



Leadership and Change Prime Ministers in the Post-War World - James Callaghan

Professor the Lord Kenneth Morgan

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It is my great pleasure and honour to introduce this evening my old friend Ken Morgan, who has been a really good mate to me and a mentor for over 30 years now. The plan is, I do a very brief introduction, Ken does his lecture, and then I do a very brief response.

It is 10 years now since Ken's masterly official biography of Jim Callaghan was published and it remains a treasure trove for all political historians. It was very timely that it should appear in 1997, for a decade ago, at the beginning of the Blair premiership, Jim Callaghan's reputation, wrongly in my view, was a discount. The first former Prime Minister Tony Blair summoned to Downing Street to give him advice was Margaret Thatcher. Jim felt this, quite understandably. Mr Blair made amends later at a marvellous party in Number 10 to celebrate Jim's 90th birthday. I shall never forget Jim's impromptu speech, which was warm and to the point and delivered without a note, a tribute not just to the specialness of the occasion but to his oratorical gifts and also to a now long-gone era of unscripted exchanges at the hustings when political meetings were just that - not soundbitten or part of one long coronation. Jim I think was neither Old Labour nor New Labour but Original Labour. In a phrase Ernie Bevin liked to use, he was 'out of the bowels of the Labour movement.' A journalist asked him, four months into the first Blair premiership, if perhaps New Labour was keeping him at a distance to avoid any association with the Winter of Discontent. All Jim said was, 'Yes, I've been blotted out of photographs, as it were.' I thought then that time would take care of that distortion and, after a decade of spin and sofa, I think time has already taken care of that distortion. Let's see if Ken Morgan agrees - Ken, you are very welcome.

Lord (Kenneth) Morgan

Ladies and gentlemen, it is a great honour to be asked to give a Gresham lecture, and indeed a greater honour to be chaired by my old friend Peter Hennessy.

It is a very good time, as Peter has suggested, to look at the legacy of a Labour Prime Minister and, as Tony Blair rides into the sunset, we might look at the life and achievement of Jim Callaghan. They were of course very, very different as men; very different as Prime Ministers. Jim made no claim to be charismatic. His premiership has sometimes been seen as an interlude and nothing more than that: an interlude between the hedonism of Harold Wilson's era and the capitalism, market-driven of Mrs Thatcher. Callaghan was also, clearly, unpresidential. He operated collectively and, through so doing, I believe genuinely inspired a word we have heard something about in the last few weeks: a sense of trust. People trusted him. But he and Tony Blair have certainly one thing in common: they both suffer from stereotypes. In Jim Callaghan's case, the stereotype indeed was that he was stolid, old Labour, irrevocably bound to, in capital letters, THIS GREAT MOVEMENT OF OURS, the alliance of the unions, corporate style of government, belief in the enabling role of the state.

In 1978, on a famous occasion, the trades' unions, expecting a statement about an imminent General Election, found themselves, to their astonishment, entertained with an old music hall song: 'There was I waiting at the church,' which I shall not attempt to sing myself! Jim Callaghan, and this is characteristic, attributed it to Marie Lloyd. In the Callaghan papers, there is a letter from the comedian Roy Hudd, saying that actually it was sung by Vesta Victoria, and Jim Callaghan replied, 'Well I knew that, but I thought nobody would have heard of Vesta Victoria!' That is quite accurate. So Jim Callaghan associated, well associated with an ancien régime, people talking about the end of an era, a long era of post-War social democracy, in 1978.

This is not wholly untrue. He was of course, in many ways, a very traditional figure. He was Labour in a way that is almost impossible to recreate at the present time. As a 12 year old schoolboy in 1924, he was running around the school playground at the time of the 1924 General Election shouting 'We'll soak the rich!', I think a view he slightly altered in later life perhaps. His background was one of very extreme personal and social depravation. He was hungry, he was poor, in a way that it is almost impossible to imagine now, for a time living on bread and dripping from various sources, augmented by margarine brought around by the local Baptist church.

He was very well aware that he never went to university. When I had the privilege of writing his biography, I was actually a university Vice-Chancellor, and that brought one or two somewhat wry exchanges between us. Very different from Michael Foot, whom I have just been writing about: Michael came from a very patrician, comfortable, liberal background in the West Country. Jim was, by contrast, genuinely working class. It is a bit difficult to classify Ramsey MacDonald but, subject only to him, the only working class Prime Minister we have ever had and, I would surmise, ever will have. Michael Foot's literary interests are extraordinary. They include a great spread of authors: people like Dean Swift, Edmund Burke, Benjamin Disraeli, these are amongst Michael's favourite authors, and none of them can really be included in any particular sense within the radical tradition. His friends included people like Beaverbrook, Randolph Churchill and Enoch Powell. Jim Callaghan was in a much more enclosed, more intensely Labour world. My impression is that Jim Callaghan's early reading was strongly Labour, strongly socialist, the most influential author upon him being Harold Lasky, a charismatic figure in his day.

