

TUESDAY DRAFT

We are meeting at a historic time in the Westminster Press Gallery. After hundreds of years, politicians are finally held in even lower esteem than journalists.

It's a particular pleasure to be able to address an audience so well versed, so expert, on the subject of elaborate expenses claims.

I know some of you are obsessed about the special relationship. To be honest, I was pretty pleased when Hillary first went public. Now it's become a bit of a burden. And my wife's not too happy about the situation. In fact it has got to the stage where it is safer for me to be photographed with a banana than with the US Secretary of State.

That said I think I was ahead of the curve on bananas. I know people laughed at the time but if you believe the Sun Gordon is now eating 9 a day.

I want to say a word about George's chairmanship. His rise to power is an allegory for our times. A decade ago he was responsible for a story which my colleague at No 10 Tim Allan called "the darkest day in the FT's history". Now he is the toast of his peers.

I'm not thinking about the day his misguided exclusive about plans for the Euro which caused a run on the pound. No - something much more serious for a No 10 focussed on the big picture.

I'm thinking of the day he claimed that Tony Blair had changed his haircut to appeal to women voters. Looking at him now it's clear that jealousy was the mother of invention.

There are important foreign policy questions at issue over the next few months:

- Following through on the London Conference on Afghanistan
- Uniting the UN in the face of the Iranian nuclear programme.
- Driving forward a progressive agenda for Europe
- Getting climate change negotiations back on track.

Role Reversal

You're welcome to ask about them but today I want to address British politics, and something peculiar that is going on. A reversal of roles that needs to be explained.

I remember the early days of 1997. The Road to the Manifesto. The demolition of Tory pension plans. The five pledges. The launch of our tax and spending plans. Tony Blair, John Prescott, Gordon Brown, Robin Cook, David Blunkett, Jack Straw were a formidable team. And Mo Mowlam, Donald Dewar, Margaret Beckett, Harriet Harman, George Robertson.

Labour members were waking up with a spring in their step. The Tories were ready for Opposition.

Fast forward to 2010. Labour is behind in the polls by anything up to 10 points. The Tories have had four years remarkably free of scrutiny to prepare their case and prepare their defences.

But bizarrely, Labour is looking forward to the next few months and the Tories seem to fear it.

I could feel at the Cabinet last week the anaesthetising effect of governmentitis being shaken off the Labour machine:

- its not just that the Prime Minister's huge achievement in Northern Ireland made people proud of the Labour government and proud of his efforts
- There is innovation in our policy making and free thinking in our debates – from political reform to health reform.
- There is zest and a certain spirit of liberation in our attacks.

And then there is the Tories. Cameron messes up the marriage policy. Cameron upends the economic policy. Grayling, the spokesman on law and order, is caught doctoring the crime figures; in the police service he presumes to lead, an officer would be sacked for that. Ken Clarke says the Lisbon Treaty was “necessary”. The Shadow Foreign Secretary is collecting frequent flyer miles on Ashcroft Airways between Panama and Cuba. And that isn’t even to mention George, the weakest link.

If they want we can organise a rally for them somewhere, say in Sheffield.

The Tories briefed over Christmas that they would launch a policy a day in a blitz of announcements during January. No one twigged that what they meant is that they would be re-writing and re-launching their marriage policy every day.

These people have sat round the shadow cabinet room for four years chanting their three word election strategy: “don’t screw up”. And now this. No wonder one of them said in the Times last week there was “panic” in Tory ranks.

Change Election

Why has this role reversal happened? I think the reason is quite simple. Because we are clear and comfortable in our tactics and strategy; and the Tories are confused about both.

For us, the equation is simple. The Prime Minister said this is a change election. We only win this election if we are the party offering a better future than the Tories. All tactics, all strategy, are linked by a commitment to offer real change in people’s lives in a future quite different from the past.

Real change not personnel change. That drives our tactics and strategy.

For the Tories, the position is a mass of contradictions. Reassurance. Radicalism. Reassurance again. That’s all within economic policy.

