

Lord James Callaghan
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Let me begin by asking you to dwell just for a few moments on your own political memories, but particularly your childhood in Portsmouth. I know because I've read your book, a great deal about your background but I wonder if you'd like to talk about those early days in Portsmouth, because they were difficult days, I know they were.

Yes, I think the difficulties came after my father died in 1921, because then we were left without a pension and my mother had no income, literally no income.

Nothing at all?

Nothing at all. The Board of Trade ran the coast guard service and they let us stay there in the coast guard house for about a year. They couldn't really turn her out with nothing at all. And then there was a short-lived Labour Government in 1923 and we had moved just before that to Portsmouth. Our land-lady was Mrs Elizabeth Long. Her husband had been transferred from the Rosyth dockyard down to the Portsmouth dockyard when the Rosyth closed and we rented two rooms with her. He wasn't well off, he was a dockyard matey and she was a very, very strong, from Scotland, member of the old ILP. So of course in the 1923 election, I was roped in at the age of ten or whatever it was to carry the numbers from the school room, where the voting was taking place, back to the committee room. Then, when the Labour Government was elected, she went to see the local MP and he took it up with the Labour minister of pensions. The Labour minister of pensions, in the short period of 11 months gave my mother a pension of ten shillings a week for herself and six shillings for me. Sixteen shillings whatever that was, I suppose 80p. And what is more I'd just taken the exam for the secondary school where the fees were two guineas a term. That was the ordinary secondary school, you know, the local education secondary school, they charged me two guineas a term and the ministry of pensions said that they'd pay my fees, providing we sent my report every term and provided that I made satisfactory progress. Life was pretty difficult up till then, of course it was difficult afterwards. I filled in a page for the Sunday Times about childhood memories of reading. You know we didn't have any books at home. I literally found my way to the public library and read all the books there. It was that kind of deprivation that one wasn't conscious of as a child. I won't claim I was unhappy, I wasn't at all I don't think. I didn't realise what the problems were I suppose. But it was a very narrow life, one didn't have very much expanse. You didn't go to concerts, you didn't go to theatres, you didn't go to the cinema, you didn't have newspapers. That sort of thing - very, very narrow. Fortunately the public library saved me. I read everything there. The girl that lived next door was the assistant librarian, she used to let me go there in the winter, when it was cold, and sit with books up against the radiator. My mum was happy for me to do so in the Christmas holidays.

Do you remember some of those early books that began to form your mind?

No, I suppose I used to read all the novels then. I read Dickens very widely, I read Walter Scott. Everybody hates Walter Scott, I thought he was wonderful, I don't know what I would say about him now. I read Thackeray, all the Thackeray books.

Jack London?

No, no. I remember Huckleberry Finn and Tom Sawyer, which I loved. Those were the kind of books I read all along the library shelves. I'd never thought there were 20th century books

until I had passed the Civil Service exam, at the age of 16, and went to Maidstone and met Audrey at the local Sunday school. I then discovered that there were quite good 20th Century writers. There was a man called JB Priestly and HG Wells and . . .

Bernard Shaw.

Bernard Shaw. I then revelled in them of course. There was a book called written by the Reverend Woods, which I'm sure nobody's ever heard of called the Truth and Error of Socialism. I was a Labour supporter of course because my mother voted Labour ever after she got her pension. But I then discovered the Truth and Error of Socialism by Reverend Woods. That was the way my early life went.

When you say you passed the Civil Service exam at 16, clearly today somebody of your calibre would have gone to university. What was the intervening period before you passed the Civil Service?

You see our school was designed to provide entrance of the slightly superior kind to the Navy and to the Dockyard. The Dockyard apprentices at the age of 14 or 15 and Engine room workers for the Navy at the age of 15 and a half. That's what I should have done, but I seemed to be unfitted for that. They didn't seem to think I was good enough for that and so I stayed on at school at 15 and a half. There were about half a dozen of us and they said you'd better sit the senior Oxford examination. It was the equivalent, although I think it was much better frankly than the school certificate and the GCSE. We sat the senior Oxford and we got something that I never understood - exemption from matriculation, which I believe would have given us entry to a university - but nobody ever said that. So, fortunately at that time, various things were suggested to me but the first post-war Civil Service exam came along and I took that exam, as a lot of people did from the Grammar schools in Portsmouth. When I passed, I went away to Maidstone on a salary of 32 and six pence a week, whatever that was in terms of new money.

What was the actual job you did?