So in that way, Jim, you might say was a traditional, original Labour perhaps, but there was also another side, a very important other side; he had a career full of surprises and full of high drama. He was I think a more complicated and perhaps you might say more interesting figure than the stereotypes might suggest.

He was associated with the unions, but Jim was not simply at all a traditional union man. The union of which he was an official in the 1930s was a small 'white-collar' union which was not allowed to have political activity or affiliations. Certainly, until after 1945, he was not a man close to the unions or the union barons, and he only became close to the unions very much in mid-career in 1967, when he left the Treasury in somewhat ignominious circumstances and started rebuilding or building up anew his career within the Party. He did, however, retain traditional respect for union practices, and he always had his famous negotiating style: 'I'll give you this, and you can give me that,' which his civil servants noticed. I actually experienced this when I was writing his biography, because he arranged for me - and it is the most interesting interview I have ever had in my life - a long interview with Helmut Schmidt, the ex-German Chancellor, which I thoroughly enjoyed. Sometime afterwards I had a letter from a German lady, and clearly she was writing the life of Helmut Schmidt, and it had clearly been arranged that I would have access to Schmidt if she had access to Jim Callaghan, so in terms of my research, I was a beneficiary of this negotiating style.

As a young politician, Jim Callaghan was certainly unconventional, but he was actually quite often rebellious. He was not the stereotype of a typical party liner. Very early on, before he was even an MP, he was amongst those who spoke against the Executive at the famous Reading Party Conference in 1944, urging that nationalisation should be a central priority, and when he became an MP in 1945, one of his first votes was against the American loan negotiated by Keynes at the end of the War. There were just 23 MPs who voted against the loan. One was Michael Foot, perhaps not very surprising, but one, more surprising, was Jim Callaghan. He was associated for a time with Keep Left, the critics of Ernest Bevin's foreign policy, for being too anti-Soviet, and Jim led a most extraordinary thing, a major rebellion - in fact the only serious defeat that the Labour Government, with its huge majority, experienced in the Commons in its six years in power. This was in 1947 on the duration of national service. Jim moved his amendment, and the Government was defeated, so for a time the Government had to reorganise its defence arrangements and reduce the period of national service. I know that Peter [Hennessy] is, rightly, a great enthusiast for Clement Attlee. It does seem to me an example of Attlee's largesse of spirit that later in the year,

nevertheless, he gave Jim his first post in Government, even though he must absolutely have been cursing him for his rebelliousness.

As a Junior Minister, he still was not a 'push-over'. Herbert Morrison found this in 1948 when Jim Callaghan was amongst the Ministers who declined to vote with the Government in support of retaining capital punishment. Jim always had very strong feelings on penal matters, although he is often misrepresented in this area. He was the Home Secretary who finally terminated capital punishment in 1969 and, in 1948, he was man enough to stand up to the great Herbert Morrison and not be bullied by him. He voted against German rearmament with Hugh Dalton in 1954, again a minority point of view, and, for a careerist young youngish man, not perhaps the course you would have necessarily followed.

Finally, much later in his career, he took the most colossal risk in challenging Harold Wilson over his trades' union policy, the Industrial Relations Bill in 1969, which clearly could have been the end of Jim Callaghan's career except, rightly or wrongly, it was Callaghan and not Wilson whom the unions and the Party and the bulk of the Cabinet actually supported. This was a risky thing to do. I think he did it on grounds of principle. He is sometimes quoted as saying - and I can think of one particular occasion - that he realised he had made a huge mistake and his experience as Prime Minister showed that he should have taken a different line 10 years earlier. I do not believe he ever thought that. I have never had any inkling, in the long conversations I have had with Jim, that he felt he was wrong, and he thought it should be a voluntary matter and that imposing penal sanctions on the unions was simply incorrect.

So, a complicated man, and Peter's fascinating observations earlier suggest perhaps not so easy to classify. I am certainly going to argue later on that he has more in common with so-called New Labour than frequently has been represented, and indeed, in some respects, you could even say was one of the chief architects of New Labour, in spite of the personal and other gulf between him and the Blairites.

