

SOCIALISTS AND THE LABOUR PARTY: A REAPPRAISAL

by Leo Panitch

In the 1973 *Socialist Register*, Ken Coates produced a timely and brilliant defence of socialists working within the Labour Party. The argument was largely cast in terms of the absence of any alternative agency capable of maintaining a full scale political presence outside the Labour Party. But at the same time Ken Coates provided a positive case for working within the Party, stressing the critical role it plays in defensive struggles, the importance of parliamentary activity, and the possibilities for change in the Party contained in the radicalization of the unions in the late sixties and early seventies. The article was notably free of illusions on the radicalization of the Parliamentary leadership of the Party, but it contended that the 'cardinal tenets of late fabianism have been refuted by events' and therefore that the ideas of the leadership could no longer dominate the labour movement, 'since the integrating force of their dogma has rotted away'. The changing balance of forces in the movement would come to be reflected in its political councils: the Parliamentary Party would have to elect a new leader acceptable to the unions or face a 'shattering rift', indeed, 'a candidate with 'the insight and skill to present a platform of socialist change [was] very likely to win'. The idea that the *status quo* pragmatism of Wilsonism 'might be botched along for another parliamentary term [was] not completely absurd', but the consequences of this for Labour would be immense:

Another Wilsonite government would split the labour movement into irreconcilable camps, the vastly larger of which would be in sharp opposition to it ... if this scenario is plausible, where must the socialists engage themselves? There can hardly be a moment's doubt. Another Labour Government offers socialists the chance to do well the work they botched up last time: to force the imposition of socialist policies, or to isolate and defeat those who oppose them. While external critics might aid in this process in its essentials it will either be an inside job or it won't get done.

The challenge Coates presented to socialists outside the Labour Party has not stood alone. Despite the actual emergence of another 'Wilsonite' government similar arguments directed to, or at least against, the extra-Labour left have continued to be advanced, most notably by Geoff Hodgson, Peter Jenkins and Frank Ward.² And most recently, Lewis Minkin's monumental study of *The Labour Party Conference*, while meticulously uncovering the organizational bases of leadership control over the Party, has also sought to challenge the orthodox view that intra-party democracy is ineffectual or inconsistent with parliamentary government, and to show that the unions' policy commitment to extensive public ownership never waned, but was only temporarily concealed by the Party leadership. On both counts he clearly identifies the Labour left of the 1970s with the forces 'which Party tradition nourishes' and contends, albeit more circumspectly than Ken Coates, that the alignment between the left and the unions on the floor of the Party Conference which emerged in the late 1960s was 'bound to have long-term consequences for the distribution of power in the Party as a whole'.³

Taken as a whole these writings may be seen as a regeneration in the 1970s of what Ralph Miliband has called 'the belief in the effective transformation of the Labour Party into an instrument of socialist policies [which] is the most crippling of illusions to which socialists in Britain have been prone'? It is the purpose of this article to reassess the case for working within the Labour Party not only in the light of the record of the 1974-9 Labour Government, but of the behaviour of the trade unions and the Labour left since the late 1960s. As the labour movement moves into a period of opposition against a clearly reactionary Tory Government, as the actions of the Labour Party leadership against the working class recede from centre stage, as the appeal for defensive solidarity re-emerges with urgency and cogency, the pull to join the Labour Party will gain renewed strength. And with it the illusion that Labour can be transformed will cast its shadow over many dedicated socialists. As it does the argument that there is no viable alternative to the Labour Party is liable to take on the hue of a self-fulfilling prophesy.

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It has always been its unique relationship with trade unions that has drawn socialists to the Labour Party. To a large extent this has

simply reflected the perception that it is necessary to locate one's political work on that terrain where the working class is itself engaged. But more than this is involved. Precisely because the Labour Party is *part* of the labour movement, this means that the development of class struggle even if not initiated by the Party, is bound to affect it considerably from *within*. The great paradox of the Labour Party, and the source of the continued renewal of the belief that it can be changed, lies in this fact. The 'class harmony' ideology which has dominated the thinking of the leadership since the founding conventions rejected the concept of class struggle, is consistently challenged not merely by external events and by socialist currents in the Party, but by the direct expression of working-class struggle within the Party, above all on those occasions when the trade unions act as immediate agencies of working-class defence against the actions of Labour Governments.

The central factor underlying the belief in the 1970s that the Labour Party was ripe for socialist change may be located in the specific manifestation of this contradiction in the late 1960s. The action of the 1964-70 Labour Governments, not just in terms of disappointing the promise on which they had been elected, but in terms of directly challenging the basic material and organizational interests of the trade unions, would itself have strained considerably that 'bond of mutual confidence between the Parliamentary leaders and a preponderant part of the trade union leadership which is the essential key to the understanding of the functioning of the Party'⁵ and the mechanism whereby the contradiction had been contained for most of the post-war years. But it was combined with developments within the union movement which strained the relationship further. The broadening and deepening of militancy at the base and the increasing decentralization of collective bargaining began to come to fruition in the mid 1960s and resulted in a greater radicalization of union conferences and delegations to TUC congresses and Labour Party conferences, and in the election of left-wing leaders in some major unions. After the enormous political loyalty and material sacrifice shown by the union movement from 1965 to 1967, and as a direct reaction against it, there ensued a period of sustained conflict within the Labour Party which was unparalleled in the Party's history. To Minkin these developments proved that ' "the bond of mutual confidence"⁷ was a contingent and not an endemic feature of the pattern of power within the Party'⁶ Coates was more emphatic:

... Wilson injected an unprecedented scepticism about Labour politicians into nearly all the unions, which serum took effect from top to bottom. At the same time, the reaction produced a notable democratization of the main unions, which process has adamantly resisted the Industrial Relations Act, and shows not the slightest sign of recession. No new leader of the Party can avoid coming to terms with this profound development, which already carries the problem of accommodation far beyond the scope of the kind of bureaucratic intrigue which was open to leaders of the Gaitskell era. Unlike Lawther and Williamson, whose capacity to uphold conservative policies rested on widespread mass lethargy, Jones and Scanlon can only lend their weight to policies which carry support in an active and self-assertive rank and file. Of course, they could always theoretically abandon the rank and file; but if they ever did, they would be of little value to the establishment without it. All this means, quite plainly, that the unions will not be easily diverted from the pursuit of serious social change.'

