

Tony Benn

**A NEW COURSE
FOR LABOUR**

Introduction

I am grateful to the Institute for Workers' Control for arranging to publish these statements, speeches, leaflets, broadcasts and memoranda issued during the election campaign for the leadership of the Labour Party.

During that brief period I sought to identify some of the main issues confronting the party and set out the policies which I support. I am deeply indebted to Joe Ashton, Frances Morrell, Francis Cripps, Ken Coates, Audrey Wise, my family, the Bristol South East Labour Party and all those in the Parliamentary Labour Party and the movement who advised upon and supported this campaign and helped in other ways.

I believe that this brief period of open discussion about policy in which, as a candidate, I was able to join, even though in the Cabinet, may have helped to establish that it is possible to combine a serious debate about alternative strategies with a determination to sustain the Labour Government in power. It is essential that loyalty should not be used to blank out a real debate; nor that that debate should endanger the life of the Government.

Tony Benn
March 27 1976

Three campaign objectives

March 17 1976

Statement announcing candidature

I am standing for the Leadership of the Labour Party in order to campaign for the policies which I believe should be pursued by the Labour Government, which must be sustained in office.

Firstly, we can only return to full employment and rebuild our industries if we adopt the strategy advocated by the TUC and the Labour Party Conference of restricting imports, making planning agreements with large companies and directing Government investment into key industries.

Secondly, we must restore to Parliament and the people the capacity to control Government, Whitehall and the public corporations by a major exercise in open government and an extension of the powers of MPs.

Thirdly, we must do more than pay lip service to industrial democracy: we must provide for joint decision-making between management and workers at every level of industrial life.

The future of the Labour Party depends not only on adopting these policies in principle, but on carrying them out when in office. The future of Britain depends on whether we have the courage to reconstruct our economy and create a fairer society.

Opening up the debate

Transcript of interview with Bob McKenzie on BBC TV *Tonight* programme.

March 17th 1976

McKenzie: Tony Wedgwood Benn we've been talking tonight to 102 MP's – Labour MP's – and of these 69 were prepared to tell us how they were going to vote on the first ballot. Of these 69, seven said they intend to vote for you. Now does that figure surprise you?

Benn: No. I am not engaged in predicting the outcome, I am standing for one reason and one reason only: to put forward the policies in which I believe, for which I have campaigned very hard in the country, and in the Cabinet in the last two years. I think that when you are electing a Prime Minister, or when you are electing the leader of a great Party, the Party and the people are entitled to know the policies of the candidates. And that is my reason for standing and I have made those policies clear, and that is the way in which I intend to approach this entire campaign.

McKenzie: *Good, well I want to come to those policies in a moment. May I just put to you another poll result tonight: the ORC National poll which said that of all voters in this country on a national sample by far the largest proportion – 45% – want to see Jim Callaghan and only 6% want to see you lead the Labour Party. Now it is almost uncannily similar to our own poll that is 7 out of 69 – 10% of MPs will vote for you, 6% of the general public said they would like to see you as leader. Does that kind of result in any way undermine your confidence?*

Benn: No, not in the slightest because we are now, as a country, facing one of the gravest economic crises in our history. Everybody accepts that. I think it is much graver than people yet realise. We have got nearly a million and a half unemployed. We have got prices rising, and the Common Market is playing a considerable part in that. We have got investment falling. And the real danger that people have not yet woken up to, is that with our manufacturing industry now declining, imports are pouring in and if there were an upturn the real danger is that upturn would lead to a flood of imports; and whereas Germany and France and Japan and America might recover, we would have a short fevered boom and fall over the edge again.

McKenzie: *Good, well we are on to policy and you have mentioned imports. Do you or do you not support the Government policy of not introducing import control?*

Benn: I support the TUC economic review.

McKenzie: *Do you support the cabinet policy or not?*

Benn: I support the TUC economic review of introducing import control over a very wide range of goods. That is the view that I put before the Labour conference that was endorsed by the Labour conference. That is the view that the TUC put forward. I think that if we do not do that we will see more and more men out of work, in the motor car industry, in textile and in boot and shoe. We are even importing coal or we were until I stopped it. And this is an absolutely major question. The British public have got to recognise that our manufacturing industry is so weak that unless we protect it and then invest behind a wall of protection this country could be on its way down in a very serious way.

McKenzie: *It would therefore be fair to say – I don't want to misrepresent you – that you do not agree with Chancellor Healey who has repeatedly refused to accept import controls?*

Benn: I have been arguing for import controls in the Cabinet for over a year and I think the party and the public are entitled to know in an election where each candidate stands on the question of import controls.

McKenzie: *In our second matter do you, or do you not agree with the policy of refusing to reflate the economy at this stage, which is roughly the position as I understand it of the Chancellor?*

Benn: I take the view of the TUC economic review which calls for a substantial deflation – not a Barber-type boom, nobody wants that – but for Government financed investment to go into key industry, at this moment, not only to provide jobs, behind the wall of protection to which I have referred, but also to re-equip British industry which otherwise is bleeding to death. Everyone – managers and

workers in industry in Britain — knows this to be the case, as imports flood in from the Common Market and elsewhere.

