



RAYNSFORD MP

Cooling off from the Westminster hothouse

The summer recess has come early this year. Nick Raynsford outlines his theories on why Government ministers and some backbench Tories will be sighing with relief.

THIS YEAR the Parliamentary recess has begun earlier than usual. In part this reflects the very light legislative programme since the General Election.

From the Opposition benches the Government looks very different to the one I remember from the mid-1980s when Margaret Thatcher was in her prime. There is now little sense of the crusading zeal of the high tide of Thatcherism. As that zeal gave us such products as the poll tax, its absence is not entirely unwelcome.

In some respects, not least that of economic policy, the Government has looked positively indolent in the past three months. It is as though it did not expect to win the election and, having done so, is far from clear what to do. Both the Chancellor and the Prime Minister continue to talk about an economic upturn just around the corner, but when the much-heralded "green shoots" of recovery stubbornly fail to appear for the second spring running, they have no solution to offer. All they can do is repeat the old claim that all the conditions for recovery are in place, so the economy must come good in the end.

Credibility gap

This is wholly unconvincing, even to Tory backbenchers. The case for action to revive the economy is overwhelming. Evidence of irreversible damage caused by prolonged recession continues to mount. Nowhere is this clearer than in the construction industry where, paradoxically, the Government has considerable opportunity to act to stimulate revival. Some of the remedies being advocated, mainly by anxious backbench Tory MPs, are unwise and dangerous. Withdrawal from the European Exchange Rate Mechanism is

no long-term solution and would fatally undermine confidence in Britain's commitment to Europe.

Nor is withdrawal from the ERM necessary to rescue sterling from its current artificially high exchange rate. Realignment of the value of sterling within the ERM is long overdue and could well form part of a wider realignment of the value of several currencies against the Deutschmark.

At the same time the Government must act to revive confidence at home. This requires new orders for housing and infrastructure, which are vitally needed in their own right and will have an immediate impact on employment prospects. The Jubilee line extension, delayed by the collapse of Olympia & York, is one obvious example. So too is the need for a new housing programme to meet the well-documented shortfall in affordable homes. All that is required here is a revision of the arbitrary and damaging Treasury restriction on the proportion of local authority capital receipts available for reinvestment. With more than £5bn currently locked away by these restrictions, the scope for action is considerable.

Is it too much to hope that, over the recess, Government ministers come to recognise that they cannot just sit on their hands while the British economy slides from recession into slump? When will they realise that politicians have a

responsibility to act to shape the passage of events, rather than passively wait for events to unfold, as if they had no control?

The other main issue preoccupying MPs in the run-up to the recess was the Maastricht Treaty. There is no doubt that any early break from the Westminster hothouse was particularly welcome to a Government anxious to avoid any further damaging internal squabbles over this treaty.

The baroness strikes

For the Tory Party, Europe represents a fault-line dividing Thatcherite loyalists from the new regime that replaced her. The fact that the issue of Europe provided the occasion for Margaret Thatcher's removal from the premiership gives it an added emotional significance. The re-emergence of the lady herself in the House of Lords, with predictably strident denunciations of all things European, was the outward and visible sign of serious internal conflict.

So rather than allow further easy opportunities for the conflict to rage, how much better to bring the Westminster show to a rapid end and send everyone back to their constituencies to cool down. Without the constant risk of a loose remark in the Commons sparking yet another bout of infighting, the Foreign Secretary can now get down to the task of finding a formula to rescue Maastricht from a state of limbo. Douglas Hurd will be under great pressure to come up with a solution by the party conference season at the beginning of October. At least in this area the Government appear to recognise that politicians have more to do than sit back and wait for market forces to operate.

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