Indeed, in the 1970-74 'interregnum' the unions supported policies which, while not amounting to a socialist programme, certainly went as far in proposing to test the limits of reforms within capitalism as any in Labour Party history. Suffused in the spirit of the greatest period of class confrontation in Britain for fifty years and encouraged by the alliance between the TGWU and AUEW and the Labour left forged in the late 1960s, Party Conferences breathed the rhetorical fire of socialism with uncharacteristically little intake of the reformist smoke that is inevitably present on these occasions. The National Executive Committee's 1973 *Programme*, while going nowhere near as far as some successful conference resolutions of 1971 and 1972, nevertheless promised a major extension of public ownership and control, above all through the proposed National Enterprise Board's acquisition of 'some twenty-five of our largest manufacturers', and through a system of Planning Agreements with the top 100 companies, both backed up by extensive compulsory powers in a new Industry Act.¹¹ When combined with the commitments established in the TUC-Labour Party Liaison Committee's 'Social Contract' on repealing the Industrial Relations Act, 'real moves' towards industrial democracy, extensive wealth and income redistribution, and statutory price controls, socialists in the Party could with justification claim to have made major gains. It was all summed up in Coates's challenge to

sceptics: 'If the unions decide to support real socialist options, why should the socialists need to split away?'⁹

Yet if the events of **1968** to **1974** were indicative of the extent to which the Party is internally affected by major periods of class struggle, they by no means disposed of the question of whether the Labour Party can actually be transformed into a socialist party by struggles on its own terrain. On the contrary the intra-party conflicts of this period were subject to specific limitations which considerably undermined their potential for change. In the first place, the shift to the left in the unions was not nearly as pronounced as was sometimes imagined. As Minkin himself has shown '... in spite of the move to the left evident in the resolutions submitted and votes cast there was no major change in the leadership of the largest unions between **1970** and **1973**. Those changes which did take place in fact reinforced the position of the right ... thus it was still the case in **1975** that most of the senior officials of the ten largest unions were to the right of the Party's political centre of gravity.'¹⁰ Secondly, the extent of the rift between the left-wing union leadership and the Party leadership was often exaggerated. Both the left-wing union leaders and the Parliamentary left had a consistently great regard for Harold Wilson's 'tolerance' of minority opinion in the Party and a marked tendency to put real stock in the (re)conversions of their erstwhile Bevanite colleagues. This did not apply to the Jenkinsites both because they showed less tolerance and less readiness to employ socialist rhetoric to conceal their orthodoxy, and because they never fully appreciated as did Wilson (and Callaghan) that without the unions the Party would be 'uneasily poised between the Liberals and the Bow Group' without a mass base." To be sure, the establishment of the Liaison Committee and the absorption of Michael Foot into the leadership specifically to act as what Tony Benn called 'the link and buckle with the industrial wing of the movement',¹¹ greatly facilitated the accommodation between Jones and Scanlon and the leadership. But apart from the stipulation that a Labour Government never again impose statutory penalties on collective bargaining, this accommodation was much more 'endemic' and much less 'conditional' than Coates or Minkin allowed.

Thirdly, the force of union solidarity and tradition, which had been a source of the cleavage regarding the issue of state intervention in collective bargaining, was at the same time a source of continuity and conservatism in terms of maintaining the dominance of the Party leadership. Again as Minkin admirably has shown, even the left-wing unions continued to cast their votes for the Conference

Arrangements Committee and the NEC largely on the basis of traditional arrangements and understandings, leaving right-wing sitting tenants in place. Although these committees were more responsive to delegate pressures in the early 1970s, it was significant that CLP resolutions which would have required MPs to abide by conference decisions were either kept off the Agenda or remitted to the Executive. Similarly left-wing union leaders refused to countenance the idea of instructing their union's sponsored MPs on how to vote. The Party leadership were still able to draw substantially on the union leadership's feeling, gained from experience in managing their own union conferences, that a 'good conference' was one that did not go too far towards divisiveness, and their sensitivity that unions should not be seen to be 'running' the Party. All this was reflective of the 'typically limited role' which Ralph Miliband identified the union leaders as playing in the Party, whereby they see themselves as 'representatives of organized labour, involved in a bargaining relationship, notably over industrial and economic issues, and their political colleagues in the Labour Party, and not in the lead as political rivals intending to capture control of the Party for purposes radically different from those of the men who now control it'.¹³ This is not so much a matter, as Ken Coates seemed to think in challenging this view in his 1973 article, of union leaders failing to put themselves forward from time to time as political leaders or even acting as policy initiators; it is rather the unions' maintenance of traditional practices *vis-à-vis* the party leadership which inhibits them from throwing the full weight of their organizational strength in the Party behind the forces for change, even when their differences with the leadership on major policy issues is significant.

But far the most important factor prohibiting change in the Party, what in fact reproduces the unions' 'limited role', is the very commitment of the unions to maintaining the Labour Party as a 'viable' political force, both out of immediate defensive and electoral considerations and out of overwhelming loyalty to the Party as an institution. The very process that suggested to Coates that the Party 'might possibly recover from a whole succession of **Wilson's**—the threat of a Conservative Government to the interests of the working class and the lack of any ready alternative to Labour's political machine—is the same process which all but guarantees that the Party *will* actually have to face a whole succession of Wilsons, however 'implausible' Coates finds this prospect. For to carry intra-party conflict to the point of forcing the

imposition of socialist policies, or isolating and defeating those who oppose them, entail's too great a risk to Party unity in terms of the primacy of immediate electoral and defensive campaigns. It is Party unity, not change, which is ultimately paramount from the union's perspective when intra-party conflict emerges. There may be some good defensive reason for this, but it is not the basis for the kind of transformation entailed in changing the Labour Party.

