Conservatives in Birmingham

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1. INTRODUCTION

Many people believe that the Conservative Party has never before held its annual conference in Birmingham. The conference has certainly not been in Birmingham for a very long time. So the first Conservative Party conference in Birmingham for more than 75 years is an opportunity to understand the Conservative tradition through the prism of that city. This exercise is a surprisingly fruitful way of understanding not just the history of Conservatism but also its future. And it may also be a handy guide to those metropolitans who are perhaps more familiar with Tuscany or shire England than with our Second City.

I should reveal a personal interest too. For generations, my family were Birmingham craftsmen – glaziers, gunbarrel makers, silversmiths. I was brought up in Birmingham. There are perhaps not many times and places more unfashionable than the Birmingham of the 1970s – it was a world of the Austin Allegro, prawn cocktails at Berni Inns, and Red Robbo. Jonathan Coe captures it brilliantly in his novel, *The Rotters' Club*, set in a school I recognize, the one we both went to. Birmingham's economy suffered in the 1970s and 1980s and I remember the

demolition of factory after factory. But it has got so much better since then. The city is now enjoying a revival, just as the Conservative Party is. And the fortunes of the city and the Party may be linked more closely than either has recognised.

There is of course a long tradition of rather disdainful disregard for Birmingham. Dr Johnson, from far more salubrious Lichfield, said to Boswell : 'Sir, we (Lichfield) are a city of philosophers. We work with our heads and make the boobies of Birmingham work for us with their hands.' But even then that was unfair to what was going on in Birmingham. In the late eighteenth century, the Lunar Society, comprising amongst others Erasmus Darwin, Josiah Wedgewood, Joseph Priestley, Matthew Boulton and James Watt met on the Monday closest to the full moon (to make it easier to find their way home) for philosophical discussion, scientific experiments and discussion of how to apply them to industry.[1] If any group of thinkers was behind our Industrial Revolution it was them. This makes it all the more embarrassing that a Tory mob, one of whose slogans was ' No philosophers – Church and King for ever' should have burned down Joseph Priestley's house in the notorious riots of 1791. We are very sorry.

For the next half century, Birmingham continued to be associated with radicalism. It was at the forefront of the campaign leading to the 1832 Reform Act with John Bright as one of its MPs. And of course it was busy making things and making money, becoming the workshop of the world. With its 10,000 or more factories it was the major source of the world's manufactured goods, like China today. De Tocqueville visited

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[1] Jenny Uglow, *The Lunar Men*, Faber and Faber, 2002.

Birmingham in the full vigour of the Industrial Revolution and noted in his diary that they are 'generally very intelligent people but intelligent in the American Way'. But then Manchester, perhaps more ideologically committed to free trade, became the dominant progressive city in mid-Victorian England.

Our account really starts in the 1870s with an extraordinary revival in Birmingham's civic life which is of national political significance. One historian captures the shift very neatly:[2]

> In many ways the change from Early to Late Victorian England is symbolised in the names of two great cities: Manchester solid, uniform, pacific, the native home of the economic creed on which aristocratic England has always looked, and educated England at large was coming to look, with some aversion and contempt. Birmingham: experimental, adventurous, diverse, where old Radicalism might in one decade flower into a lavish Socialism, in another into a pugnacious Imperialism.

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[2] G M Young, *Victorian England: portrait of an age*, Oxford University Press, 1964.

2. THE CIVIC GOSPEL

The political character of Victorian Birmingham was shaped by an extraordinary group of business families who combined Quakerism or Unitarianism and practical civic engagement. Their names such as Cadbury and Lloyd are still recognisable in business today. Their religion was socially engaged and less doctrinal than Anglicanism, which means it was hardly doctrinal at all. They were part of the great Dissenting tradition which kept them excluded not just from the established church but the great universities as well. It was not confined to the affluent either. The Aston Villa Men's Bible Class was connected with the Methodist Church – though it gradually cut back on the Bible study to focus on football, regrettably shortening its name at the same time.

Birmingham was so busy making things and making money that both its physical state and its civic culture lagged behind other leading Victorian cities. It was not unusual for the council to meet in a pub. And the centre of the city was a mass of slums and back-to-back houses which meant the death rate was even higher than was typical for the cities of the day.

One of the ministers from those Unitarian chapels described what happened next:[3]

> Towards the end of the sixties a few Birmingham men made the discovery that perhaps a strong and able town council might do almost as much to improve the conditions of life in the town as Parliament itself. I have called it a discovery for it had all the freshness and charm of a discovery. One of its first effects was to invest the Council with a new attractiveness and dignity… instead of discussing small questions of administration and economy, dwelt with glowing enthusiasm on what a great and prosperous town like Birmingham might do for its people… sometimes an adventurous orator would excite his audience by dwelling on the glories of Florence and of other cities of Italy in the Middle Ages and suggest that Birmingham too might become the home of a noble literature and art.

So you have intense religious belief, combined with practical business expertise, and serious social problems crying out to be tackled. The result was what was called at the time a new civic gospel.[4] One American observer said, 'Birmingham is above all else a business city, run by businessmen on business

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[3] R W Dale, quoted in Asa Briggs, *History of Birmingham, Volume II, Borough and City 1865 – 1938*, Oxford University Press, 1952.