He became Prime Minister after holding every major office of state. He is the only person in our history to do that. He was Chancellor, Home Secretary, Foreign Secretary and Prime Minister. All these offices contributed something important to his premiership. So too actually did something I will just mention in passing: his period before that. He was Shadow Colonial Secretary between 1957, just after Suez, and 1961. He was there at an extremely important period in British Commonwealth colonial history. When Jim became Shadow Colonial Secretary, in a way that is very difficult to understand now, Africa in particular and the dissolving Commonwealth, the emergence of new nations, was absolutely central to British politics. It was a very special period - the end of empire was upon us. Jim Callaghan was given a very remarkable opportunity, which I believe he took with some aplomb. He was a very effective Shadow Colonial Secretary. I would argue that he actually gave the Labour Party a coherent posture during decolonisation, unlike, for example, the Movement for Colonial Freedom, which was simply anti-imperialist and had, you could say, a more limited diagnosis.

Africa was an abiding point of reference for Jim, Africa more than Asia I think, and very important in his later career. Jimmy Carter, Helmut Schmidt, the other European leaders, looked to Callaghan in the 1970s as someone who had a particular expertise and knowledge about colonial affairs and indeed as applied, as I shall mention later, to the Middle East as well.

In terms of Jim Callaghan's standing as a politician, it meant that he ceased to be regarded simply as a domestic politician, concerned with transport and social matters. He enormously widened his scope, and he became very friendly with many of the important leaders of the newly emergent nations: in Africa, Kenneth Kaunda, Julius Nyerere, Joshua Nkomo, Tom Mboya, who was sadly killed - very much the important leaders of African nationalism, and very close to Jim Callaghan when he was Prime Minister 15 or 20 years later. Also Grantley Adams in the Caribbean and Lee Kuan Yew, whom I interviewed for my book in Singapore. This is completely irrelevant, but I will tell you one little story, that Lee Kuan Yew said to me. He was very nice to me, but he said, 'Why are you writing a biography, Mr Morgan? We don't write biographies in Singapore. We study movements, you see. It's very traditional of the Anglo Saxons?' and so on. My son was with me, and we then went down Orchard Road to the bookshops, and if you go to the politics section, every single book was about Lee Kuan Yew!

He was then Chancellor, 1964 to 1967 under Harold Wilson, the most difficult of the offices that he held. I do not think Jim had a great feel for the subtleties of economic policy. He also had the extreme problem of the DEA also being creating. It was an alternative engine of economic policy under the distinctly combustible figure of George Brown, though I may say Jim himself could be combustible enough too, and Sunny Jim was not always the impression that one perhaps got! But these huge problems: balance of payments, drains on the reserves, threats to the Pound, the huge crisis of July 1966. Peter might regard

July 1966 as a great turning point in a variety of ways, and Jim was the victim of that, ending with devaluation of the Pound, which Jim had always resisted. The curious thing is that his prestige still remained very high. It was not like Lamont and the Tories with the ERM in 1992, who were thought thereafter to have, rightly or wrongly as they say, to discredit themselves as guides in economic policy. Most of the flak went to Harold Wilson. It was Harold, poor old Harold, who had made that famous television programme in which he said that the Pound in your pocket was not being devalued, which was technically correct, but not a very wise thing to say perhaps, but Harold received the flak. Jim Callaghan retained a good deal of his political prestige. He was thought of as a man who had been, in some ways, quite innovative at the Treasury, particularly in taxation policy, which I think he was probably particularly interested in, as an old tax officer. Corporation Tax and Capital Gains Tax were his inventions.

He became Party Treasurer and was still regarded as a 'big man', so although I think his period at the Treasury was his least effective and least prestigious, it was by no means wholly negative in its impact on his career.

Then he went to the Home Office. Jim suggested that he might go to Education and, interestingly, Harold Wilson seems to have said that Education was not quite important enough! So he went to the Home Office and at first, by all accounts, was a bit demoralised, still suffering from the trauma of devaluation. In fact, however, Jim proved to be a very unusual phenomenon: a Home Secretary whose prestige rose considerably while he was Home Secretary. He has often been compared with Roy Jenkins, as a much more liberally disposed person, much more sympathetic to permissiveness and, in a general way, this is certainly true. Jim did not like permissiveness. He was not terribly keen on... well, take this how you like, on sex, drugs and rock and roll - I don't know about rock and roll perhaps, but certainly he took a stern view. He was a product of the Baptist church, the nonconformist conscience, and he did represent this, but I also think that Jim's, if you like, illiberalism has been much exaggerated, particularly over immigration. I think it could be argued that Roy Jenkins had ducked this as a hard one, and it was left to Jim to cope with immigration, and he did not, in my view, deal with it in a very liberal way but, at any rate, it was an issue that he dealt with and he felt that it was popular amongst Labour voters in industrial parts of the country.