I was a tax officer, and we were very proud of ourselves. We thought we were a cut above any other clerks in the Civil Service and I think we were, because taxes were, even then, quite complicated. We were very proud of ourselves and we used to take a qualifying examination for promotion which again I've sat and passed. We swore an oath. As a young boy of 17, I was taken in front of a clerk of commissioners, a clerk of oaths and made to swear a solemn oath, my duty to the queen and not to divulge secrets about income tax and goodness what. It was all very formidable for a young boy. So we really thought we were quit good and Houghton was a great leader.

He was then general secretary?

He was then general secretary.

You joined the union immediately?

I joined the union immediately. We all did. It was a voluntary union but there was 95 plus percent membership and you automatically joined in the office. It was called the Association of Officers of Taxes and it had about nine to ten thousand members and that was the whole of the membership of the taxes branch of the Inland Revenue. Houghton was the general secretary and a brilliant man with WJ Brown, whose name you will of course recall.

Yes.

He was succeeded later by LC White. I had become a vigorous young Socialist by then and there was a man in the office called McWhirter from Liverpool, who was also a Socialist and he really gave me a philosophy of life. He'd been through war, he knew what it was about and he had really thought about Socialism in a way that I hadn't done. I got very angry with the way that all we young people were being treated. I passed the exam in Portsmouth and I had a letter saying that I would report to Maidstone on October 15 and you will be paid 32 and six pence a week.

Just like that?

Just like that. No preparation made. Fortunately in the Ludgrove Baptist Chapel at Portsmouth, there was somebody who had a cousin in Portsmouth, so she wrote to her cousin and said "will you look after him?" So I went and lived with the cousin for six months. I had to pay my rent and the rest of it and live so I soon got uptight about this so I started badgering Houghton and indeed as things went on you can imagine what Houghton's reaction was. I then said all right if you're not going to help us I'll form our own association.

A rebel trade unionist anyway?

And I called a meeting in London. I paid my fare and came up to London and I ran off circulars. One hundred and fifty turned up at this meeting with Stanley Raymond as the other organiser. Stanley and I ran this meeting. He was appointed Chairman and I was appointed secretary and armed with that I wrote to the chairman of the board of Inland Revenue.

You were about 17 or 18?

I was about 18 or 19. I wrote the chairman of the board of Inland Revenue, who was then Sir Ernest Gowers, I think, and I said "dear sir, I wish to notify you that we would like to be recognised as an organisation representing the interests as they are not being represented by the association of officers of taxes with Mr Houghton. There was another man called JR Simpson, who became the controller of the stationary office during the war. JR Simpson was much less impetuous than Douglas Houghton and whereas Houghton had thrown me out and done everything, Jock Simpson being the diplomat he saw me and talked to me quietly and said "this isn't the way to go about it". So we decided to continue inside the Association of Officers of Taxes and it was a very vigorous organisation of young people. We were all very angry. We were all hard up.

And articulate.

And articulate and very hard up. I had a six penny lunch box every day and that was my meal. I had a breakfast in my lodgings but that was it. So I consoled myself by reading Harold Laski's Grammar of Politics. I moved to London after Maidstone, I was about 21 then. Then I went to the conference and Jock Simpson, being a wise bird, got me to speak at the conference and then he arranged things so that I was elected to the executive when I was 20.

You must have been the youngest member.

I was. I wasn't allowed to take my seat because under the trade union rules of those days you weren't allowed to take your seat as a member of a national executive committee unless you're 21. But I went all the same of course. So I became a member of the executive

committee and then Houghton came round and he recognised that I'd got something there beneath the stupidity of youth. He brought me on and there a very big controversy going on in the union between a man called RW Rawlings, AF Greenaway, George Mallin and AE Davis. They were the militant contingent of the day - very left wing socialists. They were fighting Houghton who had to do the negotiations and so on. Houghton recruited me to his side and they wanted to get AF Greenaway appointed as assistant secretary because they was a vacancy and Houghton decided to run me as a counter candidate. I became the candidate and then I was appointed as assistant secretary to the AOT in 1936, when I was 24.

You were 24?

I was a full time official being paid, this is the remarkable thing, I was paid £400 a year.

Which was a lot of money in those days.

A lot of money in those days and I decided to get married.

At that point you decided to get married?

So we got married in 1938 and life was over. Sorry, I didn't intend to talk about all this rubbish.

On the contrary. If I remember rightly you met Audrey in Maidstone.

I met her in Maidstone on the first Sunday I was there. I went to chapel, I was taken to chapel of course and I went to the Sunday School and I remember our meeting on the second Sunday because she was caught in the infants. She came up to me and I have never forgotten what she said to me. The magic words, I will utter them today and you will see what mesmeric effect they had. She said "Mrs Bourman is expecting you to tea today."

And that was the beginning of that wonderful relationship.

