

Briefing Note

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LABOUR'S PROGRAMME 1982

In a foreword to the domestic section of Labour's Programme 1982, published last month, the former General Secretary of the Labour Party, Mr Ron Hayward, writes: "This programme, when approved by the Party Conference, will represent the policies agreed to by the Labour Party for many years ahead".

No doubt the full programme will be carried by an overwhelming majority at the Labour Party Conference in September - just as, six years ago, 'Labour's Programme 1976' was carried by 5.9 million votes to 122,000.

Not all the proposals contained in 48 closely printed tabloid pages (Labour Weekly, 2nd June 1982) are necessarily wrong and destructive, although taken together they would involve immense amounts of public spending. There is much talk of democracy and freedom, yet the document is replete with proposals for State interference in virtually every aspect of the nation's life. A number of the proposals would do very great damage to the British economy and to our free society.

The basic philosophy set out in the Programme is crude and orthodox Socialism, compared with the words and, even more, the practice of previous Labour Governments. It sums up all too clearly the harsh, divisive and uncompromising attitudes of the present day Labour Party: "We believe it is wrong that private individuals should, through ownership of the means of production, reap the benefits of the collective effort of others and exercise unaccountable power over the lives of ordinary people. Our social and economic objectives can be achieved only through an expansion of common ownership substantial enough to give the community decisive power over the commanding heights of the economy."

The Nationalisation List

After three years in which the Conservatives have sought to reduce the monopoly power and inefficiency of the great nationalised industries like steel and the railways, Labour would drastically extend the state-owned sector. Ironically, the Programme states: "We have to demonstrate the practical benefits of common ownership ...to both workers and consumers".

- The public assets sold by the Conservatives would be renationalised "without full compensation", and monopoly powers in the field of posts and telecommunications would be restored.
- A nationalised stake in each important sector of industry would be set up, including electronics; pharmaceuticals and health equipment; the construction industry and building materials (including glass and cement); road haulage, major ports, forestry; and timber production. The Programme states: "We are committed to take a majority stake in all existing and future North Sea oil fields", and adds: "GEC ... will form an integral part of our public ownership programme".
- The financial institutions, including the pension and life insurance funds, would be forced to buy government debt which they might not regard as the best investment for their clients. More alarming still are the proposals to bring the economic power of the banking system under what is termed "social control". According to the Programme, "one or more" clearing banks would be nationalised. However, on 12th July, the Labour Party Home Policy Committee voted by 7 to 5 in favour of straightforward nationalisation of the "Big Four" clearing banks - Barclays,

National Westminster, Lloyds and the Midland. While Mr Foot voted instead simply to nationalise "one or more" of the four, Mr Healey "was out of the room when the vote was taken" (Times, 13 July 1982). Nationalisation would also be extended into other parts of the financial system, presumably including insurance and the building societies.

- A Rural Land Authority "would be expected to extend, as swiftly as possible, the public ownership of tenanted (farming) land". Meanwhile farming land would be subject to rates (as the SDP have also proposed).

Economic Policy

Not unexpectedly, the Programme defies the collective experience of Labour and Conservative governments over the past 20 years in declaring that "Labour rejects the idea that reducing inflation is a pre-condition ... for economic growth and high employment". It pledges: "The next Labour government will introduce a substantial reflationary programme financed by public sector borrowing ... we believe that this initial stimulus should be geared mainly towards increased public spending ...". The Programme hardly provides any figures for its wide ranging spending proposals and is naturally reluctant to spell out the detailed implications for personal taxpayers. What is clear is that the married man's tax allowance and tax relief on school fees and private health schemes will be scrapped, and a more general campaign against tax reliefs is promised "so that the better-off no longer benefit disproportionately". A Wealth Tax is proposed, starting at £150,000, which would include the value of private houses.

The Programme claims that the pound "has been seriously over-valued" and that if this continues "Labour will act to eliminate it". This would certainly fuel inflation and might well cause a general loss of confidence in the currency, as happened in 1976. Labour also propose a rigorous system of price and profit controls, but state: "We have also made clear our opposition to any policies of wage restraint". A move towards the siege economy is also promised, with a battery of import controls.

Other Policies

A massive increase in trade union power - "legal rights for unions to organise effective (sic) industrial action without being subjected to legal challenge".

A "non-nuclear" defence policy "based upon ... removal of all nuclear weapons and bases from British territory and British territorial waters".

To facilitate this 'revolution', the House of Lords would be abolished. Britain would be withdrawn from the EEC, which would cause at least 2 million jobs to be lost. All pay beds would be removed from NHS hospitals in two years, and profit-making private hospitals would be nationalised. The Assisted Places scheme in schools would be ended: "Our aim is to abolish all private schooling ... within a period of not more than 10 years". The police would be subjected to controls and political interference, with the abolition of the Special Patrol Group; and the Prevention of Terrorism Act would be repealed. The statutory 'right to buy' council houses would also be repealed, and local councils' powers to engage in industrial and commercial activities would be "significantly" extended, with direct labour organisations in particular, increasing in number and in scope.

How strikingly this contrasts with the exposition by the Chancellor of the Exchequer of what might form the Conservative programme for the future, summarised in Briefing Note No. 27, 14th July 1982.

DJN/SCB