RANDOM HOUSE eBOOKS

Conflicts of Interest

Tony Benn

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About the Author

Tony Benn, who first entered Parliament in 1950, has been the Labour MP for Chesterfield since March 1984. He was elected to the National Executive Committee of the Labour Party in 1959, and was the Chairman of the Party in 1971–2. He has been a Cabinet Minister in every Labour Government since 1964, holding the positions of Postmaster General, Minister of Technology and Minister of Power. From 1974–9 he was Secretary of State for Industry, later Secretary of State for Energy and one-time President of the Council of Energy Ministers of the European Community. He contested the leadership of the Labour Party in 1976 and in 1988.

He is the author of eleven books, including *Arguments for Socialism, Arguments for Democracy.* The previous volumes of his Diaries, *Out of the Wilderness, Office Without Power* and *Against the Tide,* have all been published to great critical acclaim. He holds four Honorary Doctorates from British and American Universities. He is married to Caroline, and they have four children and six grandchildren.

Also in Arrow by Tony Benn

OUT OF THE WILDERNESS: Diaries 1963–67
OFFICE WITHOUT POWER: Diaries 1968–72
AGAINST THE TIDE: Diaries 1973–77

Conflicts of Interest

Diaries 1977–80

Tony Benn

Edited by Ruth Winstone

arrow books

This volume is dedicated to Caroline with love; her knowledge of, and contribution to, the ideas of socialism have been the greatest single influence in my political life.

Acknowledgements

This is the fourth volume in a series of political diaries which span nearly twenty years and which are themselves drawn from political and personal records encompassing nearly half a century

A project of this magnitude could not possibly have been undertaken without the support of a team of people who have worked together to turn the raw material into the published text.

Ruth Winstone, the Editor, has been in overall charge of the series from the beginning, and her role has developed far beyond the usual editorial tasks of checking facts and preparing notes, background and biographical material and appendices: her judgment in discussing and recommending passages for inclusion, ensuring continuity and intelligibility without compromising the original much lengthier account, has made these books very much her own.

Sheila Hubacher and Ruth Hobson again undertook the awesome job of the transcription for this volume of almost two million words, and were invaluable in their informed criticism and comments throughout; as was Linden Stafford, who had editorial responsibility for preparing the final text for the printers. Her meticulous eye and her suggestions and advice added significantly to the quality of the finished book.

I have also to record again my thanks to Random Century who took on this long-term series in 1986, particularly to Richard Cohen who has overseen the unfolding saga and to all those in the company who have worked on the project.

Having said all that, the final responsibility for this volume, and for any errors that may have crept in, rests with me alone.

Tony Benn 1990

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Editor’s Note

The Fourth Volume of Tony Benn’s political diaries has the distinction of being the only published contemporaneous account of the Callaghan Government’s last years, and of Labour’s first twelve months in opposition to Margaret Thatcher’s administration.

As with previous volumes, I have tried to maintain the balance of the daily record of a Member of Parliament engaged in the activities of Government and Party at the highest level. *Conflicts of Interest* was planned to include Michael Foot’s three years as Leader, ending in 1983. However, this would have required such drastic paring of the original diary transcript that it was decided to end this volume in May 1980, at the point when the pressure for democratic reform in the Party was building up. Even so, two million words of transcription had to be reduced to *one-eighth* of that total, so that inevitably certain themes have had to be omitted; while the meetings, decisions and events included represent only a fraction of Tony Benn’s actual prodigious daily activity.

Ensuring continuity and intelligibility has as a result proved increasingly difficult, and notes, linking passages and appendices have been designed with this problem in mind. I have, as before, assumed that readers have a basic background knowledge of recent political events; nevertheless, it was still a lesson to me to discover that the expression ‘Selsdon man’ was unknown by one colleague; indeed, when Edward Heath held his famous meeting at Selsdon Park Hotel in 1970, most A level students now studying that period of British Government were not born!

So I should apologise for omissions of explanation which I should have foreseen, and for any errors of spelling in names which it proved impossible to check despite Tony Benn's formidable collection of papers, press cuttings and manuscript notes and books.

I could not have managed without the support of Linden Stafford who, in addition to copy-editing, took over many of the functions of advice and criticism formerly provided by Hutchinson's editor, Kate Mosse, who went on maternity leave. Also, Hugh Scott provided invaluable and reliable assistance at later stages in checking and in preparing appendix material.