That was the beginning and I thought what a wonderful girl she is. Quite extraordinary, she was very tall. Had that sort of quality of inner reserve and strength, but never exerted it, never showed it but it was there all the time throughout all her life. So that was the beginning.

Let me pick up the point ...

We're here to talk about trade unionism not me.

We'll come to that. Let me pick up on the Grammar of Politics, Harold Laski. Harold Laski did have considerable influence. It was part of my own schooling, so I know what a tremendous influence it can have. Laski did have a profound influence on your whole attitude towards Socialism.

I've read all his books. I read Theory of Practice of Socialism and other books that he wrote that weren't quite so good. And then in the course of my duties with the AOT, after I became assistant secretary, I had to take an arbitration case to the Civil Service Arbitration Tribunal and Harold Laski was the workers representative. They had three, a chairman, an old QC, who hated the treasury and an employers representative and Harold Laski was the workers representative. And after I'd taken this case I was surprised, delighted, honoured, thrilled to

receive a letter from Harold Laski, in tiny hand writing saying would I go and see him, which was 1937-8. So I went, I was very honoured to go and see this great man. And he said I think you ought to read for a degree and I will gladly take you here at the LSE. And I was so arrogant in those days, I said thank you very much, but you see the revolution is coming and there is going to be a show down between the Nazi and the Communists. And we're getting to that stage and when it happens I know what side I'm on and I won't have time to study for a degree. The revolution is too close. I don't remember what happened after that but he said if you won't read for a degree, I'll give you a reading ticket for the library here. You can come and go whenever you like and come back and see me if you change your mind. It was very decent of him. In those days, when I was foreign secretary and used to travel abroad in India and places like that, you always find students who are high ministers who have been students of Laski. He was an awful exaggerator, I remember during the war he came and stayed with me once, he was very fond of the children, how he used to tell me stories. I used to sit there with my eyes wide open about what he'd said the previous day to president Roosevelt and how Churchill had consulted him on this and he was in touch with Frankfurt, of course none of it was ever true, which was his great weakness but he couldn't help it.

He was a tremendous romantic.

Yes, he really was. It was a great pity he had this weakness, but there you are.

He had a profound influence on you whole thinking and your Socialism.

Of course that and other writers like Graham Wallis, HM Brailsford, people like that you know. All the left book club books and so on that you read at the time. But you see I never had a really developed theory of Socialism. People like John Strachey or Dennis Healy or Barbara Castle or all those lucky people that went to university.

Do you feel that you missed something by not going?

I feel I missed a great deal. I gained things that they never had through having a practical life but I missed the discipline of thought and the opportunity to exchange ideas with other people who were thinking in the same way. I think that I would have enjoyed going if I'd gone.

But your war time experience, to use a phrase of Maxim Gorky, the university of life. There's no real parallel to that . Your war time experiences must have been a profound one, I know people like Denis Healy had a similar one but you were in the Navy.

I was in a reserved occupation as a trade union official. They weren't called up you know. That was the cause of my falling out with Houghton. That I wanted to volunteer for the Navy. I went down to the Kingston-on-Thames recruiting office and he wouldn't let me go. Of course I got very cross but I remember saying to myself consciously then that after the war, because Houghton was quite open with me and said that he wanted me to lead the union when he goes on. I didn't realise that would be 30 years. But I said to myself, even then, if I've got to be in that position then I want to have shared the experiences of all the other people who will have been in the war. Otherwise I shall not know how they are thinking or feeling. Quite apart from the fact that I wanted to join the Navy, I fought him and after a couple of years he gave in and let me go. He was very angry with me, he could be very angry in those days, really take it out on you. Took it out on me alright.

Did you remind him about that later on?

We used to joke about it. Of course I became very great friends, you see I tried to push him into becoming the Labour candidate for Lewisham, which Morrison did in the end. I was on the general management committee at Lewisham and Douglas had just got divorced. I don't know if you knew that he was divorced?

I didn't know.

He had a first wife that didn't last long called Dorothy Hall. He got divorced and said he couldn't stand because he'd got divorced. So I really tried to advance Douglas as well. We became great friends later.

Tell me a little bit about the war time. The influence on you. You're already a Socialist, you're a trade union official. You were then in a very exceptional scene, ambience - the war. I know from my experiences and I'm sure you know far better what an influence it had on your whole development.

I think it certainly broadened my outlook on the way people lived and the way they think and talk. Because after all ours was a very lower middle class union and I my only previous experience was service men and women as it were in the Navy, because we lived in Portsmouth. There was a holy service element there and school and the civil service. It broadened me out a great deal and I used to write the letters home for the boys from Stornaway, who were either too lazy because they were West Highlanders, didn't know how to write home and used to persuade me to write their letters. I kept up a correspondence with Laski, I don't know whether I did or he did.