McKenzie: Now do you agree with the Chancellor and the Cabinet in advocating cutting back in public expenditure or do you agree with the left wing minority in the Labour Party which has bitterly criticised the policy of cutting back in public expenditure? How do you stand on that one?

Benn: The debate inside the Cabinet on public expenditure has been going on since May of last year. The view I took in the Cabinet was that there should be consultations outside, with the TUC and others, before the decision was taken, and I greatly regret that Labour MPs were confronted with a decision in which they had no part. And my view — and the second point on which I am standing — is that MPs have got to have much greater say in policy making. We want an economic committee of the House of Commons, an industrial committee, to which the Chrysler matter could have been referred and we want to have a defence committee. We want to give Members of Parliament a greater say over what is now happening, the domination of British politics by Whitehall. This is the second point on which I am campaigning in this election.

McKenzie: But you would agree that we have broken new ground in this interview in that for the first time a member of the Cabinet has effectively disassociated himself from at least three major matters of policy. The only precedent being the right to disagree on the Common Market?

Benn: The only precedent was that and we had a very good referendum campaign and it didn't damage the Labour Party at all. Indeed it was the only way in which the Labour argument about Europe and the argument in Britain could be settled. I campaigned for the referendum, and I believe in open government. I believe that our society would be better governed if people were more candid about the choices, and I accept full collective responsibility for everything that has been done by the Cabinet.

But if I stand now as a candidate for the premiership, which I do, plus the leadership of the Labour Party — to which I am entirely attached and which must be sustained in office — Labour MPs and Labour workers in the country and the nation are entitled to know where I stand on these questions.

McKenzie: Now let me put you a point that some of your potential left wing supporters are a bit uneasy about. That was the willingness with which you were divested of the job of industry minister and put into energy. Some felt that you were giving up a very central role in the Cabinet and being allowed, in effect, to be demoted into energy secretary and that you would be in a much stronger position if you had done what Aneurin Bevan did, Harold Wilson did, and said "Look this is a key matter, now I'll quit the Cabinet". Did that occur to you as a possibility?

Benn: I discussed that with my local party in Bristol. And I had two long discussions with the Prime Minister after he sacked me. And I took the view then, and my local party supported me, that it was possible and proper, under certain circumstances to resign from a Government on a matter of principle, but not to resign from Government because you felt that you yourself had been in some way affronted.

ted or humiliated or whatever. And I think it was right to remain in the Government to argue my case as I have done inside the Cabinet, and now that there is a campaign, to come out and say what I have been saying and what I would do if I were elected. I think that the Labour Party in the country wants the Government sustained, wants the links with the Trade Unions strengthened, and wants Members of Parliament and candidates and Cabinet ministers to speak their minds openly because this is a supreme opportunity for the British people to join in a real debate.

McKenzie: *I want to ask you, are you happy with what the Government has done with the National Enterprise Board since you left the post of Minister for Industry?*

Benn: I think there has been a shift away from the industrial policy put before the electors in the February and October 1974 elections; and I think that the TUC economic review is important because the whole weight of the trade union movement is now placed behind a strengthening of the National Enterprise Board, planning agreements with major companies and government investment on a much larger scale than we have seen so far.

McKenzie: *Then you are disappointed in the way things have been handled since you left that office?*

Benn: I presume I was sacked by Mr Wilson from the Department of Industry, or moved at any rate, because a change of policy was contemplated. That change of policy took place. I did not complain about it in public. I argued the case in the Cabinet and as a candidate I must make it clear that if anyone votes for me there will be a stronger National Enterprise Board, there will be planning agreements with major companies, there will be government financed investment to re-equip Britain. Otherwise this country which built its strength on manufacturing industries, will bleed to death. And I think it is time the British people were aware of the great debates that go on in the Cabinet because frankly they would expect those debates to take place, and they do.

And now Labour members of Parliament can join in themselves.

McKenzie: *Mr Benn, thank you for a very frank statement of your position.*

Who should govern Britain

The need for a new relationship between Parliament and Government

March 18 1976.

Every Prime Minister as head of the Government has the responsibility of deciding who is involved when vital national decisions are reached. In recent years decision-making has increasingly shifted away from elected Members of Parliament and even sometimes from the Cabinet as a whole to a complex network of committees, some Ministerial, some official, all secret.

I am standing for the Leadership of the Labour Party in order to campaign for a reversal of this trend.

Firstly, the Prime Minister should ensure that fully documented policy choices on major national questions should be presented to the Cabinet and to the House

of Commons, save only where national security is at stake, in order that debate in the House, in the media and in the country should precede and influence decision, not only succeed it.

Secondly, the House of Commons should establish back-bench committees on a wide range of policies, including:

- i Economic policy
- ii Industrial policy
- iii Foreign Affairs
- iv Defence policy
- v Agriculture
- vi Machinery of Government

These committees should have the power to call for briefs from the Departments concerned, setting out alternative strategies and to call before them any Minister or senior official to cross-examine them where possible before decisions are made, but in all cases after they have been announced.

The committees should be provided with proper staff and facilities and should be free, if they think it right, to hold their hearings in public and with the press present.

