Our belief in private property led to the sale of state industries and public housing back to the people.

Our belief in sound money led to the monetarist policies that attacked inflation.

Our belief in individual initiative over bureaucratic control led to the successful deregulation of finance and industry.

And, taken together, all these policies led to a freer society and the greatest period of uninterrupted growth in our history.

Three Items of Unfinished Business

But, as conservatives, we should be the last people to imagine that the world has finally and irreversibly changed. Yes: it is true that the collapse of socialism has settled the argument in favour of free market capitalism.

However, this remains a time for vigilance, not just celebration. The very scale of the West's achievements throws up new problems which we conservatives have to face. Here are three of the most pressing.

First, the practical case for democracy and capitalism is proven almost beyond dispute. But what of the moral case?

Let me immediately say that no political or economic system itself makes men good — and democracy is no exception. Some virtues, like tolerance and honesty, are necessary to sustain freedom: and some virtues, like industry, thrift and acceptance of responsibility, are even encouraged by it. But the fundamental moral argument for freedom is not that it molds people in its own image, but that it allows them to create theirs. And it does this because it alone protects those rights without which none of us enjoys the full dignity of human personality.

Freedom has to be valued for itself — not just for its material benefits. And the life of free men and women has to be a life of self discipline, self control and — for family and country — self sacrifice. There will always be new or retrained socialists anxious to persuade our peoples that wealth can be redistributed before it is generated and that ease can be purchased without effort.

So we conservatives must preach the hard truths and not just the more comforting half truths about the free political and economic system which we value.

The second challenge follows closely on.

The great economic advances which capitalism has made possible have allowed us to provide better welfare for those who cannot cope for themselves. But in doing so it has led indirectly to that very dependency culture which is weakening our countries and demoralising the poor.

Of course, there will always be a point at which providing welfare benefits significantly diminishes the recipients' desire to regain economic and social independence. That can't be totally avoided. But the scale of the problem in some places today is quite new.

When welfare benefits are paid to a considerable proportion of the population; when they are specially directed at reducing the painful consequences of previous irresponsibility; when personal taxation strikes hard at those near the bottom of the income scale; and when, more generally, traditional standards are under attack — in these circumstances the very foundations of our society are put at risk.

If we in the affluent West refuse to face up to these issues, we will weaken our ability not only to defend the values of freedom at home but the security of freedom throughout the world.

Indeed, the final piece of unfinished business concerns the rest of the world.

In Eastern Europe and in the republics which constitute the Old Soviet Union an heroic struggle has begun to create Western style democracy and free enterprise economies — a struggle as heroic in its way, perhaps, as those more moving and dramatic scenes which precipitated the downfall of

Communism. The governments and peoples there need no convincing about what they have to do: but they need to be shown how to do it. And, yes, I say it to this audience, they have to be helped to do it.

We may argue about the precise means and the scale of assistance: but the responsibility to bring freedom and free enterprise fully within the grasp of those who long for it falls on us too. We have to help these millions of people to enjoy that life, liberty, and the pursuit of happiness which the American Declaration of Independence promises to Mankind.

International Affairs: Three Conservative Principles

Mr. Chairman, one of Clare Boothe Luce's sharper epigrams was: A great man is one sentence.

Well, I will sum up the achievements of President Reagan in a sentence too: Ronald Reagan won the Cold War without firing a shot. He had a little help — at least that's what he tells me. But that imperishable achievement will be seen by history as belonging primarily to him.

That victory led to the freedom that the Russian and other peoples of the Soviet empire now enjoy. It led to the liberty of the Baltic states, the independence of the nations in Eastern Europe, and to the greater freedom of all the republics in the loose Soviet Confederation that is now being built.

But, Mr. Chairman, some people have pointed at these developments as harbingers of a dangerous instability in the international system. They therefore seek to prop up existing but unfree federal structures like Yugoslavia today, or until a few weeks ago, an unreformed USSR.

A: Stability

Let us be very clear about our Conservative principles here. I will refer to three: stability, nationhood, and free trade.

Stability is a conservative principle. It makes it possible for people to work, save and invest, because it gives them some reason to believe that their present sacrifices will bear fruit later. It persuades people to take out mortgages, found companies, plant trees, and do all the things that assume that their property will be protected, their lives and persons secure, and their children likely to survive to inherit what they have earned.

B: Nationhood

But, conservatives do not make the opposite error either.

