

# Labour Affairs

Incorporating the Labour and Trade Union Review

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## Party Politics and State Power

In last month's issue *Labour Affairs* argued that the British two-party system of representative parliamentary democracy was largely a theatre, giving the impression of serious political rivalry about substantial policies but artfully concealing underlying agreements between the parties on nearly all the important issues. Conventional party politics is an illusion of real choice. Phoney antagonisms are worked up to generate that illusion, e.g. parliamentary rhetoric and theatre, media commentary and stage battles on TV and radio 'question time' etc.

If a nominally left party should try to show dissent, and propose policies that depart from a very narrow consensus, then forces are mobilised to destroy the leadership of that initiative. The fall and cancelling of Jeremy Corbyn illustrates the point. As soon as a significant element of the Labour Party, mainly within the mass membership, opted for a mildly reformist social democratic programme and a different foreign policy (pro Palestinian, anti Nato), powerful forces within and outside the Party were mobilised to destroy him. These forces were primarily located within the Parliamentary Labour Party (PLP) and the party bureaucratic apparatus. They were aided by the mass media, including 'progressive' papers like *The Guardian*, the BBC and agents of the Israeli state which were activated because Corbyn was not considered to be sufficiently compliant with Israeli interests in his foreign policy orientation. The episode is a good illustration both of the sham nature of representative parliamentary democracy and of the difficulty in making it less of a sham. Our starting point is that the Labour Party is incapable of doing this. It is run by elites who share the same background and political attitudes as the Tories and Liberals. They have no interest in promoting working class power and influence. Increasingly, this also applies to social democratic initiatives in local government. So North Tyne Labour mayor, Jamie Driscoll, who showed an interest in activist local politics to promote job creation, has been removed from the candidacy of the new expanded regional mayoralty in the North

East. So where does this leave the left?

One way of looking at the problem is for left-wing forces to focus primarily on capturing the state. The task is then first to establish a party that does represent an alternative and then to exercise significant power over the state. This is no mean task as the state has many facets, few of which are subject to electoral processes. If we think of the state as consisting of: parliament, executive and civil service, security services, armed forces, police, judiciary then the nature of the problem becomes clearer. A majority in the House of Commons will leave the state in the hands of interests opposed to a programme of change in favour of the working class. This would be a long term task, even if a social democratic, let alone a socialist party tried to do it. The chances of significant extra parliamentary disruption from establishment forces to restore the status quo would be very high and such a party would need to be prepared to deal with it.

This brings into focus civil society as an area of political contestation, meaning non-state institutions including businesses, trade unions, co-operative organisations and the non-state media as the main actors for our purposes. We should also not forget the presence of political parties within civil society. They have a role to play in local government, trade unions and community activity such as housing campaigns, as well as aspiring to control parliament. But as we have seen, Starmer is keen on crushing an independent spirit in the regions as well.

Capitalist interests have formidable forces deployed within civil society, including business and mass media: the latter themselves dominated by business interests which allow for joint planning of information wars (co-ordination between parliament and newspapers). Eamon Dyas wrote recently about the difficulties the left has traditionally faced in gaining a media presence and the outlook of journalists, including those who think of themselves as on the left makes it difficult for a working class

view to be consistently presented. Too often seemingly left-wing publications pursue an identity or 'human rights' agenda rather than attending to working and living conditions amongst ordinary people or they accept the framework of economic policy which leads to problems for the working class in the first place, namely the 'household budget' view of the national economy.

The working class's interests are represented on a day to day basis by the trade union movement, which also has a broader strategic objective of influencing the Labour Party to adopt policies favourable to the working class and the unions. At the moment, the balance of advantage seems to lie with the Labour Party which offers little or nothing to the trade unions in return for the very considerable financing which they are still prepared to provide to the party. Trade union strength lies within the ability to exert influence within the workplace to advance an agenda of improving wages and conditions, avoiding redundancies, ensuring safe and healthy working conditions and making sure that companies have a good pension scheme. These are all objectives of the first importance and any union that neglects them is likely to diminish in strength and ultimately fail.