Thirdly, Labour MPs should be consulted along with all interested groups whenever the Government engages in consultations before the preparation of legislation.

Fourthly, the Parliamentary Labour Party should be involved, as an equal partner, in the regular discussions with the Trade Union movement on political and economic strategy in line with the proposals made by three leading Trade Union leaders recently.

Fifthly, Members of Parliament individually should be able to visit Government departments on behalf of their constituents to seek help or information.

Many of the problems now facing Britain, including the problem of winning public consent for the policies of any Government, stem from unnecessary secrecy and from the fact that democratic accountability has been seriously weakened.

This issue should be a dominant one in the election of a new Prime Minister.

Letter to all Labour MP's

March 19 1976

Dear Colleague,

I am enclosing the full text of both the statements I have made this week after announcing that I intended to stand as a candidate in the election for the Leader of the Labour Party.

Like all members of this Government, I accept my full collective responsibility for all the decisions taken by the Cabinet since we came to power.

But I have thought it right to set out clearly my own view of the issues involved in this election so that everyone may know my views before they vote.

I strongly support the manifestos on which we fought the 1974 elections. I believe that the close working relationship that we have established between the Party and the trade union movement must be maintained and strengthened.

But the movement must welcome – and not discourage – a continuing debate about the record, the performance and future policies of Labour governments in office.

Genuine differences of opinion, and even serious criticisms, actually strengthen the Party and its appeal to the country.

The Party is a coalition and always has been. But our constitution not only sets out the Party objectives but provides ways of resolving our differences democratically at every level.

I shall therefore accept without question the Party's choice of Leader and do everything in my power to sustain this Labour Government in office and to campaign for its re-election.

Tony Benn

Three issues in European policy

Statement issued March 21 1976

Three issues in European policy

Among the issues that will face the Labour Government over the next few months will be its policy towards the Common Market now that the British people have voted to remain in the European Community.

First We shall need to find ways of helping British families with the higher food prices and make a determined effort to reform the Common Agricultural policy.

Second We shall need to show the greatest caution before deciding whether to go ahead with direct elections to the European Parliament which could weaken Parliamentary democracy in Britain and should be referred to a Speaker's Conference.

Third We shall need to secure the co-operation of the EEC with special arrangements that will allow Britain to take steps to recover its industrial strength.

These three points should be discussed openly during the election of a new Prime Minister.

The political role of Ministers

Letter to the General Secretary of the Labour Party

March 24 1976

Dear Ron,

Now that there is some public discussion – which I welcome – about the role of Ministers on the National Executive, I thought it would be helpful if I let you have a copy of a Minute that I sent to all the Ministers in the Department of Industry when the government was formed.

This Minute deals with the political role of Labour Ministers, including those who are members of the National Executive.

I would be grateful if you could circulate my letter and the attached Minute to members of the NEC for information. I am also making it public so that members of the Party generally can be informed about the position.

Yours

Tony

Annexe: Minute dated June 1 1974.

To all Department of Industry Ministers

Industry Ministers and their political role

The Prime Minister's minute on procedure for Ministers is there to guide us all. This memorandum attempts to suggest how, within the spirit of those procedure arrangements, we can discharge our political responsibilities as Ministers in the Department of Industry.

Our duties as Ministers

We as Ministers are collectively responsible for all Government decisions and collectively obliged to explain what the Government has decided, and to see that Government policy is understood.

In particular we owe it to colleagues inside or outside the Department not to embarrass them by commenting, without consultation, on sensitive matters for which they have direct responsibility — and we are entitled to expect they will do the same. But we must not seek to impose undue restrictions on colleagues who consult us before speaking about policies touching on our departmental responsibilities.

The political role of Ministers

We are not just Labour Ministers confined in our interests to the batch of responsibilities allocated to us in our Departmental work. We are elected Labour leaders who must think, and act, and speak, politically over the whole range of political issues that touch our people, or stir our convictions.

Our personal convictions

All Ministers are individuals with personal convictions that have brought us into political life; and we have been elected, and appointed, *because* of our convictions and not in spite of them. In the end it is our loyalty to what we believe that offers the only ultimate safeguard on our conduct.

Our debt to the party

We are also members of the Labour Party and the Labour Movement owing loyalty to its policies and the people in it upon whose efforts we relied for our electoral strength before we became Ministers and upon which we shall rely long after our departure from office. We must never forget those who put us where we are.

Loyalty and accountability

That loyalty extends to those we represent in Parliament, to those to whom we are accountable as Labour Candidates and to the Labour Government which our people worked to get into office, and which they want us to sustain in power to implement our manifesto.

Work with the party

We have a duty to play our full part in the movement, and to serve on committees set up by it. We must do this if we are to join in the formulation of future policy, in its early stages, long before it gets adopted at Conference and comes forward to us for Ministerial consideration. Like all other members of the party we can contribute our views as to what we think should be done next, even if that means reviewing past Government decisions.

Thus we can and must, as Ministers, continue to condemn evil features in our society which we have not had the time, the power or the skill to overcome.

We must also be as open as the limits of necessary security make possible in our dealings with the public. Only in this way can we hope to win their confidence.