What Coates called the 'barely concealed civil war' between the Party and union leadership in 1968 and 1969 is particularly illustrative in this regard. The 'Solemn and Binding Agreement' between the TUC and the Government, which resolved the immediate controversy over *In Place of Strife*, may be seen from one perspective as a sterling victory by the labour movement over a Labour Government. But from another perspective, the long and abrasive negotiations between Wilson, Barbara Castle and the General Council was not only about avoiding the proposed legislation, but about avoiding an actual 'civil war' in the Party. The union leadership, no less than the Party leadership, were reaching for some political formula to heal the immediate scission and were for that reason anxious that 'extraneous' issues (such as those which were at the source of the division) should not be raised. What stood out about the victory over *In Place of Strife* was its purely defensive character: it involved neither a change in Party leadership, or ideology, indeed it did not even address the question of the Government's continuing commitment to a statutory incomes policy. Although it did not by any means re-establish a consensus between the unions and the Government, it certainly left the latter in a much stronger position *vis-à-vis* the Labour Party than it had been a year earlier. Whereas the leadership had been defeated in five major policy issues at the 1968 conference, the 1969 Conference left the TGWU and AEU in virtual isolation amongst the unions in opposing the leadership on incomes policy, and the delegates were treated to the sight of Hugh Scanlon moving fulsome support for the Government, without the reservations he had insisted on (and obtained) a year earlier.

It can, of course, be said of 1968 (as Coates said of 1973—and is being said of 1979) that the 'battle-lines are just beginning to form'. But in the 1970-73 period again the very factors that Coates identified as ensuring that 'the whole alliance did not fall apart'—the common struggle against the Tory Government and the necessity of maintaining Labour as a viable political force to fight the next election—also ensured that the battle would not go so far as

to risk Party unity. This was most critically evident with regard to Harold Wilson's successful opposition to the NEC's '25 companies' proposal. As Minkin has put it, the 'triumvirate' of Foot, Jones and Wilson 'acted as a reconciling force between the Party's factions and a restraint upon the leftism in the Programme. Thus in 1973, the advantages of this link went to the Party as both large union delegations responded to the call for moderation and pre-election unity. There was no concerted attempt to push the more radical interpretation of the role of the National Enterprise Board.'¹⁴ In these circumstances, Harold Wilson did not actually have to use his threatened 'veto' by the Shadow Cabinet against including this proposal in the Manifesto. But his view that 'it was inconceivable that the party would go into a general election on this proposal, nor could any incoming Labour Government be so committed',¹⁵ was overwhelmingly confirmed by the 1973 Conference.

The result was that the Labour Party emerged out of its period of opposition with a most ambiguous programme. The NEC's *Programme* itself had already exhibited considerable ambiguity by noting that the proposed Planning Agreements System as 'developed from those already in operation in France, Belgium and Italy', thus inviting the question of whether this was in fact to be the centrepiece of a socialist economic strategy or of a modernized state capitalism. Similar questions could have been raised about the resemblance between the NEB and Italian state holding companies. Precisely because it could have been argued, however, that the way that these new policies would be used by a Labour Government would depend on the balance of forces in the Party and the State, Wilson's pre-election victory on this question was so significant. For it indicated how easily openings for change in the Party are closed in the face of immediate pressures of Party unity. Insofar as the unions were concerned in 1973, the battle-lines for change were hardly being drawn. On the contrary, the hatchet was being buried.

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The limitations which the requirements of defensive and electoral unity place upon changing the Labour Party entail consequences which by no means can simply be measured in terms of the ambiguity of Labour's Election Manifestos or even the failure of Labour Governments to implement those reforms which the Manifestos do explicitly promise. For the problem with the Labour Party is not simply that in the absence of a better alternative, the working

class has to make do with a reformist rather than a revolutionary party. It is that the Party itself plays an active role as an agency of social control *over* the working class. Ken Coates was indeed *right* to explain the importance of Parliamentary politics and the stability of the Labour Party on the grounds that no alternative socialist grouping can become an alternative vehicle 'for the development of the outlook of a whole social class until they can be seen to have the potential to enable that class to speak for itself at every political level on which its interests are, the object of contention. Even the corporate interests of the subordinate class cannot be safeguarded without organization on this scale.' But when he immediately went on to maintain that 'it is manifestly silly to speak about "hegemonic aspirations" developing within such a class unless it has safely passed the point at which its self-defence is relatively assured',¹⁶ it was he who was being unrealistic. This is not only because self-defence entails a constant struggle and is never 'assured'; but more importantly because continued subordination may be inscribed within the very process of self-defence. In the case of the Labour Party, self-defence takes place *at the expense* of the hegemonic development of the working class.

This is not just a matter of Labour Governments introducing reforms which are specifically structured to integrate the working class in the existing social order, reforms which constitute real gains for the class—but are designed to close rather than open room for further struggle.¹⁷ Nor is it just a matter of leaving a Party leadership in place which proclaims and maintains those 'national' values which *prescribe* subordination of the working class and which treat the *whole class* as a mere *sectzonal* group in the society. (In periods of mass quiescence this may not entail misrepresentation; but it certainly will greatly reinforce the quiescence.) It is also a matter of Labour Governments employing the loyalty and solidarity inherent in the movement actually to *demobilize* the working class at critical junctures in its development and to secure real material sacrifices from the working class at those very moments when economic militancy threatens profitability. The very self-confidence and self-awareness of an active working class, which is the force behind the election of Labour Governments, becomes the very *object* of the attempt to subdue and extirpate this energy. Although these attempts are only partially and temporarily successful, they nevertheless mean that it is never quite a matter of just picking up where one left off when class conflict re-emerges again.

