

cc: Ian Gow
25/11



HOUSE OF COMMONS
LONDON SW1A 0AA

From:
Michael Foot MP

25 November 1982

Dear Prime Minister

In the House this afternoon you first of all claimed that I had not criticised the siting of SS20 missiles in Eastern Europe and then said that my statement in the House this afternoon was the first time you had ever heard such criticism.

I should like to draw your attention to the statement "Peace Jobs Freedom" approved by the Labour Party's Special Conference at Wembley on 31 May 1980 in which you will see that our call then was for the British Government to enter into East/West negotiations with a view to reaching new agreements that would ensure that Cruise missiles and Soviet SS20s were both withdrawn.

I am sorry that this has not been drawn to your attention by those who serve you. I now enclose a copy which you may care to study.

I hope you will concede that the Labour Party's criticism over the whole period has been on both the siting of the SS20s and the intention to site Cruise missiles in Western Europe.

Margaret Thatcher

The Rt. Hon. Margaret Thatcher MP

**Peace
Jobs
Freedom**

Labour's call to the people

Statement presented by the
National Executive Committee
to the special conference
Wembley May 31 1980

20p.

PEACE, JOBS, FREEDOM

LABOUR'S CALL TO THE PEOPLE

How to stop the drift to catastrophe

TODAY'S conference allows the Labour Party to present to the British people its plans for overcoming Britain's crisis and proposals for action internationally.

In the advanced, industrialised world, including Britain, mounting unemployment — now standing at more than 17 million — is the price of capitalist economic decline.

In the poor, undeveloped countries the despair of poverty and hunger is deepening and threatens peace.

The spread of weapons, spearheaded by the quickening race in nuclear weapons and their proliferation, makes the dangers of a Third World War very real.

As peoples and countries become more dependent on each other — highlighted by the crucial dependence of the industrialised world on oil — international co-operation becomes more necessary but harder to secure and sustain.

Britain should be playing a full part in making the world a fairer, safer, more co-operative international community. Under this Government it is not.

With Britain's long traditions in manufacturing skills and innovation, and its important indigenous fuels — coal, oil and gas — the country should be facing the 1980s full of hope and confidence. But this is not the Britain of today.

Instead of confidence, we see deepening social divisions. Instead of an expansion in manufacturing wealth, we face recession, spending cuts, unemployment and growing despair, especially among the long-term unemployed and young people without jobs. Instead of a Government committed to the fair treatment of people wherever they live or whatever their circumstances, we confront a Government determined to uphold the harsh attitudes and priorities of the market place, where the rich get richer and the poor get poorer. We oppose cynical

appeals to greed and self-interest enshrined in the last two Tory Budgets.

We denounce the damage being heaped on our economy by blind reliance on monetarist policies and free market economics. We urge the early adoption of Labour's alternative economic strategy based on expansion. We condemn the harm Tory policies are doing in dividing Britain: the employed from the unemployed, the well-off from the less well-off, the healthy from the sick, the increasingly privileged minority from the underprivileged majority.

The Labour movement stands for fairness, equality and justice — and against all forms of discrimination whether on the grounds of race, colour, creed or sex.

We are for a fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families — against propping up the existing order of unfettered capitalism, based on private wealth and privilege.

We are for planning the nation's resources to meet our needs; for public ownership of the means of production, distribution and exchange — against the harsh, impersonal values, inefficiency and waste, of production solely for profit.

We are for democratic socialism — at home and overseas. It is the only sane and sensible path for people to decide their own destinies, to enjoy a fair share of the wealth they create, to live out their lives with a real sense of individual fulfilment, to join freely with others in building civilised communities in lasting peace for themselves and for their families.

For these reasons we urge the British people to reject the Tory drift to catastrophe and support our alternative strategy for peace, jobs, and freedom.

The first Tory year

The first year of Tory Government has been a disaster for Britain. Inflation has doubled; unemployment is set to reach two million; spending has been slashed on our schools, hospitals and social services; interest rates are higher than ever before.

Before the election, the Tories promised that they would help and protect the family. They deceived the people. They **knew** that their policies would hurt the family. They **knew** the first to suffer would be retired and disabled people, families of the unemployed and low paid, and mothers with young children. In

urban and rural communities alike the people are under attack from the Tories.