Ruth Winstone
July 1990

Foreword

The Last Years of the Seventies and the beginning of the Eighties marked the end of one political era and the start of a new one.

In 1977, as these Diaries open, the Labour Government was attempting to survive without a parliamentary majority, at the mercy of the Liberals, and with its economic policies determined by an agreement with the IMF to cut public expenditure.

When, in 1978, these IMF cuts began to bite and the Government sought to limit wages in the public and private sector, relations both with the trade unions and with industrialists deteriorated: the so called Winter of Discontent led inexorably to Labour's defeat and to the election of Margaret Thatcher's monetarist administration, committed to upholding and strengthening British capitalism by quite different means.

While economic and industrial problems preoccupied Jim Callaghan's Cabinet, we were also concerned with Britain's relations with the European Community – in particular our attitude to the direct election of representatives to the European Parliament and our stand on the European Monetary System. As Energy Secretary seeking to control our own natural resources, I was also brought into direct conflict with the Community Commissioners in Brussels whose exercise of powers under the Treaty of Rome was contrary to Britain's interests.

This debate about Britain's relations with its Community partners is still in progress, and at that time the Labour Party was explicitly opposed to the process of integration

which has since intensified. My membership of the National Executive and of its Home Policy Committee enabled me to participate in that debate from within the Cabinet and the Party.

The Conservative Government that came to power in May 1979 has been widely characterised as ‘Thatcherite’, but, as my Diaries show, many of the principles and policies of the Labour Government – particularly in respect of the adoption of monetarist measures, its commitment to the EEC, and its maintenance and modernisation of nuclear weapons – suggest that ‘Thatcherism’ had become the philosophy of the British establishment long before Margaret Thatcher became Prime Minister, and had paved the way for the intellectual dominance of right-wing ideas throughout the Eighties.

The story of the fall of the 1974–9 Labour Government is one which has been subject to many, many misconceptions, encouraged by the establishment and accepted as fact, thus influencing the thinking of a generation. *Conflicts of Interest,* the only Cabinet diary so far published of this period, reports my observations of, participation in, and reactions to political activity at the time as accurately as I was able to make them, interspersed with contemporary comment which reflected my own assessment of the political situation.

With Labour in opposition there emerged through the NEC and Conference a movement aiming to make the Party a more democratic one by, among other things, requiring the Leader to be accountable to the Party membership so as to ensure that the alternative policies adopted by Conference would be advocated in Parliament and implemented when Labour returned to office.

Future volumes of the Diary will record the success of this strategy – rejecting the Cold War, seeking an open relationship with the whole of Europe, opposing the destructive effect of market forces, and supporting groups

subjected to discrimination and prejudice – and its subsequent reversal after 1983.

The original diary for the period 1977–1980 is two million words long, and, as the Editor's Note explains, the substantial cutting required to reduce it to managable proportions has had its effect on the shape of the published book.

However, the uncut text has been made available to those serious researchers who wished to look at the record in detail to amplify their work or to help them to reach conclusions different from those that appeared at the time. Those who come to write a more definitive historical work may possibly see the arguments afresh instead of simply translating from the headlines into the history books the conventional views of the rich and the powerful.

I hope that, by recognising and understanding Labour's recent history in the light of this perspective, future Labour Governments can be armed against making the same mistakes again.

Tony Benn
July 1990

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Windscale Crisis
January–March 1977

Tuesday 11 January 1977

I LEFT FOR the Orkneys with James Bretherton (my new Private Secretary) and Bernard Ingham. Dr Armand Hammer and his third wife were at Heathrow, having flown in on their personal jet, and a host of other people were waiting to fly to the Orkneys for the inauguration of the Flotta oil terminal.[fn1] Hammer is of course a mythological figure and every passenger on the plane was given a copy of a biography about him.

His great-grandfather was a shipbuilder in Odessa; his grandfather put his money in the safest thing possible, salt, which was evaporated from the Black Sea, but owing to severe typhoons and storms he lost it all and emigrated to America. Armand Hammer's father became a socialist under the influence of Daniel De Leon.