In last month's editorial it was pointed out that British trade unions, by the end of the 1960s, had reached a position in which they were strong enough to affect the way in which capitalists conducted their businesses. They had not planned to get into this position and it happened almost unnoticed. Most, with few exceptions, did not know what to do with this power. For many businesses, ignoring trade unions and their members' interests was not an option. Ernest Bevin had anticipated this situation and had a well thought out programme of

exploiting this strength without directly challenging the power of the state. For Bevin and his followers and successors, the most influential of whom was Jack Jones, a successor to Bevin as General Secretary of the TGWU, the union which Bevin had played a key role in founding, this was going to involve accepting that the trade unions were *de facto* a part of the British constitution and the obligations as well as the opportunities that went along with that status. The alternative position within the movement, championed by the Communist Party of Great Britain, associated unionists like Arthur Scargill and sections of the Labour Left, was to use the trade union movement as a vehicle of assault on the state, doing so by pressing economic demands that could not be met by employers including the state, which was still at that time a considerable owner of industries and utilities, with a view to rendering capitalism inoperable. Trade unionists were to be the cannon fodder for this assault on the state.

Thesecond Wilson government's (1966-1970) attempt to deal with this by placing legal constraints on trade unions failed and was superseded by the Donovan Commission's report of 1968, which recommended a milder structure based on collective bargaining for solving industrial disputes. By 1972 militant trade unionism, led by the National Union of Mineworkers (NUM), had succeeded in bringing the Tory government under Edward Heath to heel, inaugurating a more corporatist approach by the Tories (Heath was originally a precursor of Thatcher, but rapidly changed orientation). However, the Tories were again defeated by the NUM in 1973-74 and Heath went to the country on a 'who governs Britain?' platform and

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## Labour Affairs

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narrowly lost to Labour again under Harold Wilson. This time, a different approach to putting the trade union movement into the constitution was tried. The Bullock Report on Industrial Democracy of 1977 offered employee representation on boards of directors of firms with 2,000 and more employees on a '2x + y' formula: x for employee representatives; x for employer representatives and y for other stakeholders to be decided by the two 'x' elements. Employers were not keen and the trade union movement was not united enough to fight for it, despite the efforts of trade unionists such as Jack Jones. A determined union movement would undoubtedly have seen the Bullock proposal put into law, but the moment passed.

Attempts at corporatist solutions to problems of wage-based inflation continued, but without worker representation on boards these succumbed to unions' immediate demands in the context of high inflation and the public impression of a lack of direction and helplessness on the part of Callaghan's Labour government (1976-1979) led to the election of a radical Tory administration under Thatcher in 1979. Bullock and enhanced union power were now off the table, but Thatcher proceeded cautiously, despite her great ambition to cut the unions down to size. However, the attempt of Arthur Scargill, Mick McGahey and the NUM leadership to use the miners as a means to destabilise Thatcher's second government in 1984 led to a decisive defeat for the NUM, which emboldened Thatcher to proceed with privatisation of utilities and further legal restraints on industrial action. The decline of trade union power and membership and the ascendancy of the employers was now underway in earnest. This decline has now been going on for nearly

40 years since the miners' strike of 1984 and no attempt by the trade unions to find a place in the governing structure of Britain, either through parliament or in the workplace has been made since the 1970s, despite the efforts of the outgoing General Secretary of the TUC Frances O'Grady.

Very little reflection has taken place within the trade union movement on the events between 1968 and 1984 with a view to learning from them. Essentially the unions remain a force of protest against employers' ability to enforce their will in the workplace. Britain is a European outlier in absence of union representation on enterprise boards, employment protection is weak, employers have retreated *en masse* from any wish to train their staff and have enjoyed a free lunch of skilled workers from Europe to help them escape their responsibilities. Britain has a low wage, low skill economy with weak employment rights, poor training opportunities and restricted opportunities for remedial industrial action. Such impotence further weakens the power of trade unions. The Labour Party has largely accepted the situation that Thatcher created and has little or no interest in promoting trade union interests, except in some matters of detail. The effect on working class living

standards and quality of life has been negative. Low wages, insecure employment rights, declining pensions and absence of development opportunities all impact on working class experience. Low skill jobs and micromanagement too often mean boring and monotonous work with no incentive for employers to up their game. Low pay, low skill work makes individual workers dispensable and exacerbates job insecurity. Employees who are expensive to train and difficult to fire give employers an incentive to invest in them, not to mention creating jobs that are more worthwhile because more productive. This agenda is still largely off limits for trade union thinking. Unions are quite rightly concerned with wages and conditions, particularly at the current time, but the absence of a longer term strategy is concerning.