Our reform proposals are getting bolder and harder as the election approaches, the Tories weaker and softer:

- Our proposals for industrial policy to lead growth contrast with Tory retreat on public spending
- Our proposals on health, with new ideas on cancer treatment, waiting times and GP access, compared with Tory retreat on health to the extent that David Cameron launched a campaign calling for a “moratorium” on change
- Our proposals on welfare contrast with complete Tory silence
- Our proposals on crime and anti social behaviour, for example targeting the impact of alcohol, contrast with bogus Tory pretensions to be siding with householders against criminals; bash a burglar does not make up for hug a hoodie
- Our proposals on political reform contrast with Tory votes, in the HoC, to preserve the rights of 92 hereditary peers in the Lords. It’s worth pausing on this given the vote on AV today. In 2009 DC said we needed “sweeping reform”. Now the limit of his ambition is gerrymandering the electoral system, cutting the cost of the Commons canteen, and proposing a law on Parliamentary privilege that he [voted] against last year.

- Some things should not change. Like counting the votes on election night.
- But there are deeper issues about political reform. Robin Cook reminded the Press Gallery in 2002 that it was the Trotskyists who used to say: it's the system that's the problem. In this case they are right. We have a 19th century political system and we need a 21st century one. AV is a taste of the change we need to embrace; and we need to make the change in a way which opens up the political system. I actually think the time is ripe for a referendum to refound the whole political system – Commons, Lords, local government, fixed term Parliaments, let's decide the whole lot together. The public want it. It's our job to give them the chance to vote for it. A Reset Referendum in the first half of the next Parliament would bring alive our political system.

But while tactics are important, the strategic issue is more significant. Policy is the symptom here, not the cause. The cause is strategic. You can see it in the core Tory proposition: Progressive Ends, Conservative Means. It doesn't add up.

People have severe doubts about electing the Conservatives, and the reasons are clear.

Its not just that in constituencies like mine the public remember the Conservative Party of the 1980s and 1990s as venomous and vindictive. Or that the Tory team seems pitifully weak.

The public rejected the Tories at three elections. They wanted them to change. They heard the talk about change and liked it; but now they see the walk and they are doubtful.

Cameron talks change - but from what to what? It's actually embarrassing:

- he says big government is the problem, but the world's biggest employer, the NHS, is the best of British
- he says our economy resembles Greece, but swingeing cuts would be wrong

- he says Britain has lost control of its destiny to Europe through the Lisbon Treaty, but there won't be a bust up with Europe
- he says Britain is broken, but the answer is a redistribution of warmth not wealth
- he says he has changed his party to go green, but Tim Montgomerie says 80 to 90% of the party don't buy it.

He drifts this way, and that, and back again.

The problems we face as a country split the Tory party down the middle. Not between left and right. There is no Tory left any more. But between heart and head.

The heart says cut government, deregulate, attack Europe. The head says: watch out, we'll frighten the horses, keep your head down.

And the public know we've been here before.

- John Major said he wanted to be pragmatic on Europe, and ended up in a beef war with Europe.
- He too said he wanted to avoid damaging cuts in public services, but he ended up cutting police and teacher numbers.
- He too was initially popular with the public - until they rumbled that because he had no idea how to take the country forward he was a danger to prosperity.

Cameron is not learning from history but repeating it for a very simple reason: the Tory party has not been reformed.

Conclusion

The Labour modernisation had a clear red thread to it: bury the old debates and put our values to work in new ways. It gave a consistency to our agenda, from party reform to reform of Britain.

The Tories have no such thread. They want to re-fight old battles on the economy, on Europe, on fox hunting for goodness sake, but fear they will be rumbled. So they are inconsistent. They give the impression that they don't know what they are doing.

The lesson of the 20th century is that the Tories had good reason to believe they were born to rule. Labour governments were irritants now and then to give the Tories a breather. But Labour contrived to lose elections it should have won.

New Labour changed that. We changed pendulum politics. And the Tories are still behaving as if the old rules applied. They have bet the house that we will lose the election for them. They have not done the hard work. The graft. The detail on policy. And the public sense it.

Max Hastings used his column on Saturday to call the Tories unheroic. I would call it unconvincing.

With the wind behind them the Tories got a fair way. But now the questions are finally being asked and they are being found wanting. While we used the economic crisis to pivot our thinking forward, they have used it to pivot backwards.

Of course we are the underdog in this election. We haven't got half a million quid to waste on posters.

We know it is easier to run today from opposition than from government.

But we also know it is easier to run today as a moderniser than a conservative. And we know that the future of Britain depends on a government ready to modernise the country not take it back.

Our challenge is to be ambitious enough and offer real change. Because we understand the challenges of the modern world and have the credibility to get to grips with them.

But that is the reason, from GB down, we came into politics in the first place. It is why we put in the hours and go through the madness: because we love the country but want to make it better. If that is the ground on which the election will be fought, we should relish it, and we will.