Armand qualified as a doctor, and after the First World War decided to visit Russia. He was so overcome by the terrible conditions of famine that he bought up a hospital and transported it to Russia. He also imported food, and under these circumstances he met and became close friends with Lenin. Hammer said that Lenin had told him that communism was no good, that the Soviet Union would need to start again with capitalism, and a new economic policy, and asked Hammer if he would be the first business

concessionaire. Hammer agreed to do so out of a mixture of human sympathy, socialist understanding, internationalism and, of course, the entrepreneurial nose. He set up a pencil factory to service the huge educational programme. Many years later Brezhnev, of whom he is a great admirer, told him he was educated at a school which used Hammer pencils.

When Stalin came to power, Hammer left for Paris. In 1956 he retired, at the age of fifty-eight, and, because he was bored, bought a little oil company for $50,000 and built it up into Occidental, one of the largest oil companies in the world. He also, of course, has this fabulous art collection. He's a historical figure, very charming, extremely modest.

On the plane he showed me a couple of little films about the development of shale oil, which he thinks is the answer to the world's oil problem. Tonight he is going to speak on the telephone to James Schlesinger, the new US Secretary for Energy, to try to persuade Carter to take it up. Hammer likes Carter because he is prepared to do something about energy.

He was angry about the build-up towards rearmament. He said that communism hadn't solved the problems and capitalism couldn't distribute the wealth and some new scheme would have to be worked out. As always, shrewd enough to see what the really big long-term problem was, I thought.

Well, we got to Orkney, then by helicopter to Flotta, and went round in buses – it was pretty cold – and assembled around this installation. The whole thing, if you include the Piper and Claymore fields, has cost $1.3 billion, which in current prices would be about £600 million, and they will get their money back in two years, and we'll get 70 or 75 per cent of it through the petroleum revenue tax.

During the opening ceremony John Foster, the former Tory MP for Northwich, was sitting opposite me and we chatted. He talked to me about the deal of 1941 under which the

Americans gave us some of their destroyers in return for leasing them bases on British territory. President Roosevelt was ready to do it but was afraid it might be a breach of the Neutrality Act, and he was particularly afraid that Wendell Wilkie (the Republican candidate in the 1940 presidential election) might make political capital out of it. So he sent somebody to see Wilkie but the deal had been reported in the *New York Times* before he got the secret message.

John Foster was in the States, in Colorado Springs, heard Wilkie was there, rang up Wilkie's HQ, and Wilkie invited him over straight away. John persuaded Wilkie that it was necessary to supply the destroyers to save the British from being absolutely swamped by the German fleet. Wilkie said, all right, I give you my word, 'but don't forget that Roosevelt will always see that I get the shitty end of the stick.' Foster sent a cable back to the British Embassy in Washington asking for this to be relayed to Churchill and Roosevelt, and when he later arrived in Washington John was rebuked for using the phrase 'the shitty end of the stick' and embarrassing the decipher girls. That made him laugh.

The other story he told me was terribly interesting – it concerned Edward VIII's abdication.

In 1936, two or three days after the Bishop of Bradford, Dr Blunt, had made his famous sermon – as a result of which the whole story of Edward VIII's affair broke – Foster went to dinner with Ernest Simpson and his brother in London and of course they talked about the divorce. It turned out that Ernest had admitted to a completely fraudulent adultery with the wife of a friend of his, to give Wallis Simpson her freedom – he hadn't committed adultery with her at all. Foster realised he had in his hands information which would have prevented the divorce from going through.

So a message was sent to the Prime Minister, Baldwin, about this evidence, pointing out that Ernest Simpson's decree nisi would not be made absolute and would be cancelled, and that would mean the King couldn't marry Mrs

Simpson and therefore the abdication would be off. What did Baldwin think?

Baldwin sent a message saying: Do nothing. So in effect that little story, if it's true, suggests that Baldwin wanted to get rid of the King; Foster said it wasn't a bad thing because actually the King was very sympathetic to the Germans.

I also talked to an Air Vice-Marshal, a naval captain from Rosyth and one or two people about the physical security of the oil. One of them said to me, 'Well, I understand that every single person who works on the oil installations is regularly monitored by the police.'

He didn't say any more, but if that's true it's another pointer towards the supervised society and another warning about civil liberties.

Occidental, Armand Hammer's oil company, was one of a number of powerful multinationals with which I had to negotiate after I became Secretary of State for Energy in June 1975. The Government's relationship with the oil companies at that time was still being developed. Our job was to make sure that the resources of the North Sea were exploitedfor the benefit of the nation as a whole and not solely for the benefit of a handful of multinationals controlled mainly from America. But at the same time we did not want to prevent the flow of capital and technology that the oil companies could bring to the North Sea for its development. We needed to establish a relationship with both finance and the oil companies on a basis of trust and confidence.