[4] The phrase 'civic gospel' was coined by the great nineteenth century Nonconformists, Robert Dale and George Dawson. They argued that 'the public duty of the state is the private duty of every citizen'; and that as a result, serving on the town council to improve urban conditions had both moral and religious worth.

principles'. This amalgam of gospel and business is crucial to the success. It does remind one of contemporary America.

The central figure in all this is Joe Chamberlain. His family had a successful screw business, making a patented screw with a point (rather ironic given that in the later days of shoddy workmanship and industrial decline the hammer was known as the 'Birmingham screwdriver'). His family firm was eventually sold to another Birmingham family business, the Nettlefolds. In turn, this became part of Guest, Keen and Nettlefold, or plain GKN, which is still part of the FTSE 250.

Chamberlain became a Liberal councillor in 1869 and was Mayor from 1873 to 1876. He was keen to apply business principles to municipal government. Indeed he was explicit about the link:[5]

> The leading idea of the English system of municipal government may be that of a joint stock or co-operative enterprise in which every citizen is a shareholder and of which the dividends are received in the improved health and increase of the comfort and happiness of the community.

He was engaged to Beatrice Webb before she married Sidney and she describes him in her memoirs:[6]

> By temperament he is an enthusiast and a despot. A deep sympathy with the misery and incompleteness

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[5] Asa Briggs, op. cit.

[6] Quoted by Tristram Hunt in *Building Jerusalem: the rise and fall of the Victorian city*, Phoenix, 2004.

> of most men's lives, and an earnest desire to right this, transforms political action into a religious crusade; but running alongside this genuine enthusiasm is a passionate desire to crush opposition to his will.

He was a charismatic public figure, with an orchid always in his buttonhole. His powerful political presence, business background and civic role makes him a kind of cross between Michael Heseltine and Boris Johnson.

The caucus

Chamberlain's powerbase was the Liberal caucus – a new form of local political organization which was very controversial at the time. It is actually a model of grass roots political organization which has not really been matched since. The Liberals had already been organizing to fight specific campaigns but what gave the caucus impetus was the new structure for urban seats created by the 1867 Reform Act. Birmingham was allocated three parliamentary seats and two votes per person. If you were badly organised, your supporters would all vote for your two most prominent candidates and the other party would get at least one seat. But if you had such a good canvas that you knew who your voters were, and if they were willing to be guided, you could tell them which two candidates to vote for so as to ensure your party's support was spread evenly across all three candidates. This was what the notorious Liberal caucus achieved. This electoral structure was also a powerful impetus to civic identity as it meant that Birmingham's MPs represented their city as a whole.

The Birmingham Liberals were proud of their electoral organisation and keen to apply their techniques across the country. Indeed the rumour was that a railway carriage was kept

permanently ready at New Street Station 'to convey a few discontented agitators to the remotest parts of the country, in order that the proper echoes may speedily reply to the directives of Birmingham committee.'[7] It is what Tories have suspected of the Liberals ever since.

The caucus was the start of what we now recognise as organised party politics carried out locally. Despite all the criticism, Chamberlain was completely unapologetic about it:[8]

> It is no longer safe to attempt to secure the representation of a great constituency for the nominee of a few gentlemen sitting in private committee and basing their claims to dictate the choice of the electors on the fact that they have been willing to subscribe something towards the expenses. The working class, who cannot contribute pecuniarily though they are often ready to sacrifice more than proportionate amount of time and labour are now the majority in most borough constituencies, and no candidate and no policy has a chance of success unless their good will and active support can first be secured.

Indeed he went further and argued that you actually needed that sort of organization if you were successfully to overcome vested interests:[9]

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7 Quoted in Briggs, op. cit.

8 Ibid.

9 Ibid.

> The work which has been done in Birmingham has involved a heavy expenditure and has necessarily touched many vested interests. It would have been absolutely impossible to any but a strong and united party backed by all the influence and authority of a great majority of the constituency.

This is the case for organised political parties as a forum for resolving and managing conflicts between interest groups. It is still a powerful argument for political activity conducted through the structure of political parties. And it is striking that Birmingham politics suffered little of the corruption which besmirched some great cities.

Chamberlain and Disraeli

Chamberlain's mayoralty straddled two of the great Victorian premierships, Gladstone's ministry from 1868 to 1874 and then Disraeli's to 1880. In particular Chamberlain's overlap with Disraeli's Government was to be crucial for the future of Conservatism.

After a generation in the wilderness, Disraeli finally led the Conservatives back into office in 1874. He had achieved it by clarifying 'the real character and nature of Toryism' and shedding those qualities which had 'become in time obsolete, inconvenient, and by the dextrous misrepresentation of our opponents even odious.'

It is hard nowadays to get excited about his Public Health Act or the Artisans' Dwelling-house Act of 1875, one of the first Acts of the new Disraeli Government. But they were evidence of a genuine Conservative commitment to tackling what was then called the Condition of England Question. And the challenge was to do so without clumsy instructions from central government.

