



# Tragedy, comedy, and eurosceptics

## A candid view of five decades in British politics

William Keegan, Advisory Council

**K**en Clarke is the best Conservative prime minister Britain never had. After a long political apprenticeship, he came into the view of the wider world when he was appointed chancellor of the exchequer under the government of John Major in 1993. He succeeded his friend Norman Lamont, who took the blame for the Black Wednesday debacle of 16 September 1992, when sterling was ignominiously ejected from the European exchange rate mechanism, precursor to the euro.

Before that, while serving as a minister in many Whitehall departments, Clarke occasionally caused controversy with his bully boy approach to public sector unions. For a long time he was not considered by Margaret Thatcher to be 'one of us', and he described himself as a Conservative 'wet' – an opponent to many of Thatcher's more hard-line policies. Yet he was more in favour of markets and privatisation than others whom Thatcher did not trust.

All these threads come together in Clarke's *Kind of Blue – A Political Memoir*, the title alluding to Clarke's party colours. This is a valuable addition to the history of the Thatcher years, from a shrewd and honest participant.

### Measured self-confidence

Clarke's 1993-97 chancellorship is considered to be one of the most successful of recent decades – this self-assessment is hardly modest. 'In my more ambitious moments in later years I would claim that I had been the most successful chancellor of the exchequer since 1945,' he wrote.

It was a period of good growth, in which he succeeded in his aim of controlling public expenditure, while relying on monetary policy to regulate demand. This policy was in his hands because the Bank of England was not yet independent – Major believed that interest rate policy was fundamentally a political concern.

In this highly readable memoir, Clarke recalls the tragicomic events of Black

Wednesday, when he was summoned by Major along with other cabinet ministers to the group struggling to know what to do. It has long been a criticism of the way the crisis was handled that the government did not admit defeat at the earliest opportunity. The cost to the reserves, courtesy of George Soros and others, was counted in billions.

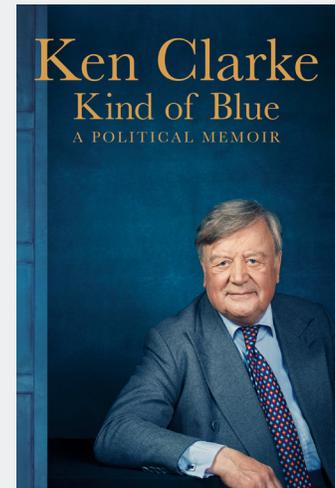
In his engaging way, Clarke freely confesses that he was one of those who urged Major to stick with it. That is one of the great things

**“That is one of the great things about Clarke's book: while referring many times to how self-confident he has been from childhood, he owns up readily to his misjudgements.**

about Clarke's book: while referring many times to how self-confident he has been from childhood, he owns up readily to his misjudgements. He gives various examples, such as doubting the potential of the European Airbus when he was trade minister, and being similarly sceptical about investing in the European Organisation for Nuclear Research CERN project, which was later to meet with great success in the search for the elusive physical particle, the Higgs boson.

### A Conservative transformation on Europe

These episodes are particularly interesting in the light of Clarke's passionate pro-Europeanism – a belief which ultimately scuppered his successive attempts at the leadership of the Conservative party. In the course of Clarke's lengthy climb up the greasy political pole, the Conservative party was transformed from being predominantly pro-European to an organisation where its indefatigable eurosceptics seem to call most of the shots.



Clarke's parliamentary career encompasses the prime ministerships of Edward Heath, who took the UK into the European Economic Community in 1973, David Cameron, who bowed to pressure for a UK-EU referendum, and Theresa May.

### Worst political mistake

This memoir takes into account latest developments. Clarke concludes: 'David's chancer-like gamble, taken for tactical internal party-management reasons, turned out to be the worst political mistake made by any prime minister in my lifetime.'

He says he has been repeatedly asked whether he can remember any madder period of political life in the UK during his career – his answer is 'no'.

Clarke reminds us that Thatcher herself was a leading advocate of the single market that her eurosceptic disciples want us to leave. Moreover, in Clarke's opinion, 'The creation of the single market was probably the biggest single boost to economic modernisation, investment, trade and jobs in the UK that the Thatcher revolution produced.' All that now is at risk. ■

William Keegan is Senior Economics Commentator for The Observer.