He certainly strengthened his reputation over what you might call popular protest - demonstrations about Vietnam and about Apartheid, for example. He struck, most people felt, a good balance between being supportive of the police and nevertheless championing free speech. He had been spokesman of the police, and one of the things he rather disliked was being depicted in cartoons with a policeman's helmet on, looking rather like Dixon of Dock Green in that old television drama series, saying things like, 'Mind how you go,' and so on. He did create that impression but he was also, nevertheless, entirely tolerant towards popular protest. The Grosvenor Square protest of 1968 about the Vietnam War was regarded as something of a triumph for the Home Office, whereas it could have been easily a disaster.

Where he did most display his flair was over Northern Ireland. He acted here with decisiveness and courage. He had no other connection with Ireland, other than his name. There were no guidelines. There were no files in the Home Office about dealing with Northern Ireland because of course it was all handled, it was thought, by Stormont in the North. In the civil rights crisis in 1968, and particularly 1969, he showed remarkable executive flair. He reformed the police. He abolished the B-specials, who were regarded as almost a paramilitary and overwhelmingly Protestant force. He reformed policy on housing and jobs and, to a degree, in apprenticeships, in the shipyards for example. He faced down Ian Paisley. Jim was a tough guy. They had a famous exchange where Jim said to Paisley, 'We are all the children of God, Mr Paisley,' to which Paisley is supposed to have replied, 'No, we are all the children of wrath!' He stood up to Paisley, and many people feel that had Labour won the 1970 election, at a time when provisional Sinn Fein was quite small, at a time when Paisley was not a great figure, that perhaps the Irish problem might have been settled.

At any rate, Harold Wilson, infuriated by Callaghan's stance over the trades' unions, now felt, after his handling of Irish policy, that here was a big man; in spite of all past arguments, here was his natural successor as the Leader of the Labour Party.

In 1974, Jim went on to be Foreign Secretary. I glide over the period in Opposition when, incidentally, he almost died. He had a very serious operation. He became Foreign Secretary, a very distinctive Foreign Secretary, as he had been a very distinctive Home Secretary. It was noted by his officials he was far more in touch with Party affairs, with Transport House as it was then, than Foreign Secretaries traditionally were. He had regular meetings with Harold Wilson about the state of the Party, future direction of policy and so on, and he was felt to be effective. He was felt to be effective in terms of policy: for example, dealing with

European security. He was also felt to be effective, perhaps too effective, in relations with the United States, which had been fairly frigid during the premiership of Edward Heath, who was of course much more European.

So you have this very fascinating relationship with Henry Kissinger. I interviewed Kissinger for my book. It was kind of atmospheric. I don't know if he told me anything new, but it was interesting. What did emerge was that Jim was not a push-over; that he certainly yielded - I do not think he had any alternative - over Cyprus, but there was one key area, which was the revolution in Portugal, which the Americans were very apprehensive about and feared Communist leadership and perhaps a takeover, and it is quite clear that the British Government acted much more strenuously, and in fact I know in ways that I was not allowed, so to speak, to put on paper, that the British Government actually assisted Soares and the other socialist leaders in Portugal in overthrowing a dictatorship.

The most important friendship, as I suggested at the beginning, that Jim made was with Helmut Schmidt. Really for the rest of his career, in fact for the rest of his life, the axis between Helmut Schmidt, Chancellor of Germany, and Jim Callaghan was very, very important to both. Each admired the other. Jim certainly admired Schmidt's intellectual subtlety, clarity of mind. Schmidt greatly admired Jim, as, if you like, the kind of decent, old-fashioned social democrat boss he had grown up with in Hamburg as a young man in the German Socialist Party.

The effect on Jim was to make European policy much more important. He had been a bit of an agnostic over Europe before. He had made some anti-European noises in Opposition - one particular speech which culminated with the phrase, not very well pronounced, 'Non, merci beaucoup,' still causes me some embarrassment. But in office, he took on what he called the re-negotiation of relations between Britain and the EEC. He secured certainly benefits on numerous Commonwealth products, including small countries like Botswana, for example, whose beef he managed to get a special arrangement for in the European markets and the budgets. The effect was that Callaghan emerged as a very, very strong man, after the re-negotiation and the referendum which saw Britain's membership of what was then the Common Market strongly confirmed.