We are used to the idea that social progress is measured by the spread of conventional public provision. But Disraeli did not see it like that. He wanted legislation that empowered local authorities to tackle social problems and permitted rather than compelled them to do more. As he said, 'Permissive legislation is the characteristic of a free people'. Some critics thought that the legislation could be too permissive. There was legislation requiring a Plimsoll Line as a safety measure around merchant shipping but the Government was so concerned not to over-regulate business that it didn't specify where the Plimsoll Line could be drawn – it could be a neat little circle round the funnel if the owners wished.

Disraeli's objective was to 'gain and retain for the Conservatives the lasting affection of the working classes'. He recognised that the old Tory language of *noblesse oblige* would not work any longer: 'The principle of association replaced that of dependence as the foundation of the community.' At first Tories thought of this as a vision of a medieval community with that ultimate faith based group, the medieval monastery, as the ideal for welfare provision. Disraeli's belief in the local community was heavily influenced by the Victorian medievalism which also led to William Morris and the Pre-Raphaelites. But it could not just be nostalgia. It had to be modernised to be effective in government and who better to do it, combining modern business methods and genuine civic engagement than Joseph Chamberlain.

Chamberlain's ambitious programme of civic renewal in Birmingham was made possible by the legal powers Disraeli's legislation gave him, reinforced by his authority as the formidable boss of the Liberal caucus. The council used the powers in the 1875 Act compulsorily to purchase 93 acres of

slums in the centre of city. Chamberlain said Disraeli's legislation 'recognised something higher than property'. Birmingham Tories opposed pulling down workmen's houses for the purpose of making 'Chamberlain boulevard.' But Chamberlain went ahead and the result was Corporation Street, which is, to this day, the city's main thoroughfare as a result of the planning powers granted by Disraeli's Conservative Government and used by a Liberal mayor.

Chamberlain compared the sheer boldness of the project to Disraeli's dash in buying the Suez Canal company. He believed the energy he put into domestic reform matched Disraeli's achievement's abroad and might be more worthwhile than some of his foreign adventures, saying to a Birmingham audience:[10]

> I am prouder of having been engaged with you in warring against ignorance and disease and crime in Birmingham than if I had… instigated the invasion of Afghanistan.

Chamberlain's other key steps, as well as the city improvement scheme, were the municipalisation of gas and the taking over of water supplies. The city was later to municipalise electricity as well, as proposed by a Select Committee during Disraeli's Government in 1878.

This was municipal trading on a grand scale. The most successful venture was gas. As the city's gas company expanded it needed new offices and the council came up with a typically ingenious proposal. They built new offices for the gas committee and put the art gallery on top – which is why to this

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[10] Ibid.

day you walk upstairs to the art gallery in Gas Street. Profits from gas provided the building and local industrialists provided the contents of the new art gallery; the only municipal charge was maintenance and insurance. Hence the motto on the dedication stone, 'By the gains of industry we promote art' was more than the usual platitude.

Sidney Webb famously described a municipal councillor:

> The Individualist City Councillor will walk along the municipal pavement, lit by municipal gas and cleansed by municipal brooms with municipal water, and seeing by the municipal clock in the municipal market, that he is too early to meet his children coming from the municipal school hard by the county lunatic asylum and municipal hospital, will use the national telegraph system to tell them not to walk through the municipal park but to come by the municipal tramway, to meet him in the municipal reading room, by the municipal art gallery, museum and library, where he intends to consult some of the national publications in order to prepare his next speech in the municipal town-hall, in favour of the nationalisation of canals and the increase of the government control over the railway system. 'Socialism, sir,' he will say, 'don't waste the time of a practical man by your fantastic absurdities. Self-help, sir, individual self-help, that's what's made our city what it is.'

He must have been thinking of Chamberlain, the man his wife had nearly married. Perhaps he liked the idea that the practical councillor was really an instrument of his political ideas without even realizing it. Indeed in her book, *Our Partnership*, Beatrice

Webb says that 'The path to [the Fabians'] town utopia is that of Mr Chamberlain's early career'.[11]

Now we must confront the key puzzle. Here is this man who was an active Liberal and seen as a municipal socialist. How did he come to be such a formative influence on the Conservative Party? What does it reveal about us and about him?

[11] Beatrice Webb, *Our Partnership*, 1948.

3. THE NEW CONSERVATIVE COALITION

Conservatives came to recognise that in an age of democratic politics there were lessons to be learnt from Chamberlain's new approach to political organization. Randolph Churchill, one of the Party's leading modernisers, argued at the Party's 1883 conference in Birmingham:[12]

> If you want to gain the confidence of the working classes let them have a share and a large share – a real share and not a sham share – in your party councils and in your party government… The caucus may perhaps be a name of evil sound and omen in the ears of aristocratic or privileged classes, but it is undeniably the only form of political organization which can collect, guide and control for common objects large masses of voters.

The influence went far deeper than that, however. The Conservative Party had only won one Election in the past 40 years. It desperately needed to reach out from shire England to

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[12] Briggs, op. cit.

the great cities where it was so weak. The Party's leading thinkers began to realise that this meant winning over people who had been voting Liberal, not denouncing them. So they started praising what had been achieved in Birmingham, with Randolph Churchill commending Chamberlain and the Birmingham Radical tradition as they had 'enlarged the boundaries of freedom'.