During the war?

Yes. And my commanding officer saw this and I think he was torn between my god this revolutionary socialist, what the hell have we got here and a certain amount of pride. So he recommended me for a commission. But talking about the effects of the war, I can't really recall how I would sum up the impression that it made upon me. Some impressions were good and some were bad. I remember we were in the Far East when the atom bomb was dropped and we all cheered at that. All we saw was that we would now be able to go home. The Japanese were going to surrender obviously and therefore the admiralty, having told us that we would have at least two years out there because the Japanese would fight for every island to winkle them out one by one. This all came to an end so I'm afraid it had that bad effect on me to say well the atom bomb did us a lot of good. I was due to go home as liaison officer, because I'd been promoted by this time, I wasn't on the lower deck, I was an officer. I was due to go to Tokyo and become a liaison officer when we invaded. But thank God I never went there and I came here instead. They gave me a special promotion - I've had a very lucky life you know Jeffery, in more ways than one. Once again the strange thing happened, I went for my medical and they discovered I'd got TB. I'd been serving in trawlers on the Northern convoys and so they sent me to hospital and one day they came to me and said you've got to go to the admiralty. I discovered that if I saluted everybody I got to Queen House Mansions. I got there in the morning and saluted everybody because then I was a seaman you see. They said we want you to join the navel intelligence. They said the first job you have to do is to write a book on Japan because that's where you're going to go. So you go round and find a lot about it and write a book that we can distribute around the fleet. I said I know nothing about Japan and they said you can soon find out go to Chatham House. I went off the Chatham House and they gave me a desk in the admiralty because I was unsure with TV you see and I wrote this book in six months which is still in the Admiralty library - BR1212, its called.

On Japan?

On Japan. I discovered it when I was talking to the admiralty people records and I said will you look it up and they said yes we've still got it it's here. That was several years ago. And then I was sent out to the Far East on the way, so I had a very lucky time. I remember saying I'm an ordinary seaman and they said that's alright we'll promote you. Just like that. So I never went to that place called King Alfred. At least I went there for about 48 hours where they all went through awful tribulations which I doubt if I could have sustained in climbing ropes and the rest of it. I would have probably made a proper muck up but anyway I became a Lieutenant.

And then Demob came in 1945.

We had a signal from AV Alexander saying that parliamentary candidates should make their way home. So I made my way home, I was then in Colombo, I was aboard the Queen Elizabeth bombarding the Andaman Nicobar Islands, where the Japanese were. So I went round bumming lifts on planes. It is amazing when you remember what you could do in the war. I bummed a lift as far as Karachi and got stranded there in a tent for about a fortnight. Then I found an American who flew me to an airfield in Cairo, Andrews airfield I think, and then I came home in the bomb-bays of a York back to London. My wife was astonished to see me, I don't think she was very pleased because both the girls, Margaret and her sister Julia were in bed with measles. I said I've come home to fight the election.

You'd already been adopted in Cardiff?

I'd been adopted in 1943. I went out there one day, Deneath, a member of our executive at the IRSF as it was then, Deneath went to the Cardiff Labour Party and said I know a young man who I think would do you very well and Deneath was a member of the local party on the regional executive or something. He kindly took me along and the first question I was asked by the wife of the agent Mrs Headon was Mr Callaghan, are you a protestant or a catholic? The very first question. It shook me. I didn't know what the right answer was so I told the truth. Thank God it helped. The other major candidate was Major Thomas and I was wearing navel uniform and I think that swung the vote in Cardiff. So I got it and George had to take Cardiff West instead. I don't think he ever quite forgave me for that. Poor George. I also added to the drama by saying I'm sorry I won't be able to stay because I have to join my ship at Birkenhead tomorrow night because we're sailing in a convoy to Icin. That got a few votes. I'd been adopted then and I'd never been back. Audrey used to go down and to the Maydays we had Mayday meetings then. I remember the agent who was a dry old co-op man, dry old stick, proper old Socialist. He wrote to me one day, somewhere in the Navy and he said Audrey came down and she made a splendid speech at the Mayday celebrations we had - there was a big audience there and they very much appreciated it. To tell you the truth she made a much better speech that you would have done. So that's how I got Cardiff.

July 1945, the great day, where were you at that time?