Our twin role

There is a distinction between the broad exercise of our political role and our official Ministerial acts or statements. The movement and the Government has everything to gain by seeing that that difference is widely understood.

Our twin role allows us to act as spokesmen, representatives, champions and educators as well as mere managers within a Labour Government machine.

This is necessary if we are to mobilize the energy of the movement to work enthusiastically for the policies we have jointly discussed and agreed. This means we must keep it fully informed about the progress of our work.

In short we are still ourselves, Labour Party and Trade Union members, as well as Ministers; and our accountability is to our consciences to the people, to the party, and to the movement as well as to the Government.

I hope this memorandum will help us to serve all those who have placed their confidence in us; and who expect us to remember why we are Ministers, and what we are here to do.

Some lessons of the campaign

Transcript of interview with Bob McKenzie on BBV TV Tonight programme

March 25th 1976

Robert McKenzie: *Well now we've got one of the undoubtedly spectacular figures of the day with us. Tony Benn, did your people get you up to 37, or are you surprised? Now don't say you expected only five, but I mean what do you . . .*

Benn: There was undoubtedly a build up of support during the week. I think it was for the policy, because you remember when we met last week (and this was the only programme that I was invited to appear on in the whole week), I did

have the chance of putting across the policy and quite a lot of people saw that programme. It was a campaign for a change in economic policy, for open government, for a bigger role for members of Parliament. I think that won a lot of support, and I did have hundreds of letters as well from outside the House of Commons, and so by the end, I think it was a good result. But it was on the policy, I must make that clear. I'm very pleased that Michael has come top, pleased really for the millions of people in the Labour party for whom over the years he has symbolised their aspirations, and in government, has represented the link and buckle with the industrial wing of the movement, the trade union movement.

McKenzie: Would you accept though that there is bound to be a kind of testimonial dinner aspect and that a lot of people must have voted for him in the first ballot fully aware that it's highly unlikely he wins in the next ballot, and therefore wanted to pay a personal testimonial to him, and weren't really saying this is our ideal figure for the Prime Minister?

Benn: No, I don't think that's right. I think the Labour party is a bit more complex than appears when you read about it in the papers, or hear about it on television. The Left-Right split which we're told about everyday in the papers doesn't really represent the position. What so-called Right wing Labour MP wants high unemployment, or wants to see prices rise, or the public services cut? I think we all show the same anxieties, we all share the same aspirations and I think what happened today was that Labour MPs showed the country and the party that we are the same group that we have been, and we stand for the things we stand for. I don't think Michael is due for his benefit dinner, or benefit game, at the moment.

McKenzie: But you know he deliberately didn't do what you did on this programme. I mean you broke the ground rules in a spectacular way, and I'm rather impressed with the fact the Times approved your action. The Times said "Benn did the right thing, he said I don't agree with the policy of the Cabinet" . . . and you said to me on three or four major issues, "No, I'm a dissenter on Cabinet policy" . . . Now it's interesting that Michael didn't do that, he was given the opportunity on Panorama a day or two after, and he would not rise. He stood four-square behind Cabinet policy, and whatever he might have in the way of private reservation, he didn't join in what I thought was a breakthrough in your frank dissociation of yourself from policy.

Benn: He must speak for himself and he does that very well. I think one gain from this, that I genuinely believe will flow from this leadership election, is that it may be possible in the future to recognise that you can discuss fairly openly, alternative strategies, and still remain loyal to the Labour Government and want to keep it in office. Now Michael has always been in favour of that, he's a very open minded person, he's a radical in his approach to this, and a democrat and a parliamentarian. I can't speak for him on his line during this campaign because as a matter of fact I haven't really spoken to him properly since the campaign began, apart from the Cabinet dinner at No.10. But I do think the policy issues have come across and I think that the fact that the open discussion hasn't harmed us, but has actually helped the party, will give great heart to our people in the country. After all, nobody would have ever heard of any of us if it weren't for them.

McKenzie: *Are you inclined at all to the view that the Labour party may be having its last election for a leader in which the members of the party and the supporters of the party in the country are given no voice whatever? Would you, and you're the youngest of these candidates, would you now be inclined to advocate something that moves into a new process of selecting leaders?*

Benn: My local party, which I went specially to meet last Friday, and my General Management Committee in Bristol had a resolution on this, and I discouraged them from proceeding with it . . .

McKenzie: Why?

Benn: . . . because I've always tried to stand on the constitution of the party. If you want to change it, that must be done in the proper way, but I wouldn't want to give the impression that because I only got 37 votes out of 315, that I was personally saying it was unfair in any way. It may be, and I do believe that in all matters of decision making, more and more people want to take part. This is what devolution is about, this is what industrial democracy is about, and this is what open government is about. I'd be surprised if the party wasn't touched by that general movement, but please don't get the impression from anything that I've done, or said, that I'm complaining about the way the election was run.