We do not confuse stability with the diplomatic error of propping up whatever unstable status quo happens to be at hand. The conflict in Yugoslavia, the communal conflicts in Armenia and Azerbaijan, the ethnic feuding which pervades the old Soviet empire — these things are the consequences of Marxism and of attempting to crush, ignore, and override legitimate national feelings in pursuit of an artificial bureaucratic supranationalism with more roots and precious little freedom. True stability lies in creating looser structures of international cooperation in which legitimate nationalisms can both express themselves and forge links based on common interests.

In other words, Mr. Chairman, the conservative virtue of stability leads directly to accepting the legitimacy of nationalism as a basis for independent statehood. National pride, in combination with liberty and the rule of law, powerfully strengthens democratic government. We conservatives recognize that people will consent to be governed, and accept common sacrifices most readily, when they feel themselves to be part and parcel of one another in a larger community. And that

sentiment cannot be created by bureaucratic fiat. It is the product of many things — a shared history, dynastic loyalties, the same songs and myths, but, above all, of a common language and culture.

There is no great mystery as to why this should be so. When people share a common language—words, concepts, ideas, philosophies can be debated among them because they understand them in the same sense. That vital ingredient of democracy—public opinion—can more easily come into being a public debate on political questions that can then become something real and popular—a sport of taxi-drivers, housewives, businessmen, blue-collar workers, and football fans—rather than a thing of elites, special interests, and remote bureaucracies.

In these circumstances democracy lives. Societies can then enjoy democratic politics in a real, popular sense—however extensive geographically or however varied ethnically. The United States is itself a glorious example of how a common language, culture and institutions have made one people out of immigrants from every quarter of the globe.

True, the United States is also united by a common philosophy of freedom, elaborated in a great Constitution. But would that common philosophy be enough to unify 280 million Americans if their common language and culture were to be broken down into a patchwork quilt of multiculturalisms? I doubt it.

So the conservative response to the problem of disintegrating empires, like the Soviet Union and Yugoslavia, is to allow their constituent nations and republics to establish their own democratic, independent identities in an orderly and agreed way if they wish to do so. This also involves their collectively or individually accepting the international responsibilities of their predecessor bodies. In particular, arms agreements must be upheld and debt obligations accepted.

To such an argument, the conventional objection is that this would result in a multitude of small, economically inefficient, mini-states — unenviable because of the legacy of their years as part of a wider command economy. But such a view merely shows that people have adopted statist thinking. For with the advent of economic freedom the vast majority of industrial and commercial decisions never come within the purview of government at all: they fall to individuals and businesses who establish their own voluntary relationships.

C: Free Trade

Indeed, nation states, large and small, can form a complex economic network, cooperating in their mutual interests—provided that a third conservative virtue is applied: free trade.

I wish I could say that this was an original insight, Mr. Chairman. But the fact is that such ideas only seem original because they are ideas that our modern age has forgotten or ignored.

Free trade has both economic and political merits. Economically, it is the truest form of international cooperation, enabling people in all five continents to contribute to the manufacture and distribution of goods as varied as a computer or a matchbox. Politically, it means the size and extent of government need not be dictated by economic efficiencies of scale; they can be based instead on what I might call democratic efficiencies of closeness to the people. With free trade you can have both large-scale economic efficiency and small-scale political decentralisation.

It is only socialism that requires government to be large, remote and bureaucratic in order to control people and companies over a wide area. Free trade forces governments to compete — to offer lower tax rates and lighter regimes of regulation in order to satisfy people and companies. And because it disciplines governments in this way, Mr. Chairman, it is a bulwark of political freedom as well as of economic liberty.

A Federal Europe?

Stability, democratic nationalism, free trade—where have these conservative principles brought us? What are their implications for the United States in its relationships with its old NATO allies, and its new ex-communist friends in Europe:

A strong body of opinion, dominant in Brussels, influential in all European capitals, and with friends in this city, argues that Western interests will best be advanced by the development of a strong federal European superstate that would provide the second pillar of a strong Atlantic alliance. Such a body, in effect a United States of Europe, would, it is argued, be an independent player on the world stage, of course — but also a strong and reliable ally in whatever international struggles follow the Cold War.

Yet would such a supra-nation-state be an ally or a rival? Friendly or hostile? A force for democratic and liberal values or for their opposites? Let us test this hypothetical superstate against the conservative values I outlined earlier.

Nationalism?

Advocates of a federal Europe seek to replace French, British, Italian nationalism, which are deep-rooted sentiments, with a new European nationalism, which is a bureaucratic fiction. They cannot succeed.