In Cardiff. I went down and we had the count of course but there was an interval between the election day and the count if you remember. Cardiff East was being fought by the secretary of state for war Sir James Grigg, who had been smuggled in there by Churchill and during the truce, the party truce and his opponent in the by-election which I went to because I happened to be here I think it was during the time I had TB. Federal Bockway was his opponent then. Anyway after the vote was declared, we went into the hotel and he was surrounded by supporters and so on and when we went into the hotel I saw James Grigg

sitting by himself in a seat. The result had been declared and he had been defeated and he was obviously waiting for a train to go back to London. There was a group of young army officers, we had no idea who he was, and the one o'clock news came and the news "defeated were Sir James Grigg and these young army officers cheered and James Grigg looked at him because he didn't know me, and he really was broken by it. Poor old James Grigg. He was a splendid man in some ways. I always remember we were taking a deputation to him when he was chairman of the revenue, before he became secretary of state for war and we took a deputation to him and Douglas Houghton lead it but I was a member of it. He was late, it was after lunch, he came in about 2.30pm into Summerset House and he wore a large black homberg and he took off his homberg and he threw it in the corner of the room and Neville Chamberline was the chancellor. He threw it in the corner of the room and said I've just come from my master, the man's got a mind like a bloody grater. This was Neville. That would have been about the mid 30's. You've led me down all the wrong paths.

I want to take you now to 1945. You took your seat in tremendous parliament with Atlee as prime minister. What did it feel like then?

Wonderful. I didn't understand what was going on. I didn't understand about the rows between various people trying to become leader of the party. We sat in the Beva Hall and sat there and I was one of the adoring multitudes. I could understand what this awful lot are like in the Commons now, all worshipping Tony Blair. There was I sitting there worshipping these great figures on the platform and it was a wonderful time. George and I sat together with Ness Edwards. I don't remember a great deal about it frankly but I do remember the atmosphere.

The platform was Atlee, Ernest Bevin, Stafford Cripps, Morrison, Chuter Ede.

Chuter Ede was never a figure in the party. He never went to a party conference when he was a member and when he was home secretary. He never went to the party conference.

You were quite quickly promoted.

Yes, I should have been promoted about a year earlier than I was because I was in Czechoslovakia on a Fabian delegation to look at what was happening in Czechoslovakia after the war and Carol Johnson was with us who was the secretary of the parliamentary party. The ambassador got a message which came to me saying that the chief whip, Mr Whitely, wishes to speak to you. Well we were going off to Slovakia at the time Carol Johnson said that I should wait till he got back. So I didn't do anything else about it you see. And then on the Sunday afterwards we got on the DC3 to come home and the Sunday papers were there and I looked down and there was a huge list of people who had been promoted. And the changes in the Cabinet, in September 1946, and when I got back I thought perhaps that was what it was but I was determined not to show it. I was very independent and still arrogant and about three weeks later Willy Whitely was going one way round the lobby and I was going the other and he said "I want a word with you." He said we were going to make you secretary of state, under secretary for the war office. He said but you didn't get in touch with me and he said we were one light in the Lords, we needed another peer in the Lords so he said we asked Frank Pakenham to do it instead. You can imagine to me as a young man I thought the end of the world had come for the time being but I wasn't going to show it of course. I would have been promoted then but then a year later I went and saw Atlee and he promoted me.

Transport, wasn't it?

Transport. He just had a row with Shinwell and he said to me and the interview only lasted a few minutes. He said, remember you're playing for the first eleven now not the second eleven and if you're going to negotiate with someone tomorrow don't have a row with them today. After that I was out in Whitehall again. Great days.

Switching to the trade union movement in those days, do you see what a very considerable power the whole trade union movement had then?

It was partly my father and mother in the sense that I had been an unofficial delegate at the TUC Congress, at the annual conference in Norwich, as long ago as 1936. There's nobody living today that can claim to have been at Norwich for the conference in 1936. I sat on the platform behind Keene, Ernie Bevin, Walter Citrine. You've got to remember in relation to my attitude on trade unions that I was brought up and gave lectures on trade unions. I was brought up with the strong belief of voluntarism and keep away from the law as far as you can. This was probably the mistake I made but the Osborne judgement, Taff Vale judgement, were the things that made all of us suspicious of any intervention by the law. It was that which prompted in me to oppose what was going on. I believed Donovan was right and the trade unions ought to reform themselves and the law shouldn't play any part in it. Now we've seen a complete reversal in which the trade unions are embracing the law and I think quite rightly so.

But then you didn't.

I didn't think it then. By 1945 we had, but in the 30's we didn't have the power in the land. The trade unions were very weak in the land. We'd been defeated in the 1926 general strike. Of course I remember very well, I was 14 at the time and we hadn't got a voice at that time. Now the conditions are entirely different and I think the trade unions are right to embrace a legal structure. I probably should have done it earlier. I think I clung on to the voluntary belief perhaps to long. My belief in voluntarism and the rights of people to regulate themselves rather than be regulated by the law. It was something which I think gave us dignity at the time and we said we are going to regulate ourselves but alas in the 60's and 70's the trade unions didn't do it.