In the latter stages of Harold Wilson's premiership, I think Jim was really rather running the show. Harold, as Peter will know, was not well. At one or two conferences, he was not actually able to show up for one reason or another, and Callaghan spoke on behalf of the British Government. So he was the natural successor to Harold Wilson in March 1976, and I think, to the relief of both of them, defeated Michael Foot in the Election at that particular time and became Prime Minister.

As Prime Minister, he used a collective style, quite unlike Tony Blair and, more importantly, quite unlike Harold Wilson. It was felt that the atmosphere changed: there was not a 'kitchen cabinet', there was not concern about leaks and moles. The press office under Tom McCaffrey, who later served under Michael Foot, was quite different from the way the press had been handled under Harold Wilson, not to mention the role of the soon-to-be-'memoirised', or whatever the word is, Alistair Campbell.

He had a very remarkable range both of individual advisors and institutional support. The Political Office under Tom McNally, whom I believe is present this evening - I was very struck actually by the way the young McNally was really given a pretty free rein and allowed to produce suggestions of a stimulating kind all over the range of policy by Jim Callaghan. He had the Policy Unit under Bernard Donahue, with important, very, very young economists like Gavin Davis, who was about 25 I think when he first worked for Jim Callaghan; and also the CPRS, under Kenneth Berrill, which included people like Tessa Blackstone. The whole thing amounted, I believe, to a kind of revolution in central government, but, a revolution that did not upset the way the Civil Service worked; it dovetailed broadly with the Civil Service, and did not perhaps produce some of the strains that we have seen in recent years. It did also give Jim Callaghan other sources of advice and information. There is no doubt that the Policy Unit was an alternative source to the Treasury, without being formally a challenge to it, on important areas of policy.

His style was collegiate, thought to be far more open than under Harold Wilson, at least in his later period. Certainly I heard great praise both from Shirley Williams and from Tony Benn, to take the opposite wings of the Cabinet. He was close to Dennis Healey, who developed a great comradeship with Jim, and also Michael Foot. I found that, in doing my recent book, so interesting, because Michael Foot was always on the Left, Jim was on the Right, and yet they worked very, very closely together. I found, if I may divulge this, a very moving episode. The last time I met Jim Callaghan was at his farm on the 13th February 2005, to mark the fact he had become the longest living Prime Minister, and Dennis raised a glass and toasted Jim Callaghan in just one sentence. Jim was very moved and then he said, 'Let us not forget Michael

Foot.' I was very touched by that. Michael, who of course was not present, I think was touched to hear it. So they worked very well and, I must say, both when I was writing my book on Jim and writing my book on Michael, they were both very, very loyal to each other and spoke with great warmth about their association.

The feeling of trust that Jim aroused was shown to best advantage in the International Monetary Fund crisis, November/December 1976. Britain was very much in hock, Callaghan operating with a background of great suspicion of the Treasury; they might be giving him the wrong figures. As a matter of fact, it was well justified, because they were giving him the wrong figures; the figures were not actually as bad as he was told. I remember putting this actually to one of Jim's Treasury colleagues, and he said, 'Well, it's just always like that. You just, as it were, assume that the figures are wrong.' Well, there we are, but Jim was suspicious. In the end, however, a consensus was agreed. Jim felt, and his colleagues felt, and his policy advisors felt, that it was a great triumph of political skill. The Government had stayed together; it was not another 1931. Jim, being of that generation, could truly say 'I have not been another Ramsay MacDonald.'

After that, things went pretty well. People often forget that for about 20 months - January 1977 to October 1978 - the economy went pretty well. Douglas Jay has written that the Government both reduced inflation and raised employment at much the same time, which is an unusual achievement. Jim was also able to take up themes of his own, particularly, though briefly, education: 'Education, education' in the Ruskin speech, which Jim did pick up; themes about the quality of educational instruction and so on in a way that was prophetic.

His prestige grew particularly in foreign affairs. He really did act as a bridge, in my view. Tony Blair talks about being a bridge, and it is a rather curious construct; you wonder what is at either end of the bridge! Jim felt that he was an effective bridge between Europe and the United States. He had strong relationships both, as I have said, with Helmut Schmidt and, to a slightly lesser degree, to his fellow Baptist, fellow ex-sailor, President Jimmy Carter. Talking to Helmut Schmitt about President Carter was an interesting experience. It was not an altogether cordial account, and it made one realise how much on defence and other matters was owed to Jim Callaghan's role.

