

Transcript of an event at Policy Exchange “Why Freedom is the Key to Our Success”

with Rt Hon Liz Truss MP, Chief Secretary to the Treasury

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Thank You To Policy Exchange

Good Morning,

I would first like to thank the team at Policy Exchange for inviting me here. In the fifteen years since it was founded, Policy Exchange has been at the forefront of solutions to some of the country’s biggest problems.

Particularly in areas like Education, Energy, Housing and Security.

I salute you particularly, Dean, for your thoughtful, informed leadership.

And it’s great to be here today to talk about the burning issue of our time: freedom versus control.

Freedom Now

We have made huge strides in becoming a freer country where all have opportunities.

I celebrate the disruptors who challenge the status quo.

Gig economy firms like TaskRabbit and AirBnB have brought fresh possibilities to all kinds of people, including those who were previously left behind.

Nearly two thirds of those renting their property through AirBnB are women.

And Uber is particularly used by those with on low incomes.

For the under 30s the ability to hail a cab or order a takeaway at the touch of a button is a way of life.

Free enterprise has huge economic benefits, driving down prices and creating growth and jobs.

But more than that, it is intensely democratic and open – breaking down monopolies, hierarchies and outdated practices.

It’s why so many people from non-establishment backgrounds have succeeded in enterprise. You don’t have to be part of the Old Boys Network to set up a business.

The essence of entrepreneurship is what the author Malcolm Gladwell has called the freedom to be – ‘disagreeable’: To not rely on the approval of others or give up in the face of some initial social uproar. It’s how all the big disruptors made their mark – from Apple to Ikea.

And when I travel around Britain, I see all sorts of businesses popping up – from vape shops to vegan burger bars. Britain is booming with them. Some see them as a flash in the pan. I see them as modern pioneers of British freedom.

I am neither a vegan nor a vaper, but I love living in a country where businesses and individuals can pursue their own dreams and desires with the minimum of interference.

Life Without Freedom

I have always been pro-freedom. I have to admit that this is because, fundamentally, I have never liked being told what to do. That goes against my nature.

As soon as I started earning a living, I realised that freedom meant more than just being able to express yourself, it meant having control over your own money and being able to use it however you want. That kind of economic freedom is just as important as any other.

In the words of the economist, Milton Friedman, ‘underlying most arguments against the free market is a lack of belief in freedom itself’.

This point was brought home to me again when I visited the Korean peninsula last summer. I met three North Korean 20-somethings who’d escaped from the repressive regime North of the border. They talked to me about what was happening inside North Korea, and their pleasure and excitement at finding ways of bringing goods into the country, and sharing and trading them with their friends at the local market. What was this contraband they were talking about? It seemed mainly South Korean TV box-sets and hair accessories.

And it struck me then that it was those simple items that were so incredibly important in people being able to express themselves as an individual and to be able to feel free.

The Anti-Freedom Left

Now, of course, in Britain, we are fortunate enough to live in one of the most free countries in the world.

Over the past 7 years – the Conservative Government has extended this freedom.

We’ve reduced taxes on basic rate taxpayers and companies.

We’ve extended private ownership – as in the case of Royal Mail.

We've used the private sector to deliver key projects like Crossrail.

And we've made it easier for companies to take on staff.

But as important as what we have done, is what we have not done. We have not bowed to all the calls for government intervention. We have refused to bail out companies – even when there has been political pressure to do so.

Because, where does the money for bailouts come from? It is money taken from families and small businesses in tax.

It creates a system where the big and powerful are protected from failure at the expense of new entrants.

We cannot allow the small minority of businesses that misbehave to damage trust in the system.

Our economic freedoms have allowed enterprise to thrive. Last year we saw twice the investment in new tech businesses than we did the year before. And employment is now at record levels.

The economic liberation of the 1980s ushered in the social liberation on which Tony Blair rode to victory. In the same way, the new enterprise we have unleashed has – ironically – brought the hard Left back from the grave.

Take Momentum.

They meet in buildings built by private companies.

They sip lattes brewed by private firms.

They tweet about how terrible private companies are – on a social media platform run by a private company.

It is perverse that the Left are so adept at using the fruits of the free market to peddle their message of control and anti-freedom.

Take Labour's war on Uber - a company that is bringing choice and value to huge numbers of people.

It's been condemned by the Shadow Business Secretary and the Shadow Chancellor. Across the country Labour councils are fighting day in, day out to close them down.

Or look at AirBnB, which is making it easier for people to rent out rooms or to find a cheaper place to stay.

Labour's Karen Buck has put forward legislation which would force people to register with the government before using AirBnB.