I wanted to come on to that in a minute. But don't let me break the sequence of your thoughts on that. Are you saying now, that during the Wilson Government, Barbara Castle introduced you In Place of Strife and you of course led a considerable opposition to that. Do you regret that?

No. Well yes I do and no I don't. I don't regret it in the sense that it would not have succeeded in doing what it was intended to attack, namely to get rid of unofficial strikes. The legislation she proposed would have had no impact at all, in my judgement, on unofficial strikes. So I don't regret it in that sense. The other reason I don't regret it is that I believe that at that time and in that political background that it would have wrecked that Labour movement. I believe that the atmosphere was such that it would have had a devastating effect on the Labour Party.

Most of the parliamentary Labour Party were opposed it. A considerable block inside the TUC were opposed to it, though not George Woodcock of course.

Woodcock wasn't was he?

No, Woodcock was in favour of taking most of what Barbara Castle looking at.

Well, I was in favour of adopting most of what Barbara Castle was in favour of doing. I had always claimed that if only they'd drop these penal clauses, being against intervention of the legal system. I always said that there was 90 per cent of what Barbara wanted to do that would be good. And if only we would drop these clauses, we would make a tremendous advance.

That was very much the focal point of her policy wasn't it? The penal clauses.

The penal clauses were the focal point of her policy frankly. I have no regrets about opposing those at that time - within the general context of what I say about voluntarism and the legal system.

Just let me retrace your steps between '45 and '51, when the Trade Union movement, in a sense, had a special relationship with a Labour Government in power for the first time. Trade Union membership was increasing considerably. Major industries were being nationalised - coal, railways, electricity, gas etc. All helping to expand Trade Union membership. Looking back now, did the Trade Union movement miss an opportunity to be far more positive in the way they dealt with the Government - a friendly government - a Labour Government. Were they still too keen to retain the voluntarism you talk about but also their independence from the state?

Yes. If you use the phrase the class-war now-a-days, you would be drummed out of even a Trade Union meeting but in those days, we regarded the capacity of industry to be able to produce as beyond question. It could produce the wealth. That was its job. Our job was to see that we got the proper share of it and our interests were not necessarily the interests of those who were the bosses of the day. So I think that British Trade Unionism was because of the very weakness of the workers themselves was constructed on the basis that there was a division of interest between the employers and the employed. Now I'm glad to say that both of them seem to see a mutuality of interest and that is of great advantage, I think, for our country as well as for the workers and the employers. But the whole basis of British Trade Unionism was that there was a conflict of interest that we had to take some thing out of you as an employer. That was because of the history of the treatment of the workers in the industrial revolution.

One can understand that. But going back to the missed opportunity. You take the mining industry or the railways for that matter. The leaders of the miners union as I remember, you remember far better, people like Bill Lawther, actually opposed co-operating with the coal board. When they were offered the opportunity to help run the industry, they retreated from that and said that our will, exactly as you described it, is to protect the workers and you are the employers. Wasn't that an enormous opportunity missed?

It probably was. You have got to remember we are all the children of our own history. It is very difficult to escape, you've got to be a remarkable man or woman if you can escape from it and I was as much a child and therefore as wrong as anybody else. Some of them recognised as much- oddly enough little Arthur Horner recognised it. He and I used to talk going down on the train to Cardiff because he came from Rhondda Valley as you know. I always remember how he used to talk to me about what a failure it had been on the part of the miners unions - I'm talking now about the 1940's - not to train people who could assume the role of managers in the pits because they were complaining about the old bosses being rechristened as something else. He had quite a view but alas I never heard him express it in

public about the opportunities they could have made. I think that we were short sighted but I don't think we were alone in that you know.

OK let's leap to 1964. The return of the Wilson Government after 13 years of Conservative rule. Was an opportunity missed then for the Trade Union movement? Going through the whole of that 60's period - we talked about "in Place of Strife". But from '64 right through to the '70's. Did the Trade Union movement miss an opportunity then?