Some oil companies are comparable in strength and wealth to national governments. In 1977 Shell earned $55 billion from 4.2 million barrels per day, while Exxon earned $58 billion producing 4.9 million bpd. By contrast, the revenues of Saudi Arabia were only $38 billion producing 9.2 million barrels per day, and the revenues of Iran were $23 billion producing 5.7 million bpd. As Secretary of State, I

learned that relations between governments and oil companies were rather like treaty negotiations.

The Conservative administration gave a large number of licences to oil companies to develop the North Sea without any provision that any oil be directed to meet United Kingdom needs. There was no proper statutory framework and no petroleum revenue tax. The Labour Government had introduced a very complex petroleum revenue tax which differentiated between the marginal and the profitable fields andgave us an average 70per cent return. We also passed the Petroleum and Pipelines Act, which gave the Secretary of State enormous powers over depletion and control. Thirdly, in 1975, we established the British National Oil Corporation (BNOC), to which Lord Kearton was appointed Chairman and Thomas Balogh Deputy Chairman.

At first we faced a pretty hostile atmosphere from the oil industry itself, which was not really ready to make distinguished oilmen available to work on BNOC. What we wanted was access to the oil. We set ourselves as an objective the right to buy at market prices 51 per cent of the oil. Secondly, we sought a seat, voice and vote on the operating committees so that the BNOC would be able to enter, slowly but steadily, into a position where it would know what was going on in the oil companies licensed in 1972. These discussions were extremely detailed and complex and we found it necessary to vary the agreements to meet the different circumstances of each individual company.

We tried to enter into what were, in effect, treaty arrangements with them – provisions over and above access to knowledge and access to oil. One of these was that proper consultative arrangements must be set up with the companies which would maximise both the use of UK oil and the benefit to the UK balance of payments deriving from the oil.

All multinationals, but especially oil companies, move cash and technology across the world in a way that has considerable impact on the rate of world development. However, unlike the sheikhs of forty years ago, we were not prepared to allow them free rein without safeguarding our interests. The treaty arrangements, which we called participation agreements, were the method we adopted. After long hours of discussion we did reach a position where almost all the major oil companies agreed.

We did not – and no British Government would – adopt the rule of confiscation or damage the legitimate interests arising from a round of licences already agreed. We made it clear from the outset that the Government's revenue interests would be met from taxes and royalties and not through the participation agreements.

In 1977 we were about to embark on the fifth round of licences, which was deliberately made smaller than the 1972 round. This was because, when the 1972 round was announced and the allocations were made, the stress and strain upon the British industrial equipment industry was such that it was simply unable to meet the demand. We wanted to ensure as far as we could that ordersfor such equipment were brought to the UK in order to create jobs. But, of course, smaller rounds were also aform of depletion control that would not raise the problems of cutbacks, which if introduced arbitrarily might affect the confidence of companies operating in the North Sea.

Wednesday 12 January

To Dublin for talks about EEC energy policy, my first call as President of the Council of Energy Ministers. Fitzpatrick, the Irish Minister, is a nice, gentle, conservative solicitor of about fifty-eight. His room was low-lit, and had panelled walls, and there was an open fire with blocks of lovely-smelling peat burning.

I got him to tell us what the Irish interest was: to secure supplies of oil in a crisis, to get ahead with their nuclear programme, to achieve the maximum production of indigenous resources, to make use of all the money available from the EEC in grants, loans and price support.

The British Ambassador, Robin Haydon, a big, red-faced, red-haired man, drove me in his Ford Granada, which had double bullet-proof windows, steel on the sides and underneath; it weighed two tons. There were three car-loads of the Gardai, the police, all armed to the teeth, one car in front and two behind. Since the murder of Ewart-Biggs, the British Ambassador, in the summer, apparently the security for the British Ambassador is greater than for anyone in the Republic, including the President. The Irish were very embarrassed by the assassination. Haydon said he couldn't go into his garden without having men with machine-guns keeping an eye on him. This is an aspect of modern diplomatic life which is perhaps not fully recognised. I felt awfully sorry for him.

