

David Cameron: Together we will find a way through

In a statement today to the Conservative Party Conference, David Cameron said:

(check against delivery)

INTRODUCTION

"We arrived in Birmingham knowing that we face a very serious economic situation. The reaction to last night's vote in Congress shows just how serious that situation is. Household names collapsing. Governments bailing out banks with enormous sums of taxpayers' money. A difficult end to the decade of debt. As if life wasn't already enough of a struggle with the cost of living going up people are worried this morning about their jobs, their mortgages, their savings, their pensions. They get even more worried when they hear talk of a collapse of capitalism. People are confused and concerned. They want to know what's going on. They want to know what is going to happen next. They want to know how we're going to get out of this mess. In my speech tomorrow, I will try to answer those questions in full. Today I just want to get a couple of things straight.

ATTITUDE TO THE CITY

First, let's get our attitude towards financial services straight. We must not let anger cloud our judgment. It's easy to see why people are so angry with the bankers today. They paid themselves vast rewards when it all was going well and the minute it all went wrong, they came to us to bail them out. There will be a day of reckoning but today is not that day. Today we must do everything necessary to protect the stability of the system because everyone's jobs, savings, pensions and mortgages depend on it.

Today is a day for safety, for security, and for protection. Everyone needs to know that we are doing everything we can to help you keep your job, your savings, your pension, your mortgage safe, that we are not playing politics with this, that we will always do the right thing to protect your life and your future.

That does not mean excusing irresponsible behaviour or pretending it never happened. For the last three years, I have made clear that the Conservative Party is not some wholly-owned subsidiary of the CBI or the City of London. I said three years ago that we do not just stand up for business but we stand up to big business when it's in the interests of Britain and the

world. We said that we stand for social responsibility, and that a key part of social responsibility is corporate responsibility. We believe in the free enterprise system, but we do not believe in a free-for-all.

So as George Osborne said yesterday, the bankers must pay for the mistakes they made. He is right. And he is also right when he says that we must not use this financial crisis to trash the financial services industry. Financial services are one of our most important industries, and it's not just the City of London but people working in branches of Halifax and Bradford and Bingley, people working in call centres, people with families to raise and mortgages to pay.

ATTITUDE TO THE FREE ENTERPRISE SYSTEM

The second thing we have to get straight is our attitude to the free enterprise system as a whole. We must not use this crisis to bury the free enterprise system, but to reform it. Over the weeks and months ahead this Party will need to rise to that challenge, and I am confident that we will because of our instinctive belief in the free enterprise system. We believe in it and we understand it. We understand its strengths and its weaknesses and we know how it needs to change. But again, this is an argument for another day.

Today, our focus must be on protecting the system. Anyone who knows anything about the history of economics knows that it wasn't the Wall Street Crash that caused the great depression, it was the banking crisis which came after the Wall Street Crash and the policy response to that crisis. We've got to get the policy response right, and our principle is clear: we must protect the taxpayer where possible, and stabilise the system where necessary. So I and this party stand ready to help in whatever way is necessary, to help the Government to do the right thing for the sake of our economy and for our future financial security.

WORKING TOGETHER

We should always be ready, we have always been ready – at a time of national difficulty – to put aside party differences to help bring stability and help bring reassurance. Working across party lines is not just something we say because it might sound reasonable – it is something that may well be very necessary. There may well need to be a marshalling of public support behind some big decisions. And we cannot allow what happened in America to happen here. But this should never be a blank cheque. We should not, we will not suspend our critical faculties. If certain steps need to be taken, I would hope the opposition will be consulted and these things would be discussed. This is a moment when democracies are being tested: we need to

show that they can deal with crisis and difficulties like this one.

SPECIFIC ACTION

There are three specific things that I believe would help protect our economy and we stand ready to do whatever is necessary to help make them happen.

First, we must pass legislation to enable the Bank of England to rescue failing banks. That legislation is ready, it can be brought before Parliament on Monday and we will support it. We have been arguing with the government over one aspect: who pulls the trigger to start the process of rescuing a bank. We argued that it should be the Bank of England; the government argued that it should be the FSA. In the end what matters is getting the legislation through quickly and so I can announce today that we are prepared to drop that objection to allow rapid and safe passage of the Bill - and we can return to this issue later.

The second thing we need to do is pass further legislation to protect people's savings and deposits and ensure quick payout. If we pass this legislation, everyone will have the comfort and security of knowing that whatever happens, their money is safe. I am calling today on the government to accelerate this legislation, to bring it forward next week and I can promise them it will have our full support.

The third thing we need to do is break the self-fulfilling cycle that is reducing banks' ability to lend. The problem is this. When the value of financial assets falls, a new international accounting regulation called "marking to market" automatically downgrades the value of banks. They are less able to raise the money to carry on their business. That in turn causes further falls in the value of financial assets. And this is making the financial crisis worse than in previous downturns. So our regulatory authorities, together with the European regulators, need to address this difficult issue.

OUR CONFERENCE

This financial crisis is rightly uppermost in the minds of most people up and down the country. But it is not the only issue facing Britain today. So we will continue with our conference and continue to discuss all the important concerns that face our nation. And when it comes to the financial crisis and the economic downturn, what people need is for political leaders to tell the truth, speak plainly, and talk about the mistakes that were made and the choices that lie ahead. So we will be critical of the decisions that over ten years have led us to this point. We will talk of the lessons that need to be learnt. That is our task and we will do it.

CONCLUSION

So let us all be clear. We need to understand how this happened, and how we're going to get out of the mess. I will address those questions in my speech tomorrow. But today is a time for us to send a clear message: to our political opponents, to our country. Let's not allow the political wrangling and point-scoring that we've seen in America to happen here in our own country. In Britain, we are all in this together. In Britain, let's stick together, and together we'll find a way through."