The 1974-9 Labour Government has to be seen precisely in this

light. It was composed of a Party leadership which in Coates's words, 'inspires no sacrifice, blazes no trails, bodes no fundamental changes, and meets no spiritual needs'. But this is too negative a view. It was a leadership which continued to see itself playing, and did play, an active and indispensable role in the British political system—above all the role of tempering, containing and channelling into 'responsible' outlets the industrial militancy of its time. The Labour leadership's part in the defensive campaign against the Industrial Relations Bill was not merely that of fighting the battle in Parliament, but of urging the unions not to take the very industrial-cum-political action which in the end scuppered the Act. A prime basis of Wilson's opposition to the Act was that it fostered revolutionary tendencies in the working class, that it was a 'militants' charter', that it treated industrial relations as part of 'a wider political conflict'. Throughout its years in opposition the Labour leadership remained committed, moreover, to one fixed ideal—resurrecting union agreement to wage restraint. Wilson and Callaghan did come to appreciate that a statutory incomes policy was unacceptable to the unions; indeed, this was the one genuine 'conversion' they experienced while in opposition, the one real lesson they learned from Michael Foot and Jack Jones. But this did not dampen their enthusiasm for wage restraint. On the contrary, they continued to hold to the view, first elaborated in the early 1960s, that the Labour Party's ability to promise this was its major electoral asset. Although they could not obtain from the unions the kind of fulsome commitment to incomes policy than they had engineered in 1963, they continued to press for it *via* the Liaison Committee and in the drawing up of the Manifesto, right through the industrial crisis of December 1973 and January 1974. The Labour left were able to convince themselves, as they had done from 1959 to 1964, that what was involved was a 'socialist incomes policy', in which wage restraint was not the object of the exercise but an inevitable part of socialist planning. The Labour leadership, however, clearly accepted the more radical elements of the Social Contract only to the extent that unions insisted that, as the February Election Manifesto put it, 'only deeds can persuade ... that an incomes policy is not some kind of trick to force [the worker] ... to bear the brunt of the national burden'. If it turned out that such persuasion was possible without too many such deeds, so much the better.

And what happened? Within a year of the February 1974 election, incomes policy became the centrepiece of the Social

Contract, and the unions responded with an exercise in voluntary wage restraint unparalleled in modern British history. Increases in gross money earnings for the average worker fell from 25.5 per cent in 1974-5 to 12.4 per cent in 1975-6 to 8.8 per cent in 1976-7. As the rate of inflation fell more slowly (from 25 per cent to 14 per cent over the three years) real wages fell considerably. Even taking into account the compensatory tax concessions offered by the Government, real wages fell by 5.5 per cent, 1.6 per cent and almost 1 per cent in the three respective years.¹⁸ The real weekly net income of the average male worker, married with two children, if calculated in terms of October 1978 prices, had stood at £68.90 in September 1970, risen to £74.50 in September 1972, and maintained that level until September 1974; it fell by September 1977 to £68.10—i.e., by over £6 per week. In 1977-8, with a less restrictive pay norm, a rate of inflation of 8 per cent, additional tax concessions, and the first instances of breakdown of union co-operation, real net earnings recovered substantially (increasing by 9 per cent). But this still left the average worker with a real weekly take home pay in September 1978 which was £3.50 less than in 1974 and almost £1 a week less in terms of real net weekly income (i.e., taking account of increased transfer payments of 1977-8).¹⁹

It would of course be absurd to attribute these losses to the Labour Government's wage restraint policies alone in abstraction from the economic crisis. But the sacrifice entailed in wage restraint would have been one thing had it been inspired on the basis of Tony Benn's promise to the 1973 Conference (broadly incorporated into the 1974 Manifesto) that 'the crisis we inherit when we come to power will be the occasion for fundamental change and not the excuse for postponing it'.²⁰ Instead the crisis became the basis for maintaining the existing balance of wealth and power in British society by increasing the exploitation of the working class. Wage restraint was secured and maintained: while the statutory price controls and food subsidies introduced in 1974 were weakened and phased out; in the context of massively deflationary budgets and an increase in the unemployed, once school leavers were included, by almost one million; and while public expenditure programmes were cut and subjected to cash limits so that instead of the promised 13 per cent growth there was no growth at all in real terms from 1974 to 1978. As Stuart Holland put it in commenting on the Thatcher Government's Budget of 1979: 'Certainly, the edge of Mrs Thatcher's axe was first ground and then fell under successive Healey Budgets.'²¹

As for the Industrial Strategy, the true basis of the case for a 'socialist incomes policy', the wage restraint programme was launched *after* Tony Benn had been dismissed from the Department of Industry, an act which Jack Jones, speaking for the TUC as a whole, warned at the time would constitute 'a grave affront to the trade union movement'.²² The Industry Bill was shorn of its compulsory dimensions, and the singular Planning Agreement entered into with a private company occurred in the context of the Government sanctifying in this way the bail-out of Chrysler. As for the NEB, it was largely absorbed into the role of traditional state fire-fighting on closures and in any case operated, as its intellectual progenitor put it with great dismay, 'purely on commercial rather than public, or social criteria'.²³ In these circumstances, the locus of the Industrial Strategy shifted back to the NEDC and the tripartite sectoral working parties established under its auspices in 1975. It was all summed up in 1977 by Jack Jones: 'Somehow, somewhere, the Government's objectives seem to have been hijacked off course, and I mean "hijacked" . . . an industrial strategy which relies only on deliberation of sectoral working parties, on polite talks with industrialists and trade associations . . . is not a strategy at all, but an excuse for one.'²⁴

Why then did the unions display such loyalty? One explanation, which is fairly common on the Labour left, was expressed in Ian Mikardo's early admission to the 1975 Conference: 'We were all conned'²⁵—with the implication that the unions were simply conned for a longer period. This is an attractive explanation for the Labour left for it carries within it the premise that you can't fool all the people all the time and that at some point the party will rise up against the charlatans. But this will not do as an explanation of the unions' loyalty. Jack Jones's own account of the Government's behaviour, that they were 'hijacked', already indicates a very different perspective: the Government were themselves unsuspecting 'victims' of the 'hijack'. This was indeed the dominant view among the union leadership and was reflective of the strength of the 'bond of confidence' established in the pre-1974 period.

This bond was in fact *strengthened* by the precarious parliamentary position of the Government and the constant spectre of another Tory Government (which would have of course acted as even less of a buffer against the worst effects of the crisis than Labour was doing). And no less important was the fact that this Government, far more than had been the case in 1964-70, showed a sanguine understanding of the unions' own priorities—that when push came

to shove, the unions would insist on those policies in the Social Contract that pertained directly to industrial relations, and would exert less pressure when it came to the economic strategy. This order of priorities stemmed not only from narrow organizational interests, but also from the unions' own fears and frustration with the effects of economic militancy and high inflation on real wages and employment. It also stemmed from the union leadership's own lack of confidence in the alternative economic strategy they and the Labour left advanced in the face of the harsh 'economic realities' put forward by the Government, the Treasury and foreign 'experts' from the IMF. The fact that Michael Foot allowed the TUC to write its own ticket on industrial relations legislation served, in terms of the unions' own priorities, to cement the ties between the unions and the Government at the same time as reactionary economic policies were pursued. Moreover, the Government proved amenable to introducing wage restraint in the form advanced by Jack Jones, i.e., the £6 across-the-board norm so that the low paid would suffer less. And the very fact that the Government was seen to be resisting strong Treasury pressures to institute a statutory policy,²⁸ confirmed the unions' resolve to meet their 'obligations' to the Government.