On the way back from the Ministry to the airport, we were caught in a most terrible traffic jam and the lights were out because of an unofficial strike by power engineers, so we went through these darkened streets with little candles flickering in the newsagents' windows; it was very Edwardian.

Thursday 13 January

Cabinet at 10.30 dealt with an item which wasn't properly on the agenda, namely the question of how we should handle the commitment we made in the summer, during the public expenditure cuts, to look at long-term economies in the Department of Health.

David Ennals had suggested that a charge should be made through insurance companies to pay for the cost of medical treatment arising out of road accidents.

When you look into it, it is an extremely difficult thing to do; there has been a committee under Merlyn Rees trying to find an answer, and they have failed to come up with a solution. We had a discussion for nearly an hour, and it was suggested that the alternative was to put a charge on Vehicle Excise Duty. Denis Healey resisted this bitterly on the grounds of hypothecation.

I didn't make a careful note as the discussion went round, but Jim Callaghan was very peppery about it. I should add that it was in his brief today that he is going to take charge of economic and industrial strategy. Denis Healey, therefore, must have felt rebuked. Harold Wilson used to do it to me in the past, and I somewhat sympathised; Eric Varley has been a complete failure at the Department of Industry and everything has been controlled by the Treasury, and Jim has no love of the Treasury.

I think Jim may feel that after all the bloodshed over the cuts last December things are going well and he wants to take charge. In so far as that really represents an advance in anything like our manifesto policy, it's a good thing.

We came to the parliamentary situation and Jim said he wanted to say one or two words.

First, on Tuesday morning in committee the Government's bill to take away the right to unemployment pay for occupational pensioners between sixty and sixty-five had been defeated.

Second, last night (while I was in Ireland) seventy-four people had abstained in the defence debate, or had voted for a motion calling for further cuts in defence. These included seven PPSs, three of whom were attached to Cabinet Ministers. In addition, on the main question where the Tories had voted against us and therefore our position was more vulnerable, three MPs, Reg Prentice, I think Dick Crawshaw and John Mackintosh, had abstained.

Jim thought the right thing to do was to sack all the PPSs immediately because the Party was fraying at the edges. (I

heard later from Stan Orme that all the letters of dismissal had actually been drafted and were ready for signing.)

Michael Foot intervened to say he thought a warning would be sufficient and Stan Orme agreed.

I didn't say anything because I was in some difficulty over Brian Sedgemore, Jim having tried to stop me appointing him as my new PPS. Mike Cocks then said he had to warn the Cabinet that there was a large core of people who had come into the Party in 1974, some of whom didn't have any real links with the Party, who were really tough, and so on. Real McCarthyism beginning to develop.

Denis Healey thought a warning would be appropriate, and Crosland said, 'You know there have always been fifty to seventy people in the PLP who have been in favour of defence cuts and it is no worse than ever before; I think a warning would be sufficient.' I was slightly surprised at Crosland, but actually it was a shrewd comment.

Then John Silkin said, 'Well, as a former Chief Whip at the time that Harold Wilson sacked seven PPSs, I can tell you it led to a great row', and Peter Shore said, 'Anyway, you don't get much out of being a PPS', and Jim interrupted him, 'Oh yes you do, you get into the very centre of ministerial work.'

Roy Hattersley said, 'If you do warn them you have got to let it be known there has been a warning.'

In the end Jim concluded, 'Well, I've been persuaded not to do what I wanted to do', and David Ennals said, 'Thank you very much indeed for giving us the chance to comment, Prime Minister.' The most revolting bit of fawning I've heard for some time.

I went back to the office, and when I reflected on it I had a slight feeling that the Cabinet was moving to the right – Jim having become confident enough to take charge and impatient with those who are causing trouble.

Saturday 15 January

Caught the train to Bath for the Avon County Labour Group meeting in preparation for the county council elections this spring.

There is a complete transformation in the leadership of the Party locally. There are still one or two of the old boys but the youngsters who have come up are marvellous. I say youngsters, they are people of forty or below, but they are principled, are keen on democracy, and care about education, planning and democratic control of the council.

Sunday 16 January

Amazement of amazement, the *Sunday Times* had two leading articles today, one saying that the motorcycle co-operative at Meriden must be saved, and the other singling me out for favourable mention for my open government policy at the Department of Energy.