Currently we have a Labour Party that is Tory Team B and a union workplace strategy oriented around the notion of protest. 'Management's right to manage' is not questioned. If the labour movement is not to be checkmated both in its approach to parliament and in its work in enterprises, some new thinking is required.

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## Jamie Driscoll banned from standing for re-election as Mayor.

The Labour Party has refused to allow the highly popular Jamie Driscoll mayor for North of Tyne to be on the longlist for the new north-east region mayoralty.

No reason was given as Labour's bureaucracy continues to axe candidates with a smidgeon of socialism.

It transpired that the pretext was that Driscoll had appeared publicly with the film maker Ken Loach.

Ken Loach made three films set in the North East, Jamie Driscoll's region. In March this year, Newcastle Theatre staged a conversation between the two in the series "Live Encounters".

Following the announcement of his banning, Jamie Driscoll was invited on BBC Newsnight and asked brusquely: During your conversation with Ken Loach, did you challenge him on his views on antisemitism? To which Driscoll could only respond, that of course not, it was not the time or place.

The BBC itself proves that: on the same day as that conversation, BBC North East interviewed Ken Loach in a perfectly amiable manner about his films set in the region. No challenge there.

What Driscoll has achieved.

The Guardian journalist Aditya Chakraborty, writing about this, reminisces when back in 2019 in the Northumberland coastal town of Newbiggin:

"I watched this stubbly, scruffy, upbeat outsider doorknock around an estate of small houses and exotic garden statuettes, to a reaction chillier than the wind whipping in from the North Sea. For decades, this had been Labour country, where that political tradition ran through the local economy, its institutions and people's very identities. But over the past 50 years all that had been destroyed and now it was the land of Vote Leave, desolate and nihilistic. If residents spoke to canvassers at all, it was to spit out statements like "I don't follow politics".

After more slammed doors, one activist sighed: 'Policy doesn't matter here. They've forgotten what government can do.' For all Driscoll's ideas and energy, I wrote at the time, his biggest challenge would be closing the vast gulf between the governed and their governors."<sup>1</sup>

Driscoll has created jobs in the area; he has taken steps to 'close the vast gulf between the governed and their governors.' He has actually played a part in levelling up.

Starmer it seems will stop at nothing to appear 'safe' and more conservative than the Conservatives. If he dares to open his mouth to advocate 'levelling up', people might remember his treatment of one with an admirable record in this field.

## The International Labour Organisation and the Minimum Service Bill

From Morning Star, June 20, 2023.

### UN watchdog condemns anti-union Strikes Bill by Matt Trinder, Industrial reporter

The United Nations launched an "embarrassing" attack on the Tory government's latest assault on unions and the right to strike yesterday.

In a rare but damning intervention, the International Labour Organisation (ILO), the UN workers' rights watchdog, reminded Downing Street that its legislation must comply with international law.

The agency instructed ministers to seek technical assistance from ILO staff and report back on progress in September. It is the first call of its kind to be applied to Britain in nearly three decades.

The ILO directly rejected claims from ministers that the body backed the widely condemned Strikes (Minimum Service Levels) Bill, which is currently going through Parliament.

The legislation would empower bosses, and even ministers, to sack workers who refuse to cross picket lines and provide an as yet undefined minimum service level during walkouts in key industries, including health, transport and education.

The threatened move has been condemned by the labour movement, MPs and peers of all parties, unions across Europe and international rights bodies as a draconian step that would leave Britain as an international outlier.

TUC general secretary Paul Nowak said:

"This is hugely embarrassing for the Conservative government and speaks to the scale of anti-union attacks on their watch.

"The right to strike is a fundamental freedom, but the Conservatives are attacking it in broad daylight with the draconian Strikes Bill.

"Ministers have been falsely claiming the ILO's support for a spiteful piece of legislation which only serves to drag us further away from democratic norms. The truth is that the UK already has some of the most restrictive trade union laws in Europe. These new anti-strike curbs will poison industrial relations and do nothing to resolve current disputes.

"It's time to ditch the pernicious strikes Bill for good and protect the right to strike."

The ILO also repeated its call for the government to review the 2016 Trade Union Act, which imposed yet another layer of expensive and complicated bureaucracy on union activity following decades of Tory and New Labour attacks on workers, and for ministers to "consult more" with unions and employers on legislation.

And it added that unions should also be allowed to use electronic ballots instead of slower and more expensive postal votes.