As the Liberal Party became more interventionist and paternalistic, so there was a growing opportunity for the Conservative Party to find support amongst the bourgeoisie of Birmingham and other great industrial cities. This created the opportunity for the Conservative Party to change more fundamentally than at any other time in its history. Herbert Spencer was one of the first people to spot what was happening:[13]

> The laws made by Liberals are so greatly increasing the compulsions and restraints exercised over citizens, that among conservatives who suffer from this aggressiveness there is growing opportunity to resist it. Proof is furnished by the fact that the Liberty and Property Defence League, largely consisting of conservatives, has taken for its motto 'Individualism versus Socialism'. So that if the present drift of things continues, it may by and by really happen that the Tories will be defenders of liberties which the Liberals, in pursuit of what they think popular welfare trample under foot.

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[13] Herbert Spencer, 'Postscript to The New Toryism' in *The Man versus The State,* Liberty Classics, 1981 (first published in 1884).

Disraeli secured one great Election victory for the Party – in 1874 – but it was not enough to displace the Liberals as the dominant party. Then came the political earthquake of the Liberal split over Home Rule for Ireland in 1886. Joe Chamberlain, who had never been properly understood or valued by Gladstone resigned from Gladstone's Cabinet over his proposals to give Home Rule to Ireland. He saw them as a threat to the integrity of the United Kingdom and of the Empire.

This was not just another individual resigning from Cabinet. Chamberlain took his supporters with him, remained in control of the Birmingham machine, and then used it as the core of what is in effect a new political party, the Liberal Unionists. Their power base was not just Birmingham but also England's other great provincial cities, the City of London and Scotland, all areas where the old Conservative Party had never really had a presence.

Enoch Powell, also from Birmingham and an admirer, wrote a biography of Joe Chamberlain, perhaps because of some of the parallels with his own experience of breaking with his Party over Ireland. He says of Chamberlain's break with the Liberals:[14]

> It was more than a watershed in one man's career. It was a great geological rift in the pattern of British politics. Its sequels can be traced, without any resort to fantasy, for a full two generations – until the eve at least of the Second World War.

Joe Chamberlain gradually moved into the orbit of the Conservative Party and took an entire class of urban

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[14] Enoch Powell, *Joseph Chamberlain*, 1977.

bourgeoisie with him, with exactly the effect Herbert Spencer had predicted. In the words of one historian, Chamberlain 'lost the Liberal leadership but he regained that of the modern English bourgeoisie'.[15]

It took a decade before Chamberlain would sit with the Conservatives rather than the Liberals in the Chamber. There were difficult negotiations about the Conservatives not putting up candidates against Liberal Unionists. The full merger, creating a new Conservative and Unionist Party, finally happened in Birmingham in 1910 and nationwide in 1912. But if there is one crucial moment when the new political landscape come into view it is when Salisbury boldly holds the Conservative Conference in Birmingham in 1891 and delivers his keynote speech in the town hall with Chamberlain at his side. This new Conservative – Liberal Unionist coalition is a winner and is in office for 17 of the 20 years after Chamberlain leaves the Liberals.

This change in the pattern of British politics was not simply a result of political manoeuvres, however skilled Disraeli and Salisbury were in their handling of Chamberlain. It happened because the merger with the Liberal Unionists changed the character of British Conservatism. It became for the first time a significant urban force. It became for the first time the Party of business. And for the first time it appealed to the urban middle class. This only happened because the Conservatives changed to reflect the character of their new coalition partner. Above all, it meant that Conservatives became the Party of social reform.

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[15] Sir Robert Ensor quoted in Briggs, op. cit.

While the Liberals had Manchester, it was Birmingham and the Chamberlain tradition which was to be the crucial driver of Conservative social reform right through the twentieth century. Chamberlain discovered that 'in social questions the Conservatives have always been more progressive than the Liberals'.[16] But the Chamberlains were always uncomfortable at just being described as Conservatives – they were Unionists. And Union came to mean both the Union of the United Kingdom and the union across the social classes. So when Winston Churchill was trying to modernise the Party after its shattering defeat in 1945, he urged his Party Chairman Lord Woolton to look at renaming the Party the Union Party.

In the 1890s Chamberlain launched his latest idea on social reform – contributory pensions on the German model. He even got the Prince of Wales interested in the idea, though the Prince had to withdraw from a Committee on the subject because of criticism he was getting too involved in politics. The pension was to be worth five shillings a week from the age of 65. This was a far better model than Lloyd George's benefit introduced in 1909 which was non-contributory, means-tested and restricted to the over 70s. In fact Lloyd George created a terrible muddle by trying to use the contributory principle for health but not for pensions. It took half a century to sort this out and shift to a system in which the pension was contributory but access to health care did not depend on national insurance.

That crucial step was taken by Joe's son, Neville, who continued the tradition of social reform. Working with Winston Churchill as Chancellor, he introduced the first contributory state pension for

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[16] Powell, op. cit.

all pensioners over the age of 65 in 1928. The state pension as we recognise it today was not the creation of either Lloyd George or Attlee but of the Chamberlains.

The shame of Appeasement should not obscure Neville Chamberlain's massive and creative role in Conservative domestic social policy in the inter-war years. Neville exercised much influence via his creation, the Conservative Research Department. He reformed local taxation with the introduction of the rates. He expanded health care as Minister of Health.

Birmingham was also the home of some of the most exciting experiments in education to which we now turn.