McKenzie: *No, I think perhaps you misunderstood my question. What I was really saying is, would you put yourself down now as an advocate of a process of election the next time around, whenever the present incumbent (whoever is elected) has to be replaced? Would you now favour broadening the constituency from just the parliamentarians to include in some sense the National Executive, or Conference, or Constituency Members? The Liberals are moving that way, would you want to?*

Benn: I appreciate that, and I do think decision making has got to be shared, and I think the party will not be untouched by that movement; indeed it would be surprising if it were not affected by it. But I think that what I care about most is two things: first of all, that we rally around the new leader, which we will. He'll be a different man whoever he is — I hope it's Michael because I think he's a great unifying influence — but we'll rally around the new leader. But when we've got the new leader, not only will he be a different man because he has the support of the party, but also the party will want to go on having policy discussion without any suggestion that if you query what's proposed that this is disloyal to the government or in any way trying to undermine it. I think we shall move, I hope desperately that we move, to a more open way of having our political discussions and that matters to me more, frankly, than the point you raised, but I don't doubt there will be pressure for some sort of a modification in due time.

McKenzie: *Now one of the things you've done, that quite clearly caused anxiety to Harold Wilson, is to use your position on the national Executive to constantly press for policies which were not Cabinet policies. I don't think you'd dissent from that remark . . . I mean . . . that you pressed for policies that were TUC policies, that were whatever other policies, and that he, actually in the last day or two, and I think this is true, is said to have ticked you off for using your position on the*

Home Policy Committee to try and press for policies that aren't Cabinet policies.

Benn: He sent a Minute to me . . .

McKenzie: . . . *what did it say?*

Benn: I think it . . . well I haven't got the text with me, it was quite a long Minute. I understood from the newspapers he'd released it. But about three weeks ago, he sent a Minute to me, copied to every other Minister, and all their Private Secretaries say it, so there must be a lot of copies around, saying that in his view a Cabinet Minister should not advocate, embrace or support any policy that wasn't agreed by the Cabinet. Now I disagreed with him about this all along.

McKenzie: *Did you reply dissenting?*

Benn: I acknowledged it, but I had myself sent out a Minute to the Department of Industry ministers two years ago, saying that I accepted collective Cabinet responsibility as I do, that's to say, as I said last week, I share my responsibility for all decisions taken in the Cabinet. But when a man is elected to parliament, he's appointed to the government because of his opinions not in spite of them, and I believe that every member of parliament, including a Cabinet Minister, must be free to play a full part in the party. And although he's responsible for what's already been decided, he must like everyone else be free to advocate for the next parliament, or the next manifesto, the policies he thinks are right. Now this, I've no doubt, will be discussed again on the executive . . .

McKenzie: *The new Prime Minister might well, either take the same view, or a tougher view than Mr. Wilson?*

Benn: Well I can't anticipate it except that I think two things have happened: in the Referendum when we had this very big discussion — I did a television programme with Roy Jenkins and one of the best discussions I've ever had — and this week when we've had this open discussion, it's turned out to strengthen rather than harm the party. The public have seen the various candidates. It is not for me to speak of myself, but certainly all the others are quite fitted by their record and achievement to be Prime Minister. They've heard us discussing issues when we've been able to get on programmes, and I don't think this has harmed us. I think a more mature view of politics is coming, and of all the things that's happened this week, that seems to me to be the most important.

McKenzie: *One final word, and I know you can't really take your hair down on this, but do you feel you're one step nearer being the leader after this next one as a result of the days events?*

Benn: Well let me answer the question like that: interviewers like your good self have often said to me in the middle of a programme, "do you want to be Prime Minister?" . . .

McKenzie: . . . *I didn't say that . . .*

Benn: I know you didn't, but it has happened. At least now they can't ask that because I've stood as a candidate to be Prime Minister . . .

McKenzie: . . . and stood down . . .

Benn: And stood down. If you ask me of the two jobs that are being elected now, Prime Minister or leader of the Labour party which I would have preferred if I'd had to choose, I tell you candidly, leader of the Labour party . . .

McKenzie: *That's a very interesting cryptic remark.*

Benn: I really think politics is about education and not management. I've said that many, many times. I believe that it's encouraging people to do more of what they're capable of doing, than being in charge and bossing them about — if that's what a manager does.

McKenzie: *Mr. Benn, thank you very much.*

A new course for Labour

Speech at Eastern Regional Conference of the Labour Party, Harlow

March 26 1976

My theme and argument is a very simple one. It is that given the nature of the crisis the only possible leadership for the people of Britain at this moment lies in an active socialist programme carried forward, and argued for, by the trade union movement and the Labour Party. And that that responsibility of leadership cannot fall upon a single man, upon a Labour Cabinet, even upon Labour Members of Parliament, but must be shared by the movement as a whole. For without the united movement campaigning for the changes that are needed we shall not be able to build the sort of campaign that is required to carry them through.

Now if we begin with the daily experiences of our people, everyone knows what they are: higher unemployment than we have had since the pre-war slump; prices rising at a level that endangers living standards, a lot of people on short time, and the public services, which have been built up over the years, still deficient in many important respects. There is not a Labour councillor or Labour Member of Parliament who goes to his surgeries, or meets his constituents, or seeks to represent the people whom he is elected to represent, who could not give from his own direct postbag or working knowledge endless accounts of basic services that in Britain today are not up to the level that we know to be right and necessary. This is true of housing. This is true of health. This is true of education where we still have a highly divided system in which many children are denied access to the main stream of education. And it continues into retirement where there are still two nations and where the unskilled manual worker may find himself unemployable long before he comes to the end of his normal working life.