The *defensive* priorities of the union movement in the context of the crisis were secured, in other words, at the *expense* of insisting on alternative, let alone socialist, economic policies. The question remains, however, of whether the defensive gains were so great as to be worth the sacrifice. The egalitarian thrust of the £6 norm, such as it was, certainly struck a responsive chord in the labour movement, at least temporarily. But this cannot obscure the fact that it mainly concerned redistribution within the working class (involving Labourism's new twist on socialism—what I have called before its 'socialism in one class'²⁷) in a context of a policy which reduced the proportion of the national income going to the class as a whole. Much more of a case can be made for the industrial relations legislation of 1974 to 1976. Yet it is certainly questionable how much the unions have benefited from this in concrete terms. The Tory Industrial Relations Act had before its repeal been rendered more or less impotent by the unions. The role that ACAS has been able to play in extending union recognition under the legislation has been very limited, particularly when conciliation has failed. As a number of long and futile recognition strikes have shown, moreover, employer intransigence and an anti-union judiciary are able to render the new procedures useless. In other areas—disclosure of information, job security, equal pay for women—the laws are not

only deficient in certain respects, but are only effective when unions are already strong enough to advance their members' interests beyond minimum legal guarantees. Above all, there is a real danger, that litigation of issues (e.g., unfair dismissal) undermines shop floor struggle and saps the time and energy of officials who become embroiled in the legalistic procedures. In two internal TUC reassessments of the legislation at the end of 1978, all this was being admitted, although little was said publicly lest it be used by the Conservatives to remove the advantages the laws do give. But this should not conceal what the TUC's own counsel, Lord Wedderburn, has called the unions' own

.. self-doubt as to the degree to which the trade union movement should in future come to rely upon machinery provided by the State to achieve that which in the past it has collectively won largely without the help of—often despite—the State's laws. Already the movement has been disillusioned by the operation of some of 'its' laws and has realised afresh the limitations that inevitably fall upon trade unions who trust in the regulation of industrial relations by the law. Even the floor of *individual* laws is often found to be ineffective without industrial strength to support them, especially in the case of equal pay for women. What the law gives the law can take away.²⁸

The point to be drawn from this, however, is that the Labour leadership can hardly be accused of 'conning' the unions on this question—they were fulfilling 'their side' of the Social Contract. Indeed what Ken Coates did not foresee in predicting the scission that another Wilsonite Government would produce in the movement was that this was another Wilsonite Government with one major difference from the last ones—it was bent on ensuring that it was not the Labour leadership that would become isolated from the union leadership, but the Labour left. (As indeed occurred over public expenditure cuts and wage restraints in 1976.) To this end, the Government even maintained the form of the rest of the Social Contract while violating its spirit in most respects. Unlike the 1964-70 Government's abandonment of the Economic Plan, this Government never rejected the Industrial Strategy. All its constitutive elements—the Industry Act, statutory prices controls, the NEB, even the concept of Planning Governments—were retained. Even the public expenditure cuts were defended, both by Labour and union leaders,²⁹ in terms of the industrial strategy, as freeing resources for investment in manufacturing industry. Even while union leaders

recognized that the brunt of policy was in the opposite direction from what they had intended, the fact that the formal structures were in place (as was also the case with the Royal Commission on Income and Wealth and the Bullock Inquiry on Industrial Democracy) allowed them to expect that a new spirit might be injected into them once the immediate crisis passed. Above all the Government did maintain close consultation with the union leadership. The accommodation between them, which Ken Coates believed could be secured only on the basis of socialist policies, was in fact reached on the basis of corporatist ones. Only occasionally did a union leader admit the reality of the situation to the movement, as did Alan Fisher at the time of the TUC's twenty-to-one endorsement of wage restraint in 1976:

... we in the movement should understand the nature of **bargaining** at the national level between the TUC and the Government... it is possible that we will become mesmerized by the process itself rather than considering the results that it achieves... capital will not hold back from using its power to influence these negotiations. One example we have is by pushing down the value of pound. In that context, it is dangerous for the movement to accept incorporation in the apparatus of the State, articulated through what may be a loyalty to a Labour Government and the test for the trade union movement is to develop effective bargaining power at this level, if necessary through new procedures and new institutions, and not to regard the State as in some mysterious way a neutral body. It never has been and it never will be.³⁰

The big question, of course, remains why the rank and file went along with the leadership. Coates's confidence rested after all on the 'active and self-assertive rank and file' without whose continuing support Jones's and Scanlon's 'theoretically possible' about-face would be of little worth to the establishment. It was in fact worth a great deal. As Steve Jefferys has pointed out '... "left" union leaders either led or were prominently placed in four of the five most **strike-prone** industries. Despite the fact that the five only employed 6 per cent of the total labour force, they accounted for 47 per cent of the working days lost in 1969-74; by 1975-6 this figure had declined to 22 per cent, in a period of falling strike **statistics**.'³¹ The level of resistance to Phases I and II of the Social Contract was simply minimal. Both the deep reserves of loyalty to a Labour Government among activists and the same fears and frustrations that beset the

union leadership must surely have been factors in this. Just as **there** was a mistaken tendency among some of the Trotskyist left in the early 1970s to assume that the shop stewards of today are the revolutionary vanguard of tomorrow, so it must be said that many on the Labour Left vastly overestimated the staying power of economic militancy and the political effects which an 'active and self-assertive rank and file' would have as a force for change within the Labour Party. In order to forestall criticisms of being wise after the fact, it might be permissible in this instance to quote something I wrote in 1974:

It is true that industrial militancy does have a clear political character. The dissatisfaction with existing social relations is inherent in wage claims of 25, 30 or 40 per cent; in the expectation by dockers or car workers or miners that they be paid as much or more than groups high above them in the status hierarchy; in occupations of factories shut down in accordance with the law of profit; in the large number of strikes challenging managerial prerogatives. But this militancy retains a non-political veneer by virtue of the fact that it arises from separate segments of the working class at different times, and arises moreover in the absence of a generalized and explicit rejection of the economic and political structures in which these social relations are embedded. This is indeed an inherent limitation of trade unionism; demands for a 40 per cent increase in the income of the working class as a whole, and for workers' control over production, cannot be effectively expressed industrially but only politically, and although we have seen in recent years a number of overt and official political strikes for the first time since the TUC left Trafalgar Square for Whitehall in the aftermath of the General Strike, these actions have been hesitant, sporadic and defensive. Without a **political** party which would maintain and give focus to industrial militancy, it is not unlikely to be dissipated in yet another phase of quasi-corporatist policies, or, if not, to be met by a more fully authoritarian challenge than the British labour movement has yet **faced**.³²

That this militancy was indeed dissipated from 1975 to 1977 has *a* great deal to do with the inability of the Labour left, *no less than the various socialist groupings outside of it*, to capture the political imagination of rank and file activists. The fact that the Labour vote continued to drop in 1974 despite Labour's more radical programme was proof of this, and suggested that the 'unprecedented skepticism about Labour politicians' which Coates identified, was

by no means highly discriminating between right and left and not necessarily an entirely positive force for social change. Steve Jeffery's admission, from an IS/SWP perspective, that 'in the face of the crisis there appeared to be no "practical" alternative' as far as most workers were concerned, and that 'when the general conviction was that there was little you could do, you just had to put up with the Government's pay policy; then this is what the shop stewards generally felt as well',¹² is a damning testament to the ineffectiveness of the IS/SWP in the previous period. It is even a more damning testament to the failure of the Labour left, whose alternative might be thought more 'practical', to touch the roots of the movement for all its visibility at the national level in the 1970s.

Of course the forces that originally produced this militancy were not themselves dissipated during this period, and, as had been the case with the wage restraint policies of both the 1945 and 1966 Labour Governments, the breakdown of restraints occurred not *after* Labour was defeated at the polls, but *before*. This indicated once again that while Labour remains able to foreclose class struggle for a certain period, it is unable to quash for too long the class antagonisms of British society. Callaghan's cynical manipulation of the 1978 Congress, encouraging it to pronounce its opposition to the 5 per cent guidelines only in faint whispers by giving it the impression that a general election was imminent, may have looked like a brilliant political manoeuvre at the time, but it proved to be a major blunder. For the union leadership by this stage could simply not hold back the rising tide of economic militancy that had begun to surface spontaneously as early as a year before. (Indeed to some extent they may have encouraged it, despite their effective co-operation in wage restraint until 1978, by their verbal recommitment to full collective bargaining and by their more open criticisms of the Government's policies from 1977 onwards.) As a result the class collaboration dogma of social democracy faltered again on its own terms: Labour's claim that it was the governing party of 'consensus' while the Tories were the party of 'confrontation' lost a good deal of its electoral credibility.

The resurgence of economic militancy in the winter of 1978-9 certainly reflects the resilience of the working class and its continuing ability to impose severe barriers to the strategic options of capital and the state. But in terms of the question of changing the Labour Party, there is little comfort to be drawn from it. It most certainly does not conform to Coates's scenario of an irreconcilable split between the vast proportion of the labour movement and the

Labour leadership. There has been renewed friction, but what is remarkable is how the conflicts within the movement were politically contained in the last years of the Government. Both the NEC and the Party Conference were certainly much less the mouthpieces of the leadership throughout this Government, but their ability to control or even influence its actions showed no marked increase. On the contrary, the existence of the Liaison Committee has allowed the leadership to by-pass conference resolutions without openly flouting them by promising to work out policy disagreements at a higher level. The Liaison Committee's policy statements have invariably turned out to be much less radical than those of the NEC or than conference resolutions. And even when conflict with unions broke into the open, as they did on the first day of the 1978 Conference, when the unions defeated the leadership on both the 5 per cent guidelines and economic policy as a whole, the unions refused to widen the conflict. On the very next day, enough union votes were available—including the TGWU's—to defeat the constitutional amendment for an electoral college, encompassing both the extra-Parliamentary and Parliamentary Party, to elect the leader. The fact that this was combined with the defeat, on the basis of Hugh Scanlon miscasting the AUEW vote, of mandatory reselection of MPs, made Coates's burial of 'bureaucratic intrigue' in the Party look very premature indeed.

Nor did matters change as the industrial conflict of the winter gained momentum. In order to protect the Government, as far as they could, from the electoral consequences of the media rampage against its 'weakness' in the face of anarchy, the General Council was drawn into producing, with indecent haste, a new Solemn and Binding Agreement, the so-called 'Concordat', in which they agreed to undertake voluntary control on picketing, the closed shop, inter-union disputes and (eventually) wage demands. Even seen as a symbolic electoral exercise pure and simple, it was nevertheless significant how purely *defensive* a document it was. It was accompanied moreover by a policy statement by 'moderate' union leaders which endorsed the economic policies of the leadership. With no little justification, and in the midst of the winter's industrial strife, Shirley Williams could observe that the unions were 'moving clearly back to the centre' and scorn earlier suggestions that the social democrats in the Party were politically 'dead'.³⁴ Not surprisingly, the hopes of the Labour left in the fall of 1978 that the postponement of the election would give them the chance to avoid the Election Manifesto 'watering down' the NEC's 1976 *Programme*, were entirely frustrated.³⁵

To be sure, the battle is not over. It is in the nature of the Labour Party that the battle-lines will continue to be drawn up to and including the Day of Judgment. But given the experience of the last dozen years, what foundation remains for the argument that the Party can be changed? The NEC has once again put the issues of election of the leader and mandatory reselection on the Agenda of the 1979 Party Conference, and despite considerable noise from 'moderate' union leaders against friction in the Party, it is by no means certain that these proposals will be defeated. But even if these proposals were carried, would they constitute an effective basis for changing the Party? It was certainly clear from Callaghan's election that a leader who is 'acceptable to the unions' is not necessarily one who is committed to socialist policies. And if a Michael Foot or even a Tony Benn were elected, and setting aside all doubts as to their socialist 'credentials', how fundamentally different a tack could they take, given the fine array of upstanding gentlemen that numerically dominate the PLP?

