

The Myth of the Free-Market Conservatives

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Ever since the timely demise of Edward Heath as party leader, members of the Conservative Party have taken more and more to describing themselves as 'free market' conservatives, all the more so after Mrs Thatcher's victory in 1979. But while one cannot but applaud her attempts to reduce the state sector, and such policies as sale of council houses, some of her other so-called 'market' achievements remain more dubious. Of these, most notable have been the removal of Trade Union privileges, and the denationalisation of certain state industries. The opposition, for its part, has no qualms about denouncing policies as 'free market'; but is the rhetoric of either side really justified?

Of course the legal privileges and violent excesses of the unions in the 1970s demanded redress, but nothing in market theory warranted the extent of the government's subsequent policies. From the GCHQ episode, to Mr Tebbit's plans to make the unions democratic, to the question of the closed shop, the attack on the unions has been hysterical. A free market approach, by contrast, would require, that Trade Unions be free to constitute themselves as they wished, 'democratically' or un 'democratically'. It would also require that employers be free to hire exclusively unionised or non-unionised labour, thus setting up a 'closed' or 'open' shop as they saw fit. The policies which the government chose, in the event, would be better described as union-bashing than as 'free market'.

Ironically, there is another realm of organised labour and restrictive practices where the state has not even ventured. The lawyers (with their many representatives on the Conservative back benches) continue to run the most rigidly state-enforced closed shop there is. The logic of far too many self-styled 'free marketeers' in the Tory Party seems to be that the marketplace is fitting for miners or dockworkers, but somehow a place that does not become lawyers or doctors.

Only now is the government even daring to consider deregulation of either law or medicine. The professions as a whole remain little more than middle-class trade unions and have largely escaped the wrath of the Thatcher administration.

And if one can doubt the reality of the government's 'market' reforms in the realm of organised labour, its policy with regard to organised capital is also suspect. The corporations remain as state-privileged as ever the trade unions were. Corporations - and in particular those corporations which finance Conservative election expenses - continue to enjoy special tax privileges, limited liability, and even occasional subsidies and protection from foreign competitors. After a decade of market rhetoric, denationalisation of the Bank of England, removal of the privileges of the Central Bankers, and any sort of return to free banking all remain unthinkable. The industries which have been denationalised are hardly models of market theory (this is to say nothing of the ridiculous and publicly-funded advertising extravaganzas that have surrounded the sale of state industries); neither Telecom nor Gas were deregulated or sold in little pieces in accordance with the dictates of perfect competition; instead both were sold intact as giant monopolies, largely to please the world of finance. The policy of gigantism, in addition, has entailed a whole plethora of New Dealesque regulatory bodies.

Perhaps an inherently 'coalition' party like the Conservatives cannot be expected to go over to one ideology; perhaps the adoption of more free market policies might nonetheless be most effective for the goals which conservatives pursue. Either way, there, are a number of difficulties in the way of the Conservatives if they do decide to become a real free market party. Many of these come from the preponderance of upper class and upper middle class representation in their ranks. Too many of the landowners in the Cabinet are quite happy to see continued farm subsidies, too many party members have a vested interest in their particular professions, and the Party as a whole relies perhaps too heavily on corporate sponsorship.

The Libertarian Alliance is an independent, non-party group, with a shared desire to work for a free society.

Meanwhile the government continues to boast about how much it spends on the welfare state, and state spending as a proportion of GNP has fallen only slightly. The free, market conservatives, if they exist, will have to steer their party as surely away from corporate capitalism as they have steered it from state socialism.

Free Life