Other ideas are being mooted such as a robot tax on the growing artificial intelligence sector.

It wouldn't surprise me if Jeremy Corbyn is cooking up plans for a Bitcoin Miners' Strike.

They call themselves anarchists, but they deplore freedom of thought and ideas. "Blairites are the enemy", "free schools are the enemy", "business is the enemy" – that last one is John McDonnell, by the way.

This is Labour's dual agenda – shutting down economic freedom from the top, whilst closing down freedom of thought and expression.

The Rise Of Anti-Freedom

John McDonnell's vision for Britain is a planned economy, built on the triple terrors of nationalisation, crippling high taxes, and a new set of Government authorities including the Ministry of Labour and the Strategic Investment Board.

I've seen McDonnell's strategic investment plan.

It's like one of those wall charts in a crime drama.

A big and chaotic programme that seeks to control the economy.

That control comes at a cost.

£170 billion for the nationalisations – at the last count...

And a further £350 billion on the National Investment Bank.

All adding up to an eye-watering half trillion pounds – paid for by higher taxes on you, your business and your family.

The plan to hike spending and nationalise industry won't just mean worse services and higher prices...

What it is will mean is moving economic power from people and families across the country to the centre of Government.

It's the quickest way to kill Britain's economy.

And to restrict our freedoms.

Just imagine what it would be like...

You've got a big idea.

You want to start a small company in the energy sector, but you can't – it's illegal.

If it's in different a sector – not yet under Government control – you have to apply to John McDonnell, who will rule on whether it's a 'national priority'.

If not, you can forget it.

Then you have to raise funds, but you can't, because their economic policies have caused massive capital flight from Britain.

You try overseas, but Labour have banned foreign investment.

But you defy all the odds and you get set up.

Then you finally win some business, but your larger competitor moans to the Strategic Investment Board that you're disrupting the industry and threatening jobs.

A sternly worded letter appears in your letterbox, ordering you to scale back your subversive activities, or you'll lose your license.

But you struggle through.

And when you finally turn a profit, having survived the Labour minefield of meddlers and middle-managers, McDonnell takes his half to reinvest in 'productive enterprises', like bailing out the big corporations and paying off the debts of wealthy graduates.

And so you arrive home on a slow, nationalised train, to find that your council tax has gone up again, your bills are through the roof, and there's no electricity, because John McDonnell has diverted it for other purposes.

This might seem far-fetched. But it's exactly where John McDonnell's ideas will lead to. Venezuela is his real-life blueprint. Despite this, a worrying number of people are seduced by his promises.

The Alternative

We must have the confidence to chart an alternative course. One based on the values of freedom that have always made this country great. And applying them in fresh ways to new markets, new situations and new challenges, so that the benefits of the free market continue to be felt right across the country.

First, we need to unleash the potential of blockchain and Artificial Intelligence. These bring new freedoms to the individual, and benefit our national economy.

Take cryptocurrencies. These new ways of paying for goods have already shaken things up across the world. We should welcome Cryptocurrencies in a way that doesn't constrain the potential of this technology.

Second, we should revisit the way that our economy is regulated to break down monopolies and cosy practices.

In South Korea, streamlined utility regulation allows much more competition in the utilities market, meaning very high internet speeds.

The last time UK utilities regulation had a serious shake up was the 1990s, before the emergence of internet.

Thirdly, we should liberate high-growth, free enterprise areas, removing the regulations that get in the way of prosperity.

Docklands was once left behind. But Canary Wharf now rivals the City of London.

And it is because of the freedoms given to the Docklands Development Corporation that the dream of Canary Wharf, Surrey Quays and London City Airport became a reality.

All delivered by a Conservative government.

And we should scale that model up across the country – from our delivery of a new generation of garden towns, to our manufacturing zones.

Lastly, we should use free enterprise rather than tax and regulation to solve the big public challenges.

In health, disruptive new entrepreneurs are revolutionising hospital treatment. Everyday goods like smart watches have the potential to transform public health.

With real-time peer-to-peer information, like trip advisor, surely we can remove some of our bureaucracy?

Let's open environmental markets to exciting enterprises to deal with problems like plastics or dirty water that Michael Gove has highlighted.

Conclusion

In conclusion, great economies are not driven forward by planning.

They are driven forward by the freedom to be disagreeable.

We've an entire generation that has grown up feeling the excitement and possibilities of Britain's open, enterprising economy. They want to hear from politicians who want to open up new opportunities, not close them down.

Let's capture the hearts of this freedom loving generation by showing that it's the free part of free enterprise that we value most highly.

After all it is their talent, their ideas and their disagreement that will drive forward our country.