For the family in work, the Tories are now imposing a cut in the real value of child benefit; for families out of work, even bigger cuts in the value of unemployment benefit. Families with young children will find it impossible to get transfers to homes with a garden — because the Tories are selling off council property. Homeless families will stay homeless — as a result of the Tories' plans to bring council housebuilding to a standstill. Every family will suffer as the Tories dismember our social services — from fewer home helps and meals on wheels, to the closure of day centres for the elderly, cut backs in aid for the disabled and the closure of facilities for the under-fives. Every family will suffer as the Tories cut education, cut spending on schools and school materials, meals, milk and transport and reduce the teaching force by 60,000. **This** is the reality of Tory 'family policy'.

Tory Government means attacks on children. It means attacks on women's rights. It means attacks on the interests and rights of ethnic minorities.

At the heart of this Tory strategy is a foolish and rigid adherence to monetarism — a policy which seeks to remedy our economic problems by promoting massive unemployment, by cuts in our essential social services and by putting heavier burdens on the poor. Nor have the Tories done anything for economic growth. They have cut support for industry and the regions; curbed the NEB, the Welsh and Scottish Development Agencies; cut industrial training; cut essential public investment; they have imposed crippling interest rates and a grossly uncompetitive exchange rate on industry. Little wonder, then, that the Tories themselves now predict that our manufacturing output will be cut by 4½ per cent this year alone and will carry on falling over the next few years — with widespread bankruptcies, closures and redundancies throughout the country.

But this is not all. For Tory Government also means soaring prices — now going up by nearly 20 per cent a year. VAT has been almost doubled. Rents, rates, fares and fuel prices have been forced up — and will go up even faster in the year ahead. The mortgage rate stands at a record 15 per cent. Food prices have been pushed up — directly by the Government; by agreement between Tory Ministers and the EEC; and now by new taxes on food.

Tory Government means greater inequality and social

injustice: huge tax cuts for the rich; higher prescription charges for the sick; big tax concessions on gifts and capital for the wealthy; higher VAT and benefit cuts for the rest.

Tory Government means confrontation: attacks on trade unions, to reduce workers' bargaining power. They plan to take £12 a week from the support given to the families of any workers involved in industrial action. They plan to undermine workers rights in the Employment Bill. They are openly contemptuous of suggestions that they should co-operate and consult with the TUC.

The Tory strategy will fail because it is founded on false economic thinking. It is unfair. It will not work. Its failure will impose heavy sacrifices on the British people: industrial stagnation, social conflict and a poorer and more unequal society.

We are told by the Government — and the media which backs them — that all this is necessary. That there is no alternative to tough Tory measures.

There is. The alternative is democratic socialism. And it is to that we must now turn.

Labour's alternative

There can be no going back: a powerful **new** economic strategy is needed, based on public ownership, expansion and democratic planning.

The central features of Labour's policy are:

First, the restoration and maintenance of full employment. That is the key to the rest of our proposals for transforming Britain's economy and must be the highest priority for the next Labour Government. Major changes will be needed in our society if we are to create the new jobs which will be needed — in the way we work, in how much we work, in how the fruits of our work will be shared. With the right industrial strategy it must be possible to achieve full employment — when thousands of people are crying out for better homes, more hospitals, more help for the elderly and better schools.

Second, we believe in economic expansion. This must now be spearheaded by increased public expenditure — to meet pressing social and community needs and to create jobs.

Third, we believe that Labour's strategy of expansion will help to curb inflation. Expansion will make it easier for industry to

contain its costs; it will provide workers with rising real wages; it will make it possible for social benefits — such as pensions and child benefits — to be increased in line with prices and earnings. We will also introduce a comprehensive and powerful system of price controls. The closest co-operation between the Labour Government, the party and the trade union movement will be essential to carry out our economic and other policies.

Fourth, Labour will work for an international agreement under which all countries are helped and encouraged to expand their economies to the limit of their productive capacity and so stimulate world trade. The expansion of Britain's economy will increase world trade. At the same time, however, we are determined not to allow manufactured imports to continue to destroy our industries and jobs. We will plan our trade in manufactures and our international payments to protect and promote industrial development in Britain. Sensible trade planning can assist Third World development.