These are the problems that are in the minds of our own people and they look to the Labour movement, to the trade unions on the industrial side and to the Labour Party in local government and in Parliament on the national side, to put them right. Now of course we face these problems in part, but not entirely, because of the world slump. It is a very deep and serious slump. In America there are over

7 million people out of work. I was in Washington two or three weeks ago meeting one of the congressmen from Detroit and he told me he could take me to parts of his own district where 80% of the youngsters were unemployed. Indeed, if you read very carefully what is said by business circles in America, and around the world, the one thing they are agreed about (they are quite open about it too), is that they foresee for a long time ahead much higher levels of unemployment than we in the Labour movement would regard as acceptable. They are united in saying they don't want a quick recovery. What they mean by that is that they are contemplating going back to the idea of a reserve army of unemployed to keep wages down and to discipline labour and they do not think that the system in which they believe, the capitalist system, can work, if we are to return to the levels of full employment to which we as a movement are committed. That slump may not therefore ease as quickly as we are sometimes told. But for Britain the problem of the slump is more serious still, because it comes at the end of 25 years since the war, 25 years of chronic under-investment in British plant and equipment in our industry. And anybody who works in industry can confirm that from their own experience.

In the last 12 years since 1964 in one form or another I have always been an industrial minister, whether as Postmaster General, as Minister of Technology, as Minister of Power, as Secretary for Industry or now as Secretary for Energy. Over that 12 years, in and out of government, my job has enabled me to observe the decline of British manufacturing industry. And indeed so well known are the best known cases of this that I only have to mention their names for people to recognize them at once. Take shipbuilding. At the end of the war the British produced 50% of the ships that were launched in the world. Today, what is it, 2, 3, 4%? A decline as a proportion of world output on an absolutely catastrophic scale. Everybody remembers Upper Clyde Shipbuilders, which the Tories in 1971 sought to close down because they were 'not viable'. Everybody remembers the case of Alfred Herbert, once the greatest machine tool company in Europe; of Ferranti, the great electronics firm in similar difficulties; of British Leyland, one of the great motor car companies in this country. Indeed not only that but if you take a particular industry where the demand is rising and not falling, for motor bicycles, 15 years ago Britain could produce 90% of the motor bikes that it used, today there is not a single British motor cycle firm in operation, save the co-operative at Meriden to which this government gave some support when it came to power. And I say to you quite solemnly and seriously, that if we allow the decline of British manufacturing industry to continue at the rate at which it is continuing, then not only will we not be able to take advantage of the upturn when it comes, and it will come in some form, but we shall be cutting away our basic standard of living and still further endangering our capacity to provide our own public services, which must in the end be founded on what we make and sell abroad.

An astonishing thing to me about this story is that everybody in their hearts knows that what the Labour Party, and the Labour movement and the trade union movement are saying about this, is right. And yet somehow in the capitalist society in which we live there is no place in the profit and loss account for the common sense of the argument that I am putting before you tonight.

One of the most valuable things we have in this country, indeed I believe it's

the only thing of lasting value, is the skill and craft of our own people. Now where in any annual account published by a firm of chartered accountants do you find even an attempt to assess the value of the work force itself? They do not attempt it. It is not what they are about. If they can close a firm, sell off the property and make money on speculation and invest it even to strengthen our competitors abroad by putting it into some foreign company, or by putting it into some speculative project of their own they will do it and that will reflect itself in the Annual Report as an example of a successful business operation. And the fact that in the process men who have spent their lives in that industry, skilled and unskilled workers and craftsmen, professional management who are highly paid and whose lives depend upon this type of work, are thrown upon the scrap heap and the community pays them as unemployed men to continue their lives without using their skill, this does not count at all. Now anyone who has travelled around a bit, and it is my pleasure and privilege to have done this, will know that in other countries, where development is just beginning, the thing they value most is the skill of their people. Indeed they have so little they have to concentrate primarily upon building up that skill. If you go to a developing country their problem is taking people out of the villages who have no background of industrial work, bringing them into the factories, teaching them the basic art of manufacture and then hoping gradually to build an industrial base.

In this country, we have six generations of industrial skill behind us. We were the first country to develop as an industrial nation in the 19th century. I remember going on to the Clydeside, when the UCS work-in began, to a school where the kids were, the local school near the shipyard. And I asked them — their fathers, their grandfathers, their great-grandfathers built those ships on the Clyde — is no value to be put upon that that we have that other countries do not have? And yet nowhere in the scale of values that is endorsed by the City of London and by the media, nowhere is that given the proper place that it might have. And if we don't do it, we know what the consequence is going to be. Alright, the upturn comes. Our manufacturing industry has declined. There is a demand for machine tools perhaps, in some British firm to re-equip as the upturn arrives. Where are the machine tools to be bought? Probably not available in Britain, they will have to be bought abroad. Where is British industry to find the goods to sell abroad, to take advantage of the upturn? They will not be there on a sufficient scale. What really should concern us now is how we are going to survive not just through the period of the lean years, to use the biblical phrase, but how are we to build again when our weakness is exposed in its fullest, starkest nature as the world recovery begins? And if we do not succeed in doing that then of course the balance of payments crisis, the great flood of imports and the deficiency of exports will come to cut off our recovery while other, better-equipped countries are gradually pulling out of the depth of the recession.