4. EDUCATION

Growing industrial competition from Germany was showing up the gross inadequacies of British education. There were church schools, voluntary schools and commercial schools but no universal provision and no state schools. William Forster, Minister for Education in Gladstone's 1868 Government, thought he understood what Britain required. He thought we should have a straightforward, nationwide network of state-run schools on the Prussian model. That was what Joe Chamberlain and the Birmingham based National Education League were aiming for and what Forster put into his first draft of his Education Bill. But the trouble was that this threatened the diversity and character of the nation's existing schools. The churches in particular were up in arms at the threat to their faith schools with their distinctive ethos.

Disraeli and the Conservative Party led the battle to protect the nation's church schools from this state-imposed uniformity. A compromise was negotiated between the Government and the Conservative Opposition which protected the character of church schools, gave them Exchequer funding on a scale that they had not had before, and ensured that new board schools

should only be created as a complement to church schools rather than to replace them. Some Gladstonian Liberal MPs didn't like this compromise. Eventually Forster's Education Act was passed in 1870 with the support of Conservatives and despite the opposition of a phalanx of Liberal diehards. This success was repeated in 2006 when David Cameron and I supported the creation of trust schools in the Education and Inspection Act in the face of a powerful Labour rebellion.

Free education was not achieved with the Forster Act however. That came with the Conservative Government 20 years later. All the major education reforms of the twentieth century – Balfour's Act of 1902, Butler's Act of 1944 and Baker's Act of 1988 were Conservative achievements. Now once more the task of education reform will fall to us.

One of the great frustrations in education is that you visit some excellent schools that are doing well and then wonder how to transmit its successful formula more widely. Clearly top-down instructions from Whitehall will not work. But vague appeals to good practice won't do either. Part of the problem is that there is not a mechanism whereby a group of schools can establish a shared identity. There are some examples of this however and one of the most conspicuous and important is the King Edward's Foundation in Birmingham.

King Edward's, which I attended, was a direct grant school, described by Simon Heffer in his biography of Enoch Powell (who was also there) as a traditional grammar school. And behind it there is a fascinating story which is relevant today. The school had been founded at the time of the Reformation. But as Birmingham expanded in the nineteenth century there was clearly a massive need for more good schools. King Edward's could have taken the route of so many prestigious schools and

become more and more socially exclusive as the numbers wanting to go there grew. At first there was a stand off between the council and King Edward's. But then it took a different and far more imaginative route. If more and more children wanted to go to King Edward's, then there needed to be more King Edward's schools for them to go to. The King Edward's Foundation led to the creation of new schools as Birmingham expanded. So having been a single school in the middle of the nineteenth century, the foundation expanded and went on to create a network of seven secondary schools.

This is a model of school expansions from which we can learn today. The King Edward's Foundation is not the only example. There are also the Woodard schools and the United Learning Trust. The Girls Day School Trust links girls independent schools across the country, providing central services which the schools do not wish to provide on their own and giving a clear collective identity – it was described as the ideal local education authority.

Now there is an opportunity to create similar networks in the publicly-funded sector. I can still remember the excitement of discovering that there is nothing in the Government's academy legislation which says that an academy must be one school. So as David Cameron and Michael Gove push forward with our schools agenda, they can use these provisions to contract with an educational charity or a livery company or groups or parents in a co-operative to run a network of schools that share the same distinctive identity. If, say, St Josephs is a successful type of school there should be a network of St Josephs across the country, all with a shared identity. The King Edward's model of a foundation spreading new schools could be the key to school reform in the twenty-first century.

Education goes beyond schools. One of Birmingham's strengths was its ability to train and retrain its workers. There was a network of mechanics institutes and colleges endowed by successful local businessmen. Enlightened employers wanted their employees to continue to study. After my mother left school she went to work for Cadbury's at Bournville but she really wanted to be a teacher. Cadbury's had a day release scheme so that all their younger recruits got a day a week at a further education college and that got her on track to become a teacher.

Birmingham University was founded in 1900. (My grandfather remembered attending the opening ceremony as his father was one of the glaziers who had installed the stained glass in the main hall.) Again it was one of Chamberlain's great projects and he was its first Chancellor. It is one of the first municipal universities, founded on a very different model from Oxbridge. Chamberlain saw it as combining traditional academic subjects with more applied ones that were directly relevant to the prosperity of the city. So there was a department of brewing and mining as well as one of the first departments of commerce.

Now the challenge is to ensure that there are many open and accessible routes to university. One such route is via apprenticeships, which should be so rigorous and well regarded that they have the same value as A levels. This route exists in theory at the moment but in practice it is hard for anyone to take it. We are developing policies that will change that. Another exciting idea is that universities should use the academy legislation to sponsor technical colleges for 14 to 19 year olds. One of the first examples of this could be a technical college sponsored by Aston University in Birmingham.

5. THE RISE AND FALL OF LOCALISM

Chamberlain became a Liberal MP in a by-election in 1876 and joined Gladstone's Cabinet as President of the Board of Trade in 1880. He observed that unless he could secure for the nation the same social improvements as he had already secured in Birmingham, 'it will have been a sorry exchange to have given up the Town Council for the Cabinet'.