<sup>1</sup> <https://www.theguardian.com/commentisfree/2019/apr/19/newcastle-radical-metro-mayor-corbynista>

## Minimum Service Bill (3)

21 June 2023 House of Commons—Hansard.<sup>1</sup>

The Minimum Service Bill is not just ludicrous, it is also authoritarian. Having no opposition to speak of, the government acts as if it can do what it likes.

[Justin Madders \(Ellesmere Port and Neston\) \(Lab\)](#) He currently undertakes the roles of Shadow Minister (Business and Industrial Strategy), and Shadow Minister (Future of Work).

Thank you, Mr Speaker. I draw the attention of the House to my entry in the Register of Members' Financial Interests.

Today, we consider a number of Lords amendments that will go some way towards making the Bill slightly less draconian than it currently is, but will not make it a Bill that we can ultimately support. I start by paying tribute to Members in the other place who have done their best to ameliorate the Bill with the sensible amendments that we are considering, and which we will be supporting. What those Members understand is that the Bill is the act of a weak Government who have lost the authority and the will to govern for everyone; a Government who prefer legislation to negotiation, diversion to resolution, and confrontation to consultation. How Ministers have the gall to come to the Dispatch Box and talk about the importance of minimum service levels when we have seen the decimation of our public services under this Government—with a record 7.4 million patients left on waiting lists, record teacher vacancies, and ever-increasing response times to calls to the police—is beyond me.

[...]

[Richard Burgon \(Leeds East\) \(Lab\)](#)

<sup>1</sup> [https://hansard.parliament.uk/Commons/2023-06-21/debates/258A03B6-4C90-4CE2-83D9-B0BF35545FF8/Strikes\(MinimumServiceLevels\)Bill?highlight=minimum%20service%20bill#contribution-562F889A-F418-4006-A8AF-492AFF342258](https://hansard.parliament.uk/Commons/2023-06-21/debates/258A03B6-4C90-4CE2-83D9-B0BF35545FF8/Strikes(MinimumServiceLevels)Bill?highlight=minimum%20service%20bill#contribution-562F889A-F418-4006-A8AF-492AFF342258)

I will briefly touch on the reasons why I think it is important that this elected Chamber does the right thing and rejects the Government's opposition to the message from the other place. I will focus on two amendments—Lords amendments 4B and 5B—that go to the heart of this matter and the heart of this pernicious Bill. They relate to the protection of employees and protections for unions.

The context for this Bill, as have said before, is that we have a Government who are increasingly desperate, draconian and authoritarian. We have seen that in the restrictions on the right to peaceful protest and on people's ability to cast a vote at elections, and now we see it with this draconian attack on trade unions. How can anybody in this place believe that it is in any way acceptable for workers to be sacked if they fail to cross a picket line in a strike that has been lawfully called and conducted, even under the restrictive and onerous requirements we have in this country? How can that be viewed as acceptable in any way?

I will conclude on the protection for unions. I do not want to detain the House for long, because a few people want to speak and there is limited time. Lords amendment 5B is fundamentally necessary because the Bill is an unprecedented attack on the role of trade unions in our society and our democracy. The Minister should not need to have it explained to him that trade unions in our society are independent bodies representing workers. Trade unions in our democracy are not meant to be agents of a Government. They are not meant to be agents of an employer. They are not there to ensure that the bidding of a Conservative Government or a big corporation is done. Unless Lords amendment 5B is backed, unions will be required to take steps to persuade their members to cross picket lines and go to work during lawful disputes, or they will face gargantuan fines.

That is truly chilling. It changes the role of trade unions in our society. That is no small matter; it goes to the very core of what the trade union movement in this country has been about for hundreds of years. Failure to support Lords amendment 5B is a failure to stand up for a basic democratic principle. Conservative Members can snigger about it, but there was a time when even Conservative MPs understood the independence of trade unions.

Let us be clear: the Bill allows the Secretary of State or an employer to set minimum service levels and to issue work notices requiring workers to break a picket line and go into work, and unless we back Lords amendment 5B, the Bill will require trade unions to help the Government and the bosses to achieve that aim. It is draconian and anti-democratic. It should be opposed by everybody in the House, whether or not they are a socialist, a trade unionist, a Conservative Member, a Labour Member or a Member of whatever party. It should be opposed by anybody who believes that trade unions in our democracy are there to represent the will of the workers and their members, not that of the Conservative Government or the boss of a company. It is basic democratic stuff that takes us back hundreds of years. The legislation needs to be resisted if we in this place have any respect whatsoever for our democracy and the democratic role of our independent trade unions, which are there to support the workers, not to support the Government or bosses against their will.