That is the basic problem. That is what the TUC in its annual review is dealing with so well and those who are especially interested should turn their minds to that TUC economic review. We must understand that these issues cannot be dealt with by the search for scapegoats. Every day in the newspapers, if you read them, you will find that it is either due allegedly to incompetent management or lazy

workers or in some way inadequate politicians. This is a very easy way of presenting a problem much deeper than that surface level of criticism. Indeed the whole concept of an English sickness which we read about in those leading articles telling us that we are no good, that basically we are finished, I do not for one moment believe. I think what is wrong is deeper. We must avoid the search for scapegoats, we must avoid superficial analysis and actually get down to see what went wrong and why and what changes are needed if we are to put it right.

Now in the post-war years when the rest of the world's economy was weak through destruction or occupation British industry did enjoy a 25 year boom. During that boom politics were presented in a rather different way. You remember Harold Macmillan won the 1959 election by saying that 'you've never had it so good'. It was a very skilful phrase because he was really saying to working people, "you don't need your trade unions any more because with the boom you have your colour television and your mini and your holiday in Majorca, and the trade unions are just the cloth cap image that you can leave behind you." And in the Labour Party too, if we look back there were many who said socialism was no longer really relevant, everything was going so well. "All we have got to do is to plan capitalism, make it work better and distribute the product a little bit more fairly." And that was what the argument seemed to be about, during those 1945 to 1970 days.

In 1970 Labour was defeated. It was defeated by the abstention of our own people in part because that government, of which I was a member and I'm not seeking to avoid my responsibility for it, got separated from the trade union movement. That was the basis of the abstentions that lead to the election of Mr. Heath. That 1970-1974 Tory government, was made of sterner stuff. Unlike Macmillan, the leadership of that Conservative government had done its own analysis and they came to the conclusion that the only way in which British weakness could be corrected was by rolling back the power of the trade union movement. And rolling back the initiative of the local authorities. And, indeed — though I am not re-opening an old argument — that the Common Market would provide that harsh discipline which would bring the British workers to their senses. And in that period from 1970 to 1974 we had the Industrial Relations Act, we had the Housing Finance Act directed at expenditure by local authorities and witnessed for the first time since the war the real nature of conservatism, defending a basic business interest against working people and their families.

That was the background, against which the Labour Party began to do its own serious work in opposition. First we mended the breach with the trade union movement and I may say that it was such a serious breach that it took some time to get it mended. We did mend it and what we did together was to hammer out, not only a working relationship that has remained durable in these last two years, but also a recognition that you couldn't separate it from the broad need for social, political, industrial and socialist reform. And our manifesto upon which we fought the 1974 election was one of the most basic and analytical manifestos that we have published since the 1945 election's, 'Let us Face the Future'. There are some grey heads in this room like me who will remember campaigning, as I did, in that 1945 election. And what we said in the manifesto was that: "what will confront an incoming govern-

ment is not just taking over from a Conservative government that has handled the economy badly but the need for basic change to deal with basic problems." We said we must find ways of investing money in our industry. We said if that money cannot be drawn out of the market system it must go in on public account. If it goes in on public account there must be public accountability. And if there is an investment by the taxpayer in industry, that must be on an equity basis. And the extension of public ownership must follow from it. We should not the ambulance subsidizing the failures of capitalism.

We said something else very important, too: that to avoid building up a sort of corporate state in which you have state capitalism where the ownership is different but everything else is the same, with our extension of public ownership must come a change in relationships between the boards of directors of the nationalised industries and the men and women who work them. Anyone who works for the railways, or the Post Office, or in the steel industry, the Gas Corporation, or for any of the public industries, will know that since the acts of nationalisation were brought in there has been a sense of disappointment. All that happened was a new name over the door, a new place on the headquarters and everything else continuing much as before.

We said we would change it. And we will change it by going back to a very basic principle of socialism, which doesn't need stressing because it is so obvious, that all wealth is created by those who work. The idea that all wealth is created by men and women deeply impressed the Chartists who said in vivid language that the whole world is trembling as more and more workers discover that all the wealth comes from the palms of our hands.

And it's true. What we have said is not only that our greatest national asset is our people but we have said that those who invest their lives in industry are at least as strongly entitled to control it as those to invest their money in industry. And that is a very simple proposition. Indeed investors in industry do not always know where their investments go. I had the TUC General Council economic committee come to see me, as Secretary for Industry, and this is how they put the argument to me and it's really a very simple argument. They said, "Look, where do the savings in the banks and insurance companies come from? They come from our members. Where do they go? We don't know. Are we allowed to guide the savings of our own members to see that they are used to invest in our own factories? No." And what the TUC said was "savings of our members are not only wanted to give our members their pensions when they retire. We want those savings to go into our industries to save the jobs of our members until they retire and provide a firm basis for a strong economy upon which those pensions can be rooted and based when they retire." Now you know that is a very simple common sense way of describing the problem of where the money is coming from or should come from for the purpose of investment.