I don't blame the Trade Unions. I'm not going to answer your question in that way. I think that we all perhaps missed an opportunity at the time. We did not realise that we now had much more power at our disposal because the Labour movement was so strong. I mean the Labour movement in all its arms, particularly the political element. We had stayed away from the law because we didn't have any representation in the Houses of Parliament - none at all. In the old days, I'm going back to when I was young, we didn't have any of that - nothing worth speaking of. We did not realise the power that we could have used through the legislature to create the kind of structure we've got now. A structure which gives the ordinary worker so many advantages with the law behind him. Look what this Government has done - our present Blair Government - done remarkable things we wouldn't have thought possible many years ago. So the answer is I suppose is that yes we all missed an opportunity then but I think that we in the political side was as much to blame as the Trade Unions side. I think there were Trade Union leaders who saw it but they couldn't get it over. The doctrine of the class war - I heard Eric Heffer preaching that in the 70's and the 80's so it's taken a long time for people to get it out of their system.

Does it still exist?

No. Not in the minds of the Trade Unions. The Trade Unions have put it all behind them. So we now have a mutual interest with the employers - we want our share of course of what's going on but people now realise, being much better educated economically than we were in the 60's. In the 60's, frankly we were economically illiterate. I think that as a result of the experiences of the 60's and the 70's people are now much more, I mean by that the electorate, is much more economically literate than it was then and people understand the need to produce before you distribute. We believed that the production would look after itself when we were younger in those days and that our task was to redistribute. Now Gordon Brown is quite right. You've got to produce, you've got to be competitive before you can distribute what you've made. I think that has been recognised by the Trade Unions. And so there you are - I think you've got a very much better basis for co-operation, I think the Trade Unions have got a considerable future. There has been a revolution in their thinking and I don't think the British electorate yet realise that revolution has taken place. But it has. When I see what Trade Union leaders are saying and doing when I do from time to time have the chance of talking to them.

Is this the greatest change in the Labour Movement in your life time - what you've been describing now? After all your experience as Chancellor in that period of '64 until '67, when you reflect back on that and the changes that have taken place now.

I wish that the degree of what I call, I hope without being presumptuous, economic literacy. There is a degree of economic literacy which exists today among Trade Unionists and among members of the public and had it existed in 1964 onwards we would have had a much easier time.

So that that is the biggest change. Society is a more educated society.

Oh yes, education has made all the difference. We've got a more educated society, a more understanding society and that has enabled Trade Unions leaders and the Trade Union movement as a whole to change its own attitude. It sees that there is no particular future in confrontation with each other when you're living in a globalised world economy that there must be a degree of co-operation even though both of you want a fair share of what the production is and I think that gives a great hope for the future of the country and it also gives a great opportunity to the Trade Union movement which I believe they're taking. I've very impressed with the way the Trade Union movement is now organised.

Do you think they have the right idea for the future growth, development and perhaps a new role for the Trade Unionism?

I think they have. I think in some way they're almost going back to their origins in the sense that they are now concentrating so much on the welfare of the individual member. Forty or fifty years ago, it was the collective ideal which impregnated the Trade Union movement. The individual member and his needs was submerged in that collective ideal. Now because collective bargaining has to some extent been weakened by the change in the nature of industry, what has happened is that the Unions are returning more to helping the individual member in his own need - if you like in his mortgage and his insurance and his leisure and his holidays and training - those sort of things. I think that because the Unions are adapting themselves in that direction whilst of course the manufacturing industry maintains a strong collective bargaining presence, this is one of the reasons why they are not only going to survive but I think they will prosper.

Has this effected in you opinion the whole Socialist idea that you were talking about earlier when you were reading the Grammar of Politics? And you were thinking about the 30's when you said to Laski about the revolution's about to arrive. Socialism today is very different today isn't it?

It is. I always say that you can't fight an election in 1999 on the policies of 1945. Socialism, which I would still claim to regard as an idea and an ethic to seek to live by, is obviously changed with the changing economic nature of our country and of industry and the way the thing has moved, as well as the revolution in thinking that has taken place. I do not fault what the present Government is doing - Gordon Brown has behaved very skilfully and you can not complain very much about Tony Blair, if he goes on winning elections like this can you? It's no use arguing that this isn't what you wanted because people obviously do want it. So I think that Socialism is something that one must seek to live by Socialist ideas and ethics which I think basically they are trying to express. So I hope they'll go on being successful.

Wouldn't you say that with the development of technology and the global scene that we face - the pressure that's on all societies - calls for in a sense Socialist intervention more so than ever?

I think it calls for intervention whether you call it Socialist or not. I think that the idea of employing agencies and the Government itself setting the ring within which the agencies work is a modern development that suits the present day organisation of the economy and I don't fault that. I think there are areas which have gone to far but I don't fault it as an approach. So that I think that the process of adaptation that has gone on in our country over the last 20 years, which the Tories cleared the ground for in some ways by what happened with the terrible unemployment in the manufacturing industry, has enabled a new ethos to grow up.