Thereafter we can see some new responsibilities for local government. In 1888, Conservatives created county councils as democratic political entities for the first time. And the network of miscellaneous local boards with specific responsibilities, such as schools were brought under local authorities. But the Disraeli/Chamberlain project for more localism encountered opposition. Some historians believe the doctrine of *ultra vires*, restricting local authority activities to those specifically authorised, was developed at this time by Whitehall to exercise control over these new multi-purpose local authorities. The Redistribution Act of 1885 divided Birmingham as a single multi-member parliamentary borough into seven single member constituencies, weakening civic identity there and in our major cities.

Bagehot captured this hostility to localism, seeing it just as a historical stage and not a project for the future:[17]

> In a country like England where business is in the air, where we can organise a vigilante committee on every abuse and an executive committee for every remedy, we need not care how much power is delegated to outlying bodies and how much is kept for the central body. We have had that instruction municipalities can give us: we have been through all that. Now we are quite grown up and can put away childish things.

There was another problem too. As local government took on more responsibilities, it needed more revenues. But there was a limit to the local taxes people would pay. Central government was also under financial pressure because of the growing military costs of Empire and so resisted demands for greater grants to local government. This was exacerbated by the Government's own increased borrowing driving up the cost of local authority borrowing, which had been crucial for financing Chamberlain's projects in Birmingham.

If you add all this together, late nineteenth century Britain was facing what has been called a fiscal crisis of the state. Eventually Lloyd George tackled it with the transformation of the tax system before the First World War. But Chamberlain had his own solution – using indirect taxes to cover the fiscal gap by imposing protectionist tariffs.

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[17] Walter Bagehot, *The English Constitution*, 1867.

It was a toxic issue. Chamberlain's policy had many supporters, including agrarian interests and industrialists facing new pressures from German competition. But it also meant imposing new burdens on the working men who were at last joining the Tory fold. Having split the Liberals, Chamberlain came close to splitting the Conservatives too. He saw 'tariff reform' as his last great campaign. He failed. It was in his biography of Chamberlain that Enoch Powell famously remarked, 'All political lives, unless they are cut off in midstream at a happy juncture, end in failure, because that is the nature of politics and human affairs. The career of Joseph Chamberlain was not an exception'.[18]

Salisbury offered this beady-eyed assessment of those Conservatives who believed in free trade. He thought they were about half the Party and comprised three groups:[19]

'1. The representatives of commercial constituencies.

2. The political economists of whom we have a sprinkling.

3. Those, mainly young men, who are sensitive to the reproach of belonging to the stupid Party.'

The arguments about free trade versus protectionism dogged the Party for decades. Meanwhile there was still the dilemma of how much freedom to give local government. I remember discussing this with Margaret Thatcher when Derek Hatton and

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[18] Powell, op. cit.

[19] Peter Marsh, *The Discipline of Popular Government: Lord Salisbury's Domestic Statecraft 1881-1902*, Humanities Press, 1978.

Militant were in control of Liverpool. Things there were looking so bad that contingency planners were identifying the buildings in Liverpool with flat roofs so staff and supplies could be brought in if local services broke down completely. I argued that if local people had voted for Militant, we should stay out and they would live with the results of their democratic choice. Margaret Thatcher was not so sure. First, she said, Liverpool was a great English city and there was a limit to what the rest of the country would allow to happen to it before they expected central government to step in. Moreover, you could put together an election-winning coalition in Liverpool of voters who would not have to pay the local taxes: so the minority of local tax payers were entitled to be protected by central government. Thus was the agenda for reforming local government finance born.

We are not going to get bogged down in such arguments again. Instead there is a much more imaginative agenda of giving new pride and purpose to our great cities as an important part of the renewal of Conservatism. Birmingham council, led by the Conservative Councillor Mike Whitby, is an example of what can be done. He has formed a progressive partnership with the Liberal Democrats which has already seen the City combine low council tax increases and high quality public services. His Big City Plan includes £17 billion of ambitious infrastructure projects such as the regeneration of New Street Station and the area around it. I can still remember the sadness when the fine Victorian Library, part of the backdrop of the City's great square, Chamberlain Square, was demolished in the early 1970s and the overall shape of the square was lost. The replacement has never been loved in the same way and now it will in turn be replaced by a new public library, Europe's largest, which should be far more architecturally distinguished. Birmingham is an

example as well of new forms of local organization such as the Balsall Heath Forum, influenced by the communitarian thinking of Dick Atkinson.

Nationally, we have said we will scrap capping and replace it by local referendums on larger council tax increases instead. We have said we will replace central targets for house-building with incentives for councils. We want to see new incentives for businesses to be attracted to areas and we like the idea of Business Improvement Districts. We pressed for the Sustainable Communities Act to be more radical by giving more powers to local communities.

Localism must not be a force just to stop things happening. We know from the writing of Richard Florida how clustering is a source of economic dynamism and is the reason why cities play such a dynamic role in the economy. The world is not flat: place matters. Above all it was the Liberal Unionists who embodied the Victorian civic pride captured in Tristram Hunt's excellent history, *Building Jerusalem*. Their spirit has helped shape the renewal of the modern Conservative Party.