The mandatory selection procedure is presumably designed to obviate this problem. But the Parliamentary left is itself divided on this issue; the unions are concerned about its effects on sponsorship; and it is unlikely that those constituency parties that are presently moribund will suddenly spring to life just to turn out a sitting MP. As a theory of an inevitable fall from ~~grace~~ of socialist parties, the 'iron law of oligarchy' may have little to recommend it. But as an account of how MPs will be able to use considerable organizational and psychological resources to maintain their position *vis-à-vis* their constituency parties, mandatory reselection or no, it is discounted only by the naive.

But what about 'forcing the imposition of socialist policies'? This, as Coates made clear, will depend on the unions. Minkin's identification of a steady undercurrent of union support for public ownership, despite the revisionist machinations of the Party leadership, says nothing about the efforts they will make to force its imposition on the Labour leadership. If anything the 1970s provide rather strong evidence that too much stock should not be put in union conference resolutions on public ownership.

This may be especially seen with regard to the unions' reaction to the NEC's 1976 statement on 'Banking and Finance', which proposed taking over the biggest four clearing banks, a merchant bank, and the top seven insurance companies. Like all NEC proposals of this kind, it was primarily defended as a means of

facilitating investment in manufacturing industry and specifically drew its inspiration from the publicly owned financial institutions of Britain's capitalist competitor countries (in this case, France, Japan and Italy). Nevertheless for the Labour Party it was a very radical proposal indeed. Although it drew screams of anguish from the City and strong public opposition from Callaghan and other Labour Ministers, it did not come out of the blue (having stemmed from a Conference resolution passed in 1971 and revived in 1975). Nor was it without apparent support from the unions directly involved—at least those affiliated to the Labour Party. USDAW's annual conference, which Minkin describes as 'that weathercock of the British trade union movement', passed resolutions in 1973 and 1974 proposing to 'eliminate the capitalist system' and specifically endorsing the takeover of the banks, the Stock Exchange and the insurance companies.³⁷ But while the 1976 Party Conference endorsed the statement by an overwhelming majority of 3,314,000 to 526,000, it turned out the unions weren't too keen on the idea. The total votes cast already indicated a substantial number of abstentions; the TGWU had reservations about 'timing'; and the unions in the field of banking and insurance demanded 'further consultation'. When nine relevant TUC unions were consulted by an NEC working party, they were found to be 'to varying degrees, hostile to the proposals on nationalization'. Fears of redundancy and loss of overseas earnings were apparently involved, but most interesting was the fact that both USDAW and ASTMS, while agreeing that 'some reform was necessary. questioned the conclusion that ownership was the best means of exercising control'.³⁸ Despite the conference decision, it was clear that the issue was now a dead letter. The 1978 Liaison Committee Statement, 'Into the Eighties', and the 1979 Election Manifesto made this abundantly clear. It will be less easily resurrected than mandatory reselection.

This critical episode suggests that a concerted push by the unions *against* the Party leadership on socialist policies is less of a possibility than the Labour left would like to think. There remains, however, one other prospect suggested by Coates (although he was none too keen on the idea): that if the Party could not be won over, it might be divided with the left retaining a considerable hold over 'the apparatus.. necessary to meet the demands of full participation in political life'.³⁹ Yet the likelihood of such a division being initiated by either of the major groupings on the right or the left must be counted as remote in the extreme. The leadership as a whole understands only too well the importance of retaining their hold

over this apparatus; a Prentice or a Taverne may go from time to time, but attrition at this rate is not going to matter much. A resurrection of 1931 is perhaps more likely, but this would leave the Party composed of much the same forces as before. One would still have to ask whether, apart from a temporary hiccup, the Party could be changed against 'those who helped to sustain MacDonald's supremacy and Snowden's economics to the eleventh hour of the last day',⁴⁰ but who had the sagacity to stay.

As for the Labour left, it must surely be recognized that whatever else it is about, it is not about dividing the Labour Party. Precisely because it identifies itself with Party Tradition, the thought of dividing the Party is particularly abhorrent to it. (It must be said that to the extent it makes this identification unambiguously, it is either hypocritical or mistaken. In terms of the class harmony ideology, the policies effectively pursued, and the absence of mass socialist education *via* the Party at the base, the task of changing the Labour Party surely involves wrenching it out *of* its tradition.) The left has always taken the burden of Party unity on its shoulders and has been far more ready than the right to compromise its principles to this end.

What then is the alternative for Socialists? In a number of respects, Coates cannot be faulted. The issue is not about 'parliamentarianism versus insurrectionism'. The question of whether Parliament can be the effective vehicle for implementing a socialist programme will indeed 'only be answered when it has been tried' (which it never has in Britain or any other major capitalist country), and tried, moreover, on the basis of the crystallization of the kind of socialist consciousness 'in the whole active part of the subordinate class' which Coates envisages.⁴¹ The point about the Labour Party is that it has always been dominated by a leadership which, with the support of most of the movement, has not only been unable or unwilling to develop a coherent socialist programme, but has not seen its task as one of instilling such a consciousness. It has lived off the existing consciousness of the working class, it has even represented it, but rather than attempting the difficult task of securing working-class support by undermining those values of national unity and moderation which encapsulate class subordination, it has chosen the easier route of engaging working-class allegiance by associating itself with those values. The problem with the Labour Party is not that it has sought to bring the working class to power by peaceful means. Rather the fact that it has not seen its task as bringing the working class to power has determined the *kind* of parliamentarianism which it practices.

Coates was also right in his assessment that existing revolutionary groups will not stand serious scrutiny as viable alternatives to the Labour Party, not least because of their doctrinaire refusal to allow any 'equivocation' on a parliamentary strategy.⁴² And however one might applaud certain changes in the Communist Party, the vast historical weight under which it staggers, no less than the transparency of its illusion that the Labour Party might be remotely interested in an alliance with it, suggests that it will continue to fail to make much progress as a viable alternative.