Fifth, we will introduce strict controls over international capital movements to prevent a flight of capital overseas — and introduce new defences for sterling to help fight off any run on the pound. We shall also work for international agreement to help bring about greater currency stability.

Sixth, we reassert our belief, based on experience of recent Labour Governments, in the crucial importance of extending public ownership and planning the economy. We shall establish the machinery and take the powers we need to translate our plans into action. Planning agreements must guide the activities of the huge companies which dominate the economy and be backed by the statutory powers — especially discretionary powers over prices — set out in Labour's Programme. We would aim to make substantial progress towards our target of doubling the level of manufacturing investment within our first Parliament.

We will also extend public enterprise to ensure a significant public stake — and a degree of control — in each important industrial sector; and this will include companies in such sectors as pharmaceuticals, medical equipment, micro-electronics, construction, and building materials. We will support job creating technology and industrial innovation in consultation with the trade unions involved. An Investment Fund would also be established to channel North Sea oil revenues and funds from the financial institutions, into industry. We will take North Sea oil into public ownership; and we will restore to public

ownership, without compensation, the assets of our public sector industries sold off by the Tories.

Seventh, we will ensure that there is progress towards genuine industrial democracy in both the public and private sectors; and we shall promote co-operative development in all its forms. We will repeal, entirely, the Tory Employment Bill.

Eighth, work-sharing will be needed to combat the economic crisis we will inherit from the Tories — and the loss of jobs which could flow from the unplanned introduction of new technology. Time off for study, longer holidays, earlier voluntary retirement and a progressive move to a 35-hour working week will all have a part to play. This would create more jobs — and give more people proper opportunities to enjoy leisure, rather than enforced, insecure and useless idleness on the dole. We shall expand greatly training and retraining to acquire the skills we need, including a major traineeship scheme for school leavers.

Ninth, we are determined to lift the burdens imposed on our economy by the EEC — on food prices, on jobs and on our public finances. We shall amend the 1972 European Communities Act so as to restore to the House of Commons the full control of all law-making and tax-gathering powers now ceded to the European Communities. We will also seek fundamental reforms to the EEC: and we will use every means at our disposal to achieve them, including the use of the veto and withholding payments into the budget. But, should even these measures fail to convince our partners of the need for radical change, the party will be forced to consider again whether continued EEC membership is in the best interests of the British people.

Tenth, we accept that these policies cannot be implemented whilst the present unequal balance of wealth and power persists in Britain. We are therefore committed to a whole range of measures involving the strengthening of the powers of the House of Commons, the abolition of the House of Lords, and the introduction of a full Freedom of Information Act to strengthen democracy against privilege and patronage.

Policy for peace

Ways to secure lasting peace and progress towards disarmament must be first on the agenda. A third world war would destroy civilisation — and the danger of its breaking out is growing alarmingly. Following the steps taken by the last Labour Government in such fields as non-proliferation and the Mutual

and Balanced Force Reduction talks, Britain must again take a lead in disarmament negotiations. The arms race must be halted, war hysteria dispelled.

Détente, in our view, is essential, coupled with universal respect for the rights of all peoples and nations to self-determination. Accordingly we condemn the Soviet intervention in Afghanistan and warn against all military interventions contrary to the UN Charter.

In 1974, we renounced any intention of moving towards the production of a new generation of nuclear weapons or a successor to the Polaris nuclear force; we reiterate our belief that this is the best course for Britain. Many great issues affecting our allies and the world are involved. The Labour Party opposes the manufacture and deployment of Cruise missiles and the neutron bomb and refuses to permit their deployment in Britain by the United States or any other country.

The Soviet Union has already deployed the SS20 missile and NATO has taken a decision to equip itself with Cruise and Pershing 2 missiles. There will be an interval of three or four years before NATO's new weapons are produced and deployed. We regard it as imperative that this breathing space should be used to prevent a further upward twist in the arms spiral.