But, like the inventors of Soviet nationalism, they can sow seeds of great bitterness in the process. And the institutions they create, such as a common foreign policy, are likely to amount to very little in themselves while crippling the actual foreign policies of real nations.

The Gulf War, and the Croatian crisis have tested the idea of a common foreign policy to destruction...as the Croatian people know all too well. Let us hope most earnestly that the new cease-fire will hold.

Under cover of previous cease-fires, the attacks have continued against Croatia by the Yugoslavian army, consisting of largely Communist Serbian forces, whose ambition is to create a Greater Serbia. Some five hundred or more Croatians have been killed, some of them massacred and mutilated — as, for example, old people at Cetkovci.

The matter is now before the Security Council, In the meantime the tanks and guns have advanced into Croatia taking more towns and cities and the cries for help have received no practical response. Hardline Communism, is not beaten yet.

Democracy?

Whatever the theoretical democratic powers of a European Parliament, it would in reality be an adjunct of a remote bureaucracy. Transferring powers from national parliaments to Brussels, therefore, would reduce real democratic accountability. And no amount of increasing the Strasbourg Parliament's powers can supply this so-called "democratic deficit." Moreover, debate conducted in ten languages is not the kind of vibrant debate we know.

Free trade?

Once I would have felt compelled to argue at length the case that a federal Europe would be inherently protectionist. Not today. Pasta wars, steel wars, the willingness to sink GATT's Uruguay Round in order to keep the Common Agricultural Policy intact, the unwillingness to admit industrial and farm goods from Eastern Europe, the attempt to include cars made in Britain by Japanese firms as part of the Japanese car import quota—all these have convinced fair-minded people that the nearer the EC approaches federalism, the further it departs from free trade—and the more it becomes Fortress Europe.

Stability?

A federal Europe, Mr. Chairman, would contribute to instability. Let me count the ways. It would construct a rich countries' set of economic and political arrangements that would keep out the poorer East European economies indefinitely, thus prolonging and aggravating the problems of new and fragile democracies.

By its own protectionism, it would encourage protectionist trends in Japan and the U.S., thus nudging world trade in the wrong direction.

It would continue to destroy Third World agriculture by subsidising the exports of food surpluses that its Common Agricultural Policy inevitably generates.

And it would be unstable, because in the long term separate national interests and allegiances, becoming stronger and more incompatible the longer they are suppressed, will eventually shatter the supra-national institutions intended to contain them.

So, on every account, the concept of a federal Europe fails. And as an equal partner of the United States, upholding a new post-communist world order, it is—to borrow Clare Boothe Luce's most famous line—"Globaloney."

An Atlantic Future?

Is there a more practical vision, a more generous vision, a more conservative vision? I believe that there is. It points to what I have called an Atlantic Economic Community, and to what Secretary of State James Baker called a "Euro-Atlantic Community" in a significant speech that deserves more attention—including more attention from conservatives. That is, a large, free trade area, encompassing the United States, Canada and Mexico, the European community enlarged by Eastern Europe, and perhaps later by former Soviet republics, and the countries of the European Free Trade Area. And this must not be a fortress against free trade—but rather a way of extending free trade more widely and helping fulfill the objectives of the GATT.

When Secretary Baker talked of a free trade zone stretching "from Vancouver to Vladivostock" only a few months ago, it seemed desirable but utopian. Following the Russian Revolution, it no longer seems quite so utopian. But let us keep our first speculations more cautious by confining them to a zone encompassing the U.S., the European Community and Eastern Europe.

It would be, in a sense, an economic equivalent—and economic underpinning—of an enlarged NATO. Because it would account for about sixty per cent of the world's GNP, it would exercise a profound influence in favour of free trade and free markets in other parts of the world. It would spread prosperity and political stability in the new emerging nations in Eastern Europe and the Soviet Union. It would help to avert the increasing danger of a series of trade wars across the Atlantic which inevitably poison Alliance relations and undermine defence cooperation.

A Second American Century?

Mr. President, Henry Luce called this the American Century. But would that it had truly been so. For this has also been the totalitarian century, a century of collectivism, mass murder, wars, tension, and fleeing refugees.

Only now do we dare to trust, as this Twentieth Century is coming to an end, both in years and in philosophy, that the cause of liberty will prevail throughout the world; and that the coming century will be the American century—because people everywhere are turning to what have become American ideas—ideas of liberty, democracy, free markets, free trade and limited government.

Mr. Chairman, the world is giving this country a mandate for leadership, a mandate which by your actions you have already shown you are prepared to accept.