Jim took an active role in Europe, and in one particular episode: his role in the Camp David agreement of 1978, because he knew both Begin, the Israeli Prime Minister, and Sadat, the Egyptian President, quite well. He had strong links with both. He was felt, broadly, to be genuinely impartial, and Carter always observed, very gracefully and generously, that the Camp David agreement, which is one of the very few agreements we have had in that part of the world, owed a great deal to Jim Callaghan's mediation. I think it was unspectacular, but it was effective, and Britain being regarded as an effective and impartial operator in that part of the world is not something we have heard too much of lately.

Down to the end of 1978, Jim Callaghan, I believe, was seen as broadly an effective Prime Minister, head of a minority Government, defended for a long time on a pact with the Liberals, but there were many naval metaphors about 'steady as you go' and 'a calm pilot in the storm' and so the ex-sailor Jim was thought to be getting us through.

Then came certainly a series of surprising decisions. Whether it is hubris or whatever, certainly someone regarded as a master politician made a number of serious mistakes. One, he did not call the General Election' this is very debatable and indeed understandable, and I have to say, had I been Prime Minister then, I would have looked at the psephological material that he did, and I don't think I would have called a General Election. Perhaps I am a cautious chap too, but it certainly looked as if Labour could hope for no more than perhaps another minority Government. He was supported, I may say, by four Ministers: Michael Foot, who knew what was going on; Dennis Healey, because he thought the economy would not get any worse; David Owen, who had things to do with regard to Rhodesia; and Merlyn Rees, who I think just was a tranquil man, not a risk-taker. Everybody else took the other view, so most people have seen this as an example of indecisiveness on Jim's part; he ducked the decision. As I said earlier, he entertained the TUC with a song about waiting at the church. The Government thereafter clearly was on the defensive, particularly at the mercy of the Scottish Nationalists, who eventually did them in after the inability of Scotland to get devolution.

There were other areas too. Jim, the man who understood the trades' unions, who had grown up, uniquely, as a trades' union official with Douglas Howten, a series of errors there - handling of wage claims. He made his announcement about a 5% pay limit quite unexpectedly in a television interview, and people had not anticipated that, and I think, technically, the answer was probably a 0% pay limit in terms of the state of inflation, but it did not make him look good and there were various other areas too. I suppose the most famous one is when he came back from the conference in Guadeloupe. He suntanned of course. Britain

was in the midst of a very, very cold winter, and the Winter of Discontent. There was rubbish on the streets, hospital wards were being closed and so on, and Jim is eternally associated with saying something like 'Crisis, what crisis?' He did not actually quite say that, but he acknowledged himself it was near enough.

What happened was that his two policy advisors, one of whom I believe is present here, took different views. One said, 'You must immediately make a statement, Jim, and show you're in charge,' and the other said, 'I would just say 'Glad to be back,' go back and have a sleep and think about it.' At any rate, he took the first view. I have seen the video of this interview, and I am absolutely sure one reason why he said something about crisis was he was interrupted by a young woman reporter. Jim I think had rather traditional views about what young women ought to do, and he was irritated by this young whippersnapper interrupting him, and I think it just made him a bit crusty. At any rate, he was stuck with that.

Then there was the very sad period during the Winter of Discontent, and Jim saying to me, as he said to civil servants like Ken Stone at the time, 'I let the country down.' It is very sad to hear a senior politician saying that. The strikes rolled on, and eventually a pretty empty so-called Concordat was agreed with the trades' unions. Nothing much seemed to be happening, fatalism gripping the Government. Bernard Donahue's account refers to being on the decks of the Titanic - without the music, I think was his phrase. People felt like that, and the election campaign following the defeats of devolution in Wales and in Scotland, leading to a state of immobility, Jim clearly believing that there was a change of mood, that the mood was for Mrs Thatcher. Whether that is so is very interesting to debate and it is not altogether clear I think from the public opinion surveys at the time, but certainly the country felt that things were going really badly and they felt the Prime Minister was depressed and had to go.

I think that while Jim is no doubt properly subject to criticism on these matters, I also think the Labour Party was almost beyond leadership by this stage, or very shortly was. The unions were never more powerful, never more in need of strong leaders. They had lost Jack Jones, they had lost Hugh Scanlon. The unions were very difficult to rein in and have them made aware of inflationary pressures. In the constituency, there was a Left-ward tide, encouraged increasingly by Tony Benn, who was both in the Government and, in a curious way, outside the Government at the same time. Jim Callaghan himself unable perhaps to comprehend the change in the mentality of the trades' union movement in which he grew up - he had grown up in this movement, and it seemed totally different, its links with the Labour Party seemed fragile. Whether anyone else would have done any better? Very debatable - I do not personally think that Dennis Healey, who was not greatly involved with internal Party management, would have been more effective. Michael Foot did very much worse. The effect was clearly for the perhaps courageous political friend the unions had ever had in high places, Jim Callaghan, to lose his position as Premier, lose his position as Party Leader, and one absolutely central theme under the Government of Tony Blair has been that the trades' unions have been completely marginalised from the start.