6. BUSINESS, BOURNVILLE AND CORPORATE SOCIAL REPSONSIBILITY

Birmingham's tradition of individual crafts and trades meant that many of its businesses were small and flexible. One survey in 1938 calculated it had 1,500 trades and 10,000 factories employing on average 20 people each. The division between employer and employee was not sharp. And many of the most successful businesspeople lived in Edgbaston only a mile or two from the city centre. They were close to the life of the city, another reason they were so willing to serve as councillors.

It is ironic therefore that a Birmingham-born writer, J R R Tolkien, should have created one of the most horrific visions of industrialism in literature. Middle Earth, where the Hobbits live, must be based on the countryside of Warwickshire and Worcestershire around Birmingham. But his uncertain childhood brought him from the rural outskirts into the urban centre of the city. This contrast lies behind *The Lord of the Rings*. The drama comes from the juxtaposition of the bucolic innocence of the Hobbits and Saruman's caverns of Isengard where the orcs toil. This might be some kind of horrific re-imagining of industrial

Birmingham. (Incidentally, the twin towers are still standing in Waterworks Road, Edgbaston near where Tolkien lived for a time).

Probably the most enlightened of Birmingham's employers were the Cadburys. The Cadbury factory at Bournville (where my mother worked) and the housing estate round it remains key evidence that corporate social responsibility can be made to work in practice. George Cadbury began the model village on land around their factory in 1895. The model behind it was rather different from, for example, Lever's Port Sunlight. That was for employees only and was part of sharing the company's prosperity with its workers. The Bournville estate was never restricted to Cadbury employees. Instead it was a much more ambitious attempt to use improved housing as what Cadbury called a 'peaceful path to real reform'.[20] He wanted 'to make it easy for working men to own houses with large gardens'. The Bournville Village Trust, which still exists, was formed in 1900 so the properties would not just be bought and sold but others could be rented or made available leasehold.

Even though the residents were not necessarily employees of the firm, this did not stop the Cadburys from exercising a paternalist role as the senior figures in the management of the trust. 'Suggested rules of health' provided to new arrivals on the estate included cold baths, breathing though the nostrils with the mouth closed, walking and gardening. And they worked! It was calculated that the death rate was 6.9 per thousand as against 19 in the rest of the city.[21]

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[20] Michael Harrison, *Bournville Model Village to Garden Suburb*, Phillimore, 1999.

[21] Ibid.

Bournville had a profound influence on the garden suburb movement. But its character was gradually changed as, after the War, the pressure grew to increase housing densities on the estate. The Housing Corporation also exerted increasing influence over the trust. The most fraught debate over its character was about alcohol. The influence of the Cadburys created an ethos hostile to drink and even when the residents were consulted there was strong opposition to pubs or off-licences in the estate. Only recently have places been able to sell alcohol.

There are two lessons for us from the Bournville experience. Sometimes we overlook the importance of housing in entrenching poverty and blocking social mobility. In fact poor housing is as much a predictor of being trapped in poverty as poor schooling or family breakup. A social reform agenda has to include housing reform and our proposals on Community Land Trusts are a recognition of that.

There is a second point. It gets to the heart of what a community is. We are beginning to understand how communities work and how trust between individuals is created and sustained. The game theorists and evolutionary biologists are beginning to help us to understand the circumstances in which human co-operation will flourish and when it won't. They show that repeated interaction with other people increases trust. Strong communities with an active charitable life emerge where people know that if they behave well to someone else, that person will have the opportunity to repay the favour. This is one of the reasons why religious communities are so good at forming charities. In addition to doing good works to fulfil their religious obligations, they are communities which meet every week to worship.

That is what the Bournville development – recognised by the Joseph Rowntree Foundation as the best place to live in England – achieved. Life in Bournville is dominated by residents' committees, clubs and councils which are important not just for the votes they pass, but also for getting people together. They create the environment in which the same people meet again and again, so that acts of altruism will be recognised, rewarded, and repaid. Localism is not just about giving people more of a say over local budgets. It is about creating the environment where charity and community can flourish.

7. THE FUTURE OF CONSERVATISM

The Centre-Right has been strong in Britain and was in government for two-thirds of the twentieth century. Yet on much of the Continent the Centre-Right has been weak and often out of power. A crucial reason for this weakness was that it was divided between several different political parties.

Usually this division took the form of a rural, peasants party and a separate urban Liberal Party. One party would be communitarian, agrarian, traditionalist and linked to the church. Separately there would be a liberal, rationalist, urban, free market party. It was often anti-clerical. It represented modernity and the market place. It was linked strongly to the business community. Rural areas were suspicious of its cosmopolitanism and failure to value their traditions.

This fragmentation of the Centre-Right on much of the Continent made it vulnerable to powerful challenges from organised labour and the Left. There was no clear and united Centre-Right alternative to socialism. Instead, a variety of political parties had to form coalitions in order to govern.

British Conservatism could have gone the same way. Edmund Burke brilliantly held together, not least through the sheer power of his writing, a strong commitment to personal freedom in the market place, whilst at the same time valuing order, tradition and the local community.