To sum up: the Labour Party will not conveniently fall apart; a good measure of parliamentary success is indeed essential; the present alternatives hold out little hope. It is scarcely surprising that many socialists cling to the illusion that the Labour Party can be changed although one might expect from them greater candour about the costs involved—i.e., that by continuing to work within the Labour Party, they necessarily do their bit to sustain Labourism's strangling hegemony over the politically active working class. But given the Sisyphus-like task they appear to be engaged in, it is by no means inappropriate to ask whether it is not indeed worth the candle for socialists in Britain to come together to 'try again' in the 1980s: to make a start at building a mass socialist party. Certainly such a party would have to detach many activists, and perhaps eventually some major unions, from the Labour Party. But it need not inherit by this token the same structure or all the burdens that come with the Labour Party tradition. With different leaders, a different ethos and with a positive attitude to Marxism, these elements would necessarily combine in a different way. Even if a federated structure were adopted, it need not carry with it the same separation between parliamentary and extra-parliamentary activity, and the same division of labour between industrial and political leadership. One important reason for making the attempt is that even a remotely viable alternative would act as pole of attraction for those socialist elements within the Labour Party to break out of the vicious circle of both trying to change the party and maintain its defensive unity, and put their energy, their talents, and the respect and legitimacy they enjoy in the eyes of many trade unionists to more positive use.

The fact that what is entailed in creating a mass socialist party today is not the political mobilization of the working class, but its *remobilization*, is indeed what makes such an attempt seem so Herculean. That there is little historical evidence for such a successful *remobilization* is true. But where are the examples of a transformed

social democratic party? With no less justification, indeed with rather more in light of the experience of the past six years, one might indeed launch such an attempt at remobilization by quoting Coates's own concluding call to arms: 'The work will be arduous and intricate, daunting indeed. It will need all the socialist forces we can muster, and, indeed, it needs them ~~now.~~'¹⁷

NOTES

1. Ken Coates, 'Socialists and the Labour Party', *The Socialist Register* 1973, p. 174.
2. Geoff Hodgson, *Socialism and Parliamentary Democracy*, Spokesman, 1977; Peter Jenkins, 'The Labour Party and the Politics of Transition', *The Socialist Register* 1977; Frank Ward, *In Defence of Democratic Socialism*, Rye Express, 1978.
3. Lewis Minkin, *The Labour Party Conference*, Allen Lane, 1978, p. 322.
4. Ralph Miliband, 'Moving On' *The Socialist Register* 1976, p. 128.
5. Robert McKenzie, *British Political Parties*, London, 1963, p. 505.
6. Minkin, *op.cit.*, p. 321.
7. Coates, *op.cit.*, pp. 176-7.
8. See *Labour Programme 1973*, esp. pp. 13-39.
9. Coates, *op.cit.*, p. 176.
10. Minkin, *op.cit.*, p. 344.
11. Harold Wilson, quoted in *Financial Times*, 16 and 31 May 1968.
12. Tony Benn, *A New Course for Labour*, IWC, 1976, p. 10.
13. Ralph Miliband, *Parliamentary Socialism*, Merlin, 1972, p. 375.
14. Minkin, *op.cit.*, p. 344.
15. Quoted in Michael Hatfield, *The House the Left Built*, Victor Gollancz, 1978, p. 199.
16. Coates, *op.cit.*, p. 156.
17. When Hodgson (*op.cit.*, pp. 60-61, 129) and Jenkins (*op.cit.*, pp. 21-2) use the examples of the New Deal to argue that legislative reforms are possible even in a period of capitalist crisis and can have a 'galvanizing effect on large numbers of workers', they ignore the longer-term role that industrial relations legislation has played in the United States in containing, juridifying and deadening autonomous working-class struggle. The 'right to belong to a union' sanctioned by the state against the wishes of the employers in the 1930s was by no means an entirely unmixed blessing given the package it became enveloped in.
18. See Ralph Tarling and Frank Wilkinson, 'The Social Contract: Post War Incomes Policies and their Inflationary Impact,' *Cambridge Journal of Economics*, Vol. I, no. 4, December 1977. The figures for each year have kindly been supplied by the authors in personal communication.
19. The quarterly figures for real weekly income from 1970-78 at October

- 1978 prices, are presented in tabular form in Written Answers by Robert Sheldon in *H.C. Debates*, Vol 960, 15 December 1978, and 19 January 1979, cc. 519-20 and cc. 969-70.
20. *Labour Party Annual Conference Report (LPACR) 1973*, p. 187.
 21. 'Budget That Sells Seed Grain For a Decade', *The Guardian*, 18 June 1979.
 22. Quoted in Hatfield, *op.cit.*, pp. 148-9.
 23. Stuart Holland, 'Planning Agreements: A Case Study of Industrial Suicide', *Tribune*, 19 September, 1978, p. 3.
 24. TUC, *The Trade Union Role in Industrial Policy*, report of a conference of Affiliated unions, October 31, 1977, p. 33.
 25. *LPACR*, 1975, p. 323.
 26. See Joe Haines, *The Politics of Power*, Jonathan Cape, 1977, ch. 3.
 27. See my *Social Democracy and Industrial Militancy*, Cambridge University Press, 1976, p. 124.
 28. Lord Wedderburn 'The New Structure of Labour Law in Britain,' *Israel Law Review*, Vol. 13, No. 4, October 1978, p. 457.
 29. See Scanlon's speech in *LPACR 1973*, p. 167.
 30. TUC, *The Social Contract 1976-77*, Report of the Special Congress, 19 June 1976, p. 39.
 31. Steve Jeffreys, 'Striking into the Eighties,' *International Socialism*, Series 2, No. 5, Summer 1979, p. 33.
 32. *Social Democracy and Industrial Militancy*, *op.cit.*, p. 253.
 33. Jeffreys, *op.cit.*, pp. 33, 35.
 34. *Financial Times*, 21 February 1979.
 35. See Eric Heffer, 'Conference gives Labour the lead on the election manifesto', *Tribune*, 29 September 1978, p. 5.
 36. The Labour Party, *Banking and Finance*, 1976.
 37. Minkin, *op.cit.*, p. 325.
 38. *LPACR 1978*, Appendix II, pp. 450,453.
 39. Coates, *op.cit.*, p. 171.
 40. Michael Foot, *Aneurin Bevan*, Vol. I, Paladin, 1975, p. 136.
 41. Coates, *op.cit.*, p. 158.
 42. See Duncan Hallas's reproach to Ralph Miliband in 'How can We Move On?', *The Socialist Register 1977*, p. 10.
 43. Coates, *op.cit.*, p. 177.