The background to this is that I had called in the Nuclear Inspectorate to ask them questions about the fast breeder, like 'What would happen if a fast breeder blew up?' They had answered, Well 10,000 (or whatever) would be killed, and I had stopped the discussion and said, 'I really cannot be told this in private, and know it privately; do you mind if I put the questions in writing to you and publish the answers?' So the answers were published this week.

It must be the first time in history, I think, that the Nuclear Inspectorate have been cross-examined by their responsible Minister, or indeed that the Minister has ever revealed in public the interrogation of his officials about nuclear policy, or about anything.

Monday 17 January

I had an hour with Reg Underhill [the National Agent] about the Andy Bevan case.[1] Reg is a funny chap; he is 100 per cent against Andy Bevan, he loathes Militant, he is a Party disciplinarian, but told me rather pathetically that he regarded himself as left of centre and had always been in

the Party and would fight for the Party; he has been a pacifist, but he would not tolerate people taking over the Party organisation. He described at great length how these guys were taking it over and was furious that the Executive had not looked at his report.

I am apt to be pretty relaxed with Reg, and told him I didn't think Militant could take it over, but I recalled the attempt to get rid of the Bevanites and said I was really an old-fashioned liberal about this. It was partly the young against the old, and wasn't really what lay behind the Reg Prentice-type problems.

I asked him whether he thought Reg Prentice would stand against the Party in a by-election. He thought it was possible and that Neville Sandelson [MP for Hayes and Harlington] would too. I pursued the question of expulsions – we never expelled Jim Sillars,[fn2] I said, we just don't expel MPs.

Back to the office and had a very interesting meeting on refinery policy. The Department was trying to get me to abandon our objective that 66 per cent of refining must be carried out in the UK. They asked me before Christmas and I refused, and the following day the *Financial Times* reported that I was going to do it, so obviously they had already briefed the *FT* in anticipation that I would accept it.

We had a real argument about this. I said it must be to our advantage to have the refining here, and they said, 'Well, BP would make more profits if it put its refinery in Rotterdam,' and I said, 'Maybe they will, but the whole point is to harmonise the interests of the British national balance-of-payments investment against the interests of global companies.'

With Caroline to *Tribune*'s fortieth birthday party at Number 10 – it was immense fun. Jim was charming and had baked a cake which said, 'Happy Birthday *Tribune* – Life Begins at Forty', with a red ribbon round it. He made a little speech saying he read *Tribune* and had done for years, and yearned for the day when he would agree with it.

Then Jim took us down to the Cabinet Room, which I wanted Caroline to see. We all stood there – all the wives and Dick Clements, the editor of *Tribune,* and his staff. Jim told me to stand behind my usual seat. 'Now, where do we all sit?' he asked. So I began going round and we could remember our side of the table, but when it came to the other side Jim couldn't remember. I went through them. 'There's Harold Lever, and next to him Fred Peart. Next to him David Ennals, then John Silkin . . .' When we got to the end we couldn't think of anybody else. So Jim pulled out his diary and said, 'Well, let's look it up and see who else is in the Cabinet.' 'Don't tell me,' I said, 'we forgot Edmund Dell.' In the far corner was Bill Rodgers's seat. We'd all forgotten about him. There was a great deal of laughter, and it was very agreeable.

We had a word with Denis and Edna Healey. Denis gave a good imitation of Mike Yarwood. He was full of *bonhomie* and goodwill.

Tuesday 18 January

I worked until 2, then up at 6.30 to go off to begin my tour of European capitals as President of the Council of Energy Ministers.

I took my own mug and lots of tea bags. When we arrived in Paris we were met by the Ambassador, Nico Henderson, a tall, grey-haired, scruffy man, almost a caricature of an English public schoolboy who got to the top of the Foreign Office. I don't think I had ever met him before; he was rather superior and swooped me up in his Rolls Royce.

My first call was on the French Minister, Michel d'Ornano. I quite like him. He's a bit of a playboy, Giscard's favourite son, though he did say to me when he was in London in November that he felt himself more in accord with the likes of Roy Jenkins and Jimmy Carter. He's a sort of civilised man of the centre – absolute dream coalitionist of all time, really. I began by asking him about the mayoralty of Paris, which

has not had a democratic constitution since the Commune of 1871. It is an amazing story – a hundred and six years of punishment for the Commune.