The Labour Party calls upon the British Government to enter immediately into East/West negotiations, with a view to reaching new agreements that would ensure that Cruise missiles and Soviet SS20s are both withdrawn. Britain is a prime target. It is our conviction that the safety of the British people, and of the people of Europe both East and West including the people of the Soviet Union, will be best secured by multilateral mutual disarmament in the nuclear and conventional fields. The arms race has already begun. It must be halted. We dedicate ourselves to this objective.

The next Labour Government will reduce the proportion of the nation's resources devoted to defence so that the burden we bear will be brought into line with that carried by our main European allies. A Labour Government would plan to ensure that savings in military expenditure did not lead to unemployment for those working in the defence industries. We shall give material support and encouragement to plans for industrial conversion so that the valuable resources of the defence industries can be used for the production of socially needed goods.

Labour will give every encouragement to those working for the cause of international peace. We will establish a peace research institute. Labour believes that a significant contribution to peace and arms control could be achieved by introducing criteria for the limitation of arms sales abroad. The Labour Government used such criteria to cut off the supply of arms to South Africa, El Salvador and Chile and imposed strict limitations on the supply of arms to a number of other countries. For these actions to be fully effective, it is necessary that there should be agreement by other states not to make up such supplies, and we urge that Britain should seek immediate negotiations with other arms supplying states with a view to reaching agreements that would prevent the supply of arms to countries where such supply would increase the chances of international conflict or internal repression. But we should in any case apply these criteria to our own arms sales.

The Labour Party believes that it is vital to breathe new life into the disarmament negotiations. There are great dangers of nuclear proliferation and these must be reduced. As part of this purpose, we urge the immediate ratification of the Agreement on Strategic Arms Limitation between the United States and the USSR and we regard it as vital that new talks with the purpose of further reducing the number of strategic nuclear weapons held by both sides should be begun at once. We want to see a Comprehensive Test Ban Treaty. We support the UN Committee on Disarmament.

We deeply deplore the fact that so little progress has been made during the last twelve months in the negotiations to reduce conventional weapons. We call upon all the governments concerned to impart a fresh urgency to the negotiations that have been taking place between East and West in Vienna. We will work with all those who want peace, in Europe and elsewhere, to turn away once and for all from the dangerous madness and enormous waste of increasing arms of mass destruction.

Poverty is a fundamental cause of political chaos and even of war. The next Labour Government will give greater emphasis to the North/South dialogue. It will participate constructively in all negotiations seeking to establish a world trading pattern fairer to developing countries. The free market world economy is not in the interests of developing countries. We oppose the International Monetary Fund's austerity measures which are totally unimaginative and inappropriate to the current world

recession and to the developing world. Such policies also impose a heavy political and economic burden on third world countries. We again commit ourselves to the UN target for overseas aid of 0.7 per cent of the GNP, with the emphasis to be put on rural development.

We shall campaign for international peace, international co-operation and international development. These must be our priorities for the 1980s and we call on the whole Labour movement, inside and outside Parliament, to fight for these policies.

The task ahead

The Labour Party is a democratic socialist party and proud of it.

We believe that millions of people in this country are turning to us for leadership.

We shall defend their interests, present our programme clearly and campaign for it boldly inside and outside Parliament. We must campaign for their support now to turn back from the politics of fear and join with us to create a society built upon hope, for peace, for jobs, and for greater democracy.

This support must be built in the constituencies. It means our local parties will need to launch — through leaflets, pamphlets, posters and meetings — a campaign to support the Labour Party and its policies outlined in this document. So we must take the message of this document and the Conference to the country and through the Parliamentary Party to the House of Commons.

We must explain to people worried about unemployment, inflation, housing, cuts in welfare, health, and education services, cuts in the value of social security benefits and pensions, that only through the policies of the Labour Party can these essential services be restored and extended.

We believe that the objectives outlined in this document will attract growing support from the electorate and the task of the party organisation is to see that this support is expressed in active involvement in membership and work for the party.

The ideals and aims of this statement will require not only a Labour Government with a majority in Parliament but one backed by a strong and effective party organisation in the country.

The people and the party want to see an end to the present Tory Government at the earliest opportunity. We want to see it replaced by a Labour Government elected on socialist policies supported and understood by the electorate.