Let me just ask you about the terrible time you had in the Winter of Discontent, when the Thatcher Government was brought in and so forth. Looking back on that period could the Trade Union movement have helped you more?

Yes they could have helped me more. There were leaders who could have spoken and didn't. I think that others did try hard and failed and I think that was as much the Government's responsibility as theirs. But I don't think we had strong leadership at the time in some of the Trade Unions. One prominent Trade Union leader, I won't mention his name now but it will be very well known to you, said to me when Mrs Thatcher had been in power about two years: "Jim if only I had known then what I know now we would have done heaven and earth in order to have assisted you at the time." That was learning by experience and the Labour movement had to learn by experience in the 80's I'm afraid, it was a bitter lesson but they had to learn it that way. Of course 1979 was a terrible disappointment for me. After all what was I suggesting - I was proposing that there should be a five per cent wage increase. Well now, people would be happy to slash five per cent in many cases. In those days inflation was higher and they weren't ready to take it and we had some very weak leadership on the Trade Union side. But I think that we pushed them hard at the time and there wasn't the degree of understanding that exists as a result of the history of the last 20 years.

You say that you pushed them hard. You did indeed but you had great cooperation - people like Jack Jones, Hugh Scanlon, social contract went on for a long time. When you took over as Prime Minister, considerable success had been achieved by that social contract.

Yes it was. People forget and thank you for reminding me. People forget what went before the creation of the social contract. You all know this very well in deed but when we came to office in 1974, it was after a period in which people had been put in prison for their Trade Union activities and had to be rescued by a man called the official solicitor. Inflation was running high. We had candles on the dispatch box in the house of commons because of the strike that was going on by the electricity power workers. The country had great cuts in power. We were on a three day week and we came to office and Michael Foot and others managed to pull us out of that situation. We created the social contract as a way of trying to get away from confrontation and get to co-operation. That was the object of the exercise. It succeeded at the time but alas I had the great disappointment of 1979, which was the only time in my political life that I think I've really been unhappy - For the last four of five months of my term of office as Prime Minister and I very much regret that it happened in my period.

Do you think now on reflection that you could have done anything to avoid that winter of discontent situation?

I'm not sure. I think only perhaps at the price of having a large degree of inflation going back to having 12 or 13 per cent again, which we had recovered from. When we came to office in '74 people again forget inflation then was 15 per cent. We managed to bring it down with the co-operation of the Unions and everybody else to 7 per cent. It would have gone back again up to 15 per cent. The international financial community would not have understood it and so I could have bought a little piece - perhaps with the Trade Unions if I'd said alright not five per cent, I didn't mean that I meant 15 per cent increase in wages but it would have been at the expense of having a terrible over-seas position and the country just carrying on in an awful way. So, it might have bought three months peace. People say to me about having an election 1978 - I've said this so many times and nobody ever seems to believe me but I will repeat it here as it's going on the record. The reason I did not have an election in the autumn of 1978 was I did not believe we could win an election. We had another year to run - I say no

reason to have an election. If we weren't going to win then, we might by getting through the winter of 1978 with a five per cent increase in wages we might be in a better position in 1979 to win. I'd got 12 months to do it in. I always say this, nobody ever seems to believe me but all the information I had from the regional organisers of the Labour Party, Members of Parliament I'd talked to, was look we can't win in the autumn of 1978. It so happened that once I took that decision that we wouldn't have an election our stock soared, we were in the lead for a period of three or four months but then of course the strikes started. There we are.

Mrs Thatcher and her supporters said the Unions had become too strong and the only way to run the country was to weaken them. Was she right?

They weren't too strong. The point was that they were not disciplined enough. They were too undisciplined in my view, coupled with, in some Unions, weak leadership. This led to excesses which the leaders of some of the Unions felt they couldn't resist. I was horrified and I think that everybody must be horrified at the prospect of having bodies which grave diggers who are members of a Union refusing to bury. I was horrified that at a hospital with which Audrey was associated that the stockers would not stoke the boilers, so that the patients were going cold. These are monstrous things to do - they weren't the fault on the Unions, they were the fault of members who were out of control and totally irresponsible.

And they had lost their Socialist idealism?

Yes, I fear that was so and there was a time when we were a community of brothers. We really did believe this. We called each other brother and we meant it. That was when we were a smaller and we felt oppressed minority. That I think is because of the changes brought about by Labour governments and by the strength of the Unions themselves which had gone.

Is that your deepest disappointment that period?

Yes. It's my only real disappointment. I wish I'd had the kind of National Executive Committee that Tony Blair's got. I wish I had the majority. Never had a majority in the House of Commons that they've got not now but even of 50 or 100 would have done me. Then we could have really set about things.