When the Parliamentary Party kindly asked me to give a talk at the beginning of last year on the foundation of the Labour Party in 1906, I was constrained to point out the Labour Party was formed by two elements - the socialists and the trade unions - and they both play virtually little part, or no part at all, in the Labour Party at the present time.

I believe that Jim Callaghan was a considerable Prime Minister and, for that matter, in the House of Lords and elsewhere, he was a considerable ex-Prime Minister. Many people have told me they thought he was a model of what an ex-Prime Minister ought to be. His premiership, I believe, was more than an interlude. It was a phase of history in its own right.

Jim Callaghan's reputation seems to me rather paradoxical. Most people thought of him as a kind of 'rough and tumble' party politician, a partisan, the man who fiddled the Electoral Boundaries Commission to Labour's advantage, or delayed acting on it, in 1969, a very dominant figure always in the Party Conference. In fact, as Party Leader, he was not successful. You have to say that, perhaps for reasons beyond the grasp of any individual, that the state of the Party was much worse in 1980 than it was in 1976.

As a national leader, however, I believe his impact was very much greater. He is one of those few individuals whose standing was distinctly higher when he left office than when he went in. His standing, I may say, was much higher than that of Mrs Thatcher, although I think it should certainly be added that Mrs Thatcher did not benefit by being a woman in a largely all-male House of Commons and she did far more effectively on issues as Prime Minister. In many ways, Jim was a cautious man, cautious over constitutional reform, not adventurous over Europe, a man who believed in family values and the evil of permissiveness, in a way that was perhaps difficult to adapt to the current mood, but the country responded

to it and most people felt like that themselves. He was a strong man.

I cannot let the lecture conclude without referring to Wales. He was also a great Englishman, but nevertheless a great Englishman in Wales. He was, I may say, the most important Englishman in Welsh politics since Gladstone lived in Harden Castle. When we talked about rugby matters, as we did, when he said 'we', he meant the Welsh rugby team and not the English rugby team!

As Prime Minister, I do not believe he was backward-looking. He led the first inquiry/interrogation into the economic policies of the last 30 years. The exact import of his famous phrase 'You cannot spend your way out of a recession' has been debated. The speech was partly written by Peter Jay, but it did, I believe, chime in with Callaghan's awareness, which not too many people had then, that the essential economic problem facing our country was inflation and not unemployment, or rather the relative roles of the two were changing.

As I have said, he made a priority of education in a way that was very forward-looking.

He helped to revise, I believe, the Labour Party's attitude towards law and order. Quite a lot of people in the grassroots, and I speak for my own observation, were simply anti-police, and Jim helped to attain a better balance there.

He pressed on with devolution. He did not like devolution. I remember talking to Jim in 1997 after the book and he said, 'Do you want devolution to succeed in Wales, Ken?' I said, 'Yes, I do,' and he did not altogether agree with me. But he pressed on with it, put it on the agenda.

He made Britain more important in Europe and in many ways anticipated New Labour and the policies of the later generation.

In Labour terms, as a Leader, as a Prime Minister, he embodied, if anybody does, the traditional values of solidarity. That is what he symbolised. He seems to me, with Arthur Henderson and Herbert Morrison, one of the three great people who made and sustained the Labour alliance, which now may perhaps be changing or even breaking up, but Callaghan was there. He had a very strong sense of class, of us and them, a strong sense of the Party.

He had a very strong sense of history. Our present Prime Minister is not famous for his interest in historical matters I think. In my opinion, not merely did Jim read far more history and take more interest in historical themes than Tony Blair, I actually think he took more interest in Labour history than Michael Foot. Michael Foot's interest in history is very considerable, but you know, it's Swift and Haslett and the French Revolution, and I think Michael's interest in history tended to peter out a bit in the 1890s or so when the Labour Party is just coming about in this country.

Jim was more than a pragmatist. He was not just a managerialist. He was bigger than that. He was a man with an ideology. He believed himself to be a Democratic Socialist. I asked him at the end of my book, 'Are you a Socialist, Jim?' and he seemed very surprised that I asked the question. Perhaps it tells you something that I did ask it, and he said, 'Of course,' and he just took it as axiomatic; he had the same set of values for a socialist and fairer society as he had had as a young man.