These are the points we made in the manifesto. Really to read some of the things that are written about it you would think that we were marching through the streets suggesting that there should be some disruption of the democratic process. The truth is quite different. The truth is this. That capitalism requires to operate a level of inequality which the British people will not accept through the Ballot Box. That is not as complicated an idea as it may sound. Let me put it in different

language. If you are going to rely upon the market mechanism, the market economy and capitalism, to re-equip your factories, then you have got to have such high profits and so many people out of work to depress wages before you will get that investment, that when people come to vote on polling day they won't accept that system. And they want to get investment another way. Unless we find ways of getting investment in industry and sharing power in industry (joint management and control of industry must be at least our objective) unless we do that we shall find voices raised who say, democracy is rather difficult to manage because it puts a spanner in the works of capitalism and therefore we had better roll democracy up and let capitalism get on with the job as best it can.

That is the danger. That is the basic choice that may have to be made. Now what I believe is happening today is that more and more people, without the help of the press, are coming to see from their own experience that much of our analysis conforms to that experience and they do not see in the old system, in the leadership of that old system, answers to questions that press them at work and at home every day. And they will not find the answer to this by reading the handouts of the multi-national companies or the leading articles of the *Times* or what the Stock Exchange tells you. They won't find answers to the problems that they actually experience. And they will turn, as working people have historically done, certainly over the last 150 years and I believe in different forms over a much longer period than that, they will turn back to the organizations of working people, not only to defend their interests, but to offer them some analysis and explanation of what has happened. They will turn to the trade union movement and they will turn to the local Labour parties and they will expect the trade union movement and the Labour Party and the TUC and the Labour Government to work together on a joint programme to remedy these basic problems that actually touch them in their daily lives.

Now within that framework of co-operation we have got some very difficult decisions to make. Having sat in Cabinets on and off since 1966, over ten years, I must tell you that sitting round the table with the decisions you have to take, you don't always get it right. You make mistakes. You get it wrong. And I think that most people would recognize that it is not an easy job to work even this close relationship that we have built up between the Labour movement and the trade union movement in the last two, three, four, five years. We have got to find a way, in addition to having that co-operation, to allow the debate and discussion to continue within the movement without endangering the life of the Labour Government.

My belief is, that though probably at this meeting as at any other there will be a lot of critics of what the government has done, there is not one here who would like to see those criticisms carried to the point that endanger the government. We want to sustain the government. We want to keep it in power. But we want to be free to discuss and to debate its policies, and to try to influence it, to get it to adopt alternative policy. Somewhere within our new structure of Labour/Trade Union co-operation we have to find a way to let that debate go on, without charges of disloyalty on one side or the other.

It is a very exciting and important period for all of us here tonight at this Labour

meeting. I cannot recall in the years that I've been in Parliament, and I, indeed I go back further to campaigning as a 10-year-old in the 1935 Election, I cannot recall a period when more thoughtful people were more seriously considering more fundamental questions and relating them more directly to their daily life than at this moment. Not only is it happening within our movement but it's happening within a movement that has the strength and the vitality to carry these changes through and to do it within the framework of a democratic system, which, the Labour movement created and built in Britain.

Report to Bristol S.E. — and the next steps

Letter to Herbert Rogers, Secretary of the Bristol South East C.L.P. — April 9 1976

Dear Herbert,

I am writing this brief report about the events of recent weeks touching on future work.

As you know, I decided to stand for the Leadership of the Party for one reason, and one reason only — to put forward certain policies for the consideration of the movement at this time. The main statements, memoranda, speeches articles and broadcasts that took place during the campaign are shortly to be published as a pamphlet and I will see that copies come to you for distribution to the local party.

The whole movement will now want to support Jim Callaghan as Prime Minister and to sustain the government in office so that we can carry out our manifesto policies. These two objectives should command the personal loyalty of all of us.

The Prime Minister wished me to continue at the Department of Energy which I agreed to do. It is my intention to try to develop open government within the Department of Energy, linked closely to Labour MPs, the trade union movement and the community as a whole to see what can be done in this respect.

Meanwhile I shall continue as Chairman of the Home Policy Committee of the National Executive Committee to preside over the preparation of "Labour Programme for Britain 1976" which will be presented to the Labour Party Conference at Blackpool. This programme, in whatever form it emerges from Conference, will be the basis for our next Election manifesto. I hope it will also give the movement and the nation a real perspective for the future, set goals towards which we should be working and help through the difficult years that lie immediately ahead.

I intend to make a series of speeches on policy matters over the next few months in order to make some contribution to the socialist debate which we shall need to conduct if the British people are to see the relevance and necessity of the policy we shall be advocating.

I would welcome another of our regular meetings of the General Management Committee of the Bristol South-East CLP as soon as it can be arranged to discuss how we can best help the Party at this time and prepare for the re-election of a

Labour Government with a good working majority when the present Parliamentary term expires in just over three years' time.

Finally, I should like to thank the Bristol South-East Party for their warm support for the policies that I have put forward during the recent campaign and all those others in the constituency who sent letters and messages of encouragement.

Yours ever
Tony

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