But that distinctive mixture was unstable and split in the 1840s on the great issue of agricultural protection. As a result the mid-nineteenth century Conservative Party was the closest Britain has ever come to a Continental European Country party. If you look at a map of seats which the Conservatives represented in the mid-nineteenth century, they were almost entirely rural – and indeed a map of British Conservatism today after our three defeats of 1997, 2001, and 2005 doesn't look very different. We could easily have retreated to being the Party which simply celebrated the distinct institutions and ways of life of the English countryside – beautiful, valuable, tinged with melancholy, but not a great governing Party.

It was the Conservative merger with the Liberal Unionists, beginning with the Liberal split in 1886 and concluding in 1912 which meant that Britain avoided the Continental pattern of politics with a traditionalist rural party and a separate rationalist liberal free market party. It need not have been so. We could have gone down the Continental route. There are two reasons we did not – Disraeli and Chamberlain.

Disraeli had the vision to realise that this comfortable option was not enough. In a series of powerful speeches in the 1870s he committed the Conservative Party to the elevation of the condition of the people. And above all that meant the condition of the working classes in the great cities. He identified the Party with social reform and took it from its rural heartland to start winning urban seats once more. He took us from being the

Party of rural England to a great national Party with a governing mission. That message of social reform is at the heart of Conservative renewal today.

For the next 100 years we extended the Conservative coalition. We did it above all by taking successive waves of disillusioned Liberals away from their decaying Party. The coalition with Joseph Chamberlain after the Liberal split of 1886 was crucial. But that same process carried on through much of the twentieth century up to the arrival of some of the most talented supporters of the SDP almost 100 years later. The Conservative Party regularly benefited from an infusion of Liberal support.

Lord Woolton, the Party Chairman, and Winston Churchill nearly succeeded after 1945 in achieving their goal of a final merger with the remnants of the Liberal Party. They didn't quite achieve it. Nevertheless, when Churchill sent out his official letter of endorsement to his Party candidates in the 1951 election, there had been so many different groups joining the Conservative Party over the previous half century that candidates were fighting with no fewer than nine different official titles. For the past decade or more the trend has been in the other direction. Now we just see the glimmering of a return to a process in which we once more win back Liberals who find us their natural home once more.

The elevation of the condition of the people is crucial to our advance. That means a distinctive Conservative approach to poverty, to welfare reform, and above all to transforming our public services.

This is sometimes seen as being a Conservative agenda for the inner cities. But it is not just the inner cities; it is urban life as a whole. It is places where the shape of the community is not

conveniently defined by the boundary where houses end and fields begin. Instead there is a community shaped as much by the school run and the nearest shops. It still seems rather odd to me to look out of a bedroom window at night and see blackness rather than comforting rows of sodium lights stretching out into the distance. Representing as I do one of the Conservative Party's most socially mixed seats, I am absolutely clear that it is urban and suburban Britain we need to represent once more, alongside our traditional rural areas. These are places where community is an urban experience – not neatly defined by the darkness beyond the village lamps.

Birmingham could not possibly have been a seat held by the Conservative Party in the mid-nineteenth century. But the vigorous tradition of Chamberlainite social reform and urban renewal took it from Liberalism to Unionism to Conservatism. The simple historical measure of the challenge which we face is that we have to regain the sort of seats which the Liberal Unionists brought to us in 1886.

At our time of maximum weakness after the 1997 and 2001 elections, Tony Blair dreamed of realigning British politics so that we could never rebuild that Conservative Party again. We are proving him wrong. Recent Election results, with us ahead in local government across the country and with civic leaders in London and Birmingham, show that the Party has advanced far beyond its rural heartland and is gaining those Liberal Unionist areas once more.

Liberal Unionism brings a quality of strenuousness to Conservatism. It reminds us you can never let up in the battle for market reform. Otherwise a mature economy can easily become sclerotic and its growth rate drop. As well as economic reform there is the challenge or improving social mobility.

Improving people's skills is fundamental to both. This restlessness is the difference between Englishness, which can lapse into melancholy, and Britishness which is more ambitious and outward looking. And it is why the Unionist strand does more for the character of our Party than perhaps we recognise. The return of Conservatives to Birmingham means we have set a direction for the Party which is true to our historical roots and right for the future.

The clue to the electoral success of British Conservatives throughout the twentieth century is that we held together in one political party these two different political forces which were divided into two different parties on the Continent. We are the Party of tradition, the local community, often most powerfully embodied in the life of the countryside. But we are also the Party of personal freedom, the market, social reform and enterprise. In Britain, these different forces were held together within one mainstream political party. It remains to this day the clue to the distinctive identity of British Conservatism. We are a country party and a liberal party in one.

This creative tension is the distinctive strength of British Conservatism. It is as topical today as it ever was. It is not a simple, geographical divide, though you can see it in the pattern of constituencies we represent. The real reason it still strikes a chord to this day is that it is also a tension within everyone of us. On the one hand we all enjoy the power of the consumer in a modern, free-market economy – free, mobile, individualistic. We believe in a society based on contract, not status. It is innovative, restless and enterprising. But we want something else too – to know who we are, bound by ties of affinity and belonging. That is why the family is so important. And that is why national identity is such a powerful force.

We want to feel we have roots and are not just leading a life which is a series of meaningless acts of consumption strung together. We want to be linked to the past through traditions and institutions that are far bigger than any individual. And we have strong obligations not just to our parents and grandparents but also to future generations in a social contract that spans the generations and which no one generation can break.

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