I must say, the more I hear about the details of French democracy the more terrifying they become. What interests me is that d'Ornano himself picks the entire slate of candidates – 109 – for the Paris municipal elections. It is as if Herbert Morrison, as Leader of the LCC, had been able to pick the candidate for every ward in London, or as if Jim Callaghan could pick all the candidates for Parliament, and it has nothing to do with democracy at all; it is a total patronage system.

We left Paris at about 4 o'clock and flew to The Hague, where the British Ambassador, Sir John Barnes, met me. These ambassadors all live in great luxury.

In half an hour I am going to have dinner with Ruud Lubbers, the Dutch Minister of Economic Affairs, and a team of Dutch officials and Ministers, and go over it all again. . . .

Well, it is now about a quarter to midnight, and I have just come upstairs after a very long session with Lubbers.

He's quite a young man – just under forty – has a family engineering business, and is a progressive employer type, bright, with a broad range of responsibilities.

Max van der Stoel, the Dutch Foreign Minister, was present and he said that Kissinger had argued the case for east-west interdependence. I pressed this question: Should we not have an opening of some kind to the east? Barnes joined in and made it clear that he didn't want an eastern policy such as the Russians were seeking.

I asked about the Economic Commission for Europe. 'Well,' they said, 'we'll look at that but that is just a UN thing.'

There is no doubt whatever that this reflected an inflexibility towards the east.

I asked what they thought was going to happen. 'Don't you think there is going to be some easement of the relations between east and west? Some break-up of the

Soviet empire so that we will have a new Yugoslavia when Tito dies. What about Czechoslovakia?' and so on.

I couldn't get any change out of them and Barnes was most passionate about it, but the Foreign Office is utterly rigid. Compare this with the French, who are always popping backwards and forwards to Moscow. It's a completely different tactical position. I get this feeling of a deep and continuing Cold War mentality among our people; the Dutch were pretty negative too. But I think this tour will help towards an understanding of the positions of the various governments.

The end of another day of negotiations, and I enjoyed it very much. In a way it's very relaxing not to be a British Minister, just a European one.

But I must admit that the standard of living of, for example, the Ambassador – a Rolls Royce, luxurious house, marvellous furniture, silver plate at dinner – is indefensible. Ours is a sort of corporate society with a democratic safety valve. What a long time it will take to put it right. And how do you get measured steps of advance? Undoubtedly openness is one, and negotiations and discussions with the trade unions is another. Nobody should have power unless they are elected.

Wednesday 19 January

At 7 in came the butler and the sub-butler with the silver salver and silver teapot and China tea and lemon, scrambled egg, crispy bacon, toast and marmalade.

We flew off to Brussels and went to the international press centre.

They hadn't really opened by 10.30 but we found a little corner in this lush building, had a cup of coffee, and who should buzz in but Sir Donald Maitland, our Ambassador to the EEC, who always looks very busy.

We sat and talked for a bit and the journalists, who had arrived by 10.45, were drinking at the bar. I had been

warned that not many people would come to a press conference but about thirty-five journalists, French and British and from all over the Community, turned up. I simply told them what I had told every Minister.

Maitland looked terribly agitated. I think it was partly at the idea of the Community having an eastern policy, which has terrified the Foreign Office – because they know nothing about it. I asked permission from nobody to broach the subject.

We went off from there for a lunch with the Belgians given by Sir David Muirhead, our Ambassador to the Brussels Government, who lives in another of these great fancy houses with a butler, a sub-butler, a log fire and God knows what. I found the Belgians terribly funny, by which I mean that they laughed at my jokes.

The truth is that everyone who works at Brussels, be they Ministers, bureaucrats, representatives of the delegations or the press, have just got used to the fraud of it all, the muddle, the confusion and the obscurity. So, when someone comes along and says Ministers must be in charge and they must meet a directive and do things openly, then it is like saying the emperor has no clothes on. That is really the reaction.

We flew to Luxembourg, a ghostly airport which was absolutely empty. A snow plough or something had been along the runway, a large wartime runway built for the B52 Flying Fortress bombers. Gradually we saw these tiny figures in the snow waiting for us. It was like an exchange of prisoners in a spy story.

The Ambassador, Antony Acland, a relation of Richard Acland[fn3] of the famous Devon family, was there and we drove off, together with the Permanent Secretary, into this idyllic little town and up to the twelfth floor of a tall office block. There was Monsieur Mart, who is actually called the Minister for the Middle Classes, Economy, Transport and Energy! He is a jolly man, and I liked him.