His career was full of colour, full of surprises. There will never be a Prime Minister like him again. In Labour terms, in pursuing the Yellow Brick Road, from Attlee's Little Way to Blair's Third Way, Jim Callaghan, Big Jim, was foremost, I believe, amongst the pioneers.

Professor Peter Hennessey

Thank you, Ken, for that fascinating, very insightful survey of Jim. I had forgotten, if indeed I ever knew, that Jim wanted to go to Education in 1967. But he once had a conversation with me, when John Major was Prime Minister. He said, 'I feel very much for John Major, in the middle of his terrible troubles in his Party, because, like me, he didn't go to university, and you feel it, you know, if you haven't, that period of intense reading.' I thought, well, that doesn't apply to every undergraduate I have ever known in the University of Cambridge in the '60s, but I knew what he meant! Then he said something else: he said 'But Major has got another disadvantage compared to me - he has only been in the House of Commons since 1979 when his Party has always been in office. He has never been in Parliament when his Party has been in opposition. That really teaches you things.' Jim believed in the sort of particles of experience

accumulating; he had a great sense of that.

Just to fill out a little bit of what Ken said about leaks, he was not paranoid like Harold, but he got very cross about leaks - remember the Child Benefit leak of 1976? A Cabinet Committee, over which he presided, was going to have a new Official Secrets Act, and his friend Merlyn Rees was being briefed because it was going to come up in the Queen's Speech in 1976, Merlyn was a nice man, a very nice man. They said, 'Home Secretary, all you need to know about the reason for this is we have got to replace an old unusable blunderbuss in the Official Secrets Act 1911 with a modern and deadly armalite, but you mustn't say that in the House of Commons!' Hugh Fraser got up Merlyn's nostrils, and Merlyn said, 'It has been said, and very wisely, that our whole purpose is to replace an old useable blunderbuss by a modern deadly armalite,' but they didn't have the majority.

Indeed, it has just been declassified, there was a leak inquiry into me that Jim authorised in 1978. He got quite cross with me when I was a young journalist, though we became friends later. But he could be very funny about leaks. He said to the Franks Inquiry on Official Secrets in 1972, 'I brief - you leak,' which is a very Jim remark!

But as Ken said, becoming Prime Minister really became him. He really grew. Well, he was a very big figure already, but he became Prime Minister and surpassed the expectations of many, even of those who were well disposed towards him. But there is a kind of iron law of cruelty about politicians I think, - and this may be a warning for Gordon [Brown] - you can all too easily be destroyed on exactly that terrain which you think you know best: Eden 1956, diplomacy Middle East, Jim, trades' unions.

If what Mervyn King, the Governor of the Bank, calls the 'nice era', non-inflationary, consistently expansionary, is over, and it gets difficult, for all Gordon's latter-day discovery of the beauties of collegiality, on which he is almost become boring, I wonder if that will hold if we hit real economic trouble, because he will think he knows better than anybody else in his Cabinet, and that could be his greatest anxiety. If I was close to him, which I am not, that is what I would say to him, because that was Jim's tragedy - it was the people he thought he knew best whom he turned out not to know, and it has stayed with him.

He behaved wonderfully well in retirement. He was an example of how ex-Prime Minister should behave. I am not close to the current Prime Minister either, but I would say just follow Jim when in doubt.

The trades' union to which he belonged at the end is a very small and exclusive one: it is of ex-Prime Ministers. He once told me how much that could matter. He was only in Parliament for one more Parliament in 1979 - he retired from Parliament in 1983 - and in that period, Ted Heath was treated as worse than Leader of the Opposition by many of the Thatcherite backbenchers. He said to me on one occasion: 'Ted was battling against barracking from behind him on his own benches in an economic debate and was suffering, and he looked across the Chamber to me for reassurance, and I nodded reassurance to Ted.' That was Jim. He was partisan, of course he was, but he was a bigger figure than that and, in that way, his residue will always, to me, be especially exemplary.

He was a very distinctive figure and, as Ken said, it is almost inconceivable now that the compost which gave us Jim could produce leaders of any of that sort. He really, for me, and this is high praise from me, because I am a bit of a romantic about it, he was the absolute incarnation of Labour's high tide of 1945, and all his attitudes reflected that. There were shortcomings in that era, of course there were, but Jim, I always thought, was Clem Attlee and Ernie Bevin by another means but was also his own man. That really did make him special.

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