[John McDonnell \(Hayes and Harlington\) \(Lab\)](#)

All I can say about legislation like this is that the Government should be careful what they wish for. This is possibly the most significant piece of trade union legislation introduced in this country for a century—right back to Taff Vale—because it strikes at the basic human right to strike.

Because it is so significant, wise people in the House of Lords—I rarely say that—have tabled Lords amendment 2B. All they are saying to the Government is, “This is such a significant piece of legislation that you really do need to consult on its detail and implementation.” Without that detailed consultation, I think that a whole range of problems will be exhibited.

I will give one example from my constituency, which I have raised before. How can there be a minimum level of service for air traffic controllers? It does not exist. Therefore, in effect, the legislation means that constituents who are air traffic controllers will not have the right to strike any more. If that is what the Government want, they should be honest and explicit about that.

Again, the Government should be careful what they wish for. Individuals who are trade unionists will see the Bill as the withdrawal of their right to strike, because at any time an employer will be able to say to that individual, “You have got to work.” If that individual says, “Well, I want to go on strike,” they could be sacked, and they would have no protections left in law. That is an attack on the basic right to strike. What will those individuals do? Large numbers of them will not comply. Then what happens? It will escalate into an even more significant dispute.

The legislation also says to a trade union, completely contrary to three centuries of history, “You will be required to discipline your members for not working.” That basically means that the Government will cause conflict within that particular union, or across the trade union movement overall. Maybe that is what the Government are all about.

When the legislation was brought forward, I thought that the motivation for it was one of two things. The first possibility was that the Government were panicking because of the scale of industrial action taking place, not

realising that the vast majority of those industrial disputes would, as always, be settled by negotiation. That is what has happened with most of them. If it was not panic, it was something more sinister. It was Ministers thinking, “Why waste this opportunity? Why not bring forward the legislation that we have wanted for generations to undermine the right to strike?”. If that was the Government’s motivation, I tell them that they cannot implement legislation, no matter how hard they try, if it goes against the grain of our history, which is to respect workers’ rights, because those have been fought for over generations.

The Bill will exacerbate the industrial relations climate in this country. The Government should at least accept the Lords amendments, because they go some way towards establishing a piece of legislation that may be seen as implementable through consultation and through the protection of rights. If they go ahead like this, I can see nothing but further conflict. That will undermine the commitment across the House to try to develop a growth economy again, rather than one held back by disputes, some of which have been engineered in recent times because of the cost of living crisis.

Chris Stephens Chris Stephens is the Scottish National Party MP for Glasgow South West, and has been an MP continuously since 7 May 2015. He currently undertakes the role of Shadow SNP Spokesperson (Levelling Up).

I, too, refer the House to my entry in the Register of Members’ Financial Interests. In opening the debate, the Minister skirted round amendment 4B and just said that the Government were opposed to it. A number of us intervened at the time, but I really do think that he needs to consider the Government’s position carefully, particularly on that amendment, because it gets to the heart of the Bill and why so many of us are expressing concerns about the attacks on natural justice

and on human rights.

Lords amendment 4B asks that employees receive a work notice in good time. It seems fairly uncontroversial that a work notice should be issued to a worker in good time if they are to attend their work. If we do not accept the amendment, we will end up with a scenario where someone returns to work after a day of industrial action and is told they are being dismissed with no evidence whatsoever that they have been given a work notice. Of course, the Government do not want to give the responsibility for the work notice to the employer, so the employer will have no obligation at all to serve an employee with a work notice, but they could dismiss them the very next day after industrial action.

Let me emphasise that the employee would have no recourse to an employment tribunal. Surely it is a fundamental human right, and fundamental to natural justice, that if a worker is dismissed, they have recourse to a tribunal to challenge that decision. That, to me, seems fairly self-evident and obvious, but the Government are allowing a situation where rogue employers will be able to dismiss a worker for taking part in industrial action with no recourse to a tribunal, and they will not need to evidence the fact that that worker was served with a work notice.

The Government find themselves in a preposterous situation by opposing Lords amendment 4B, so I hope that the Minister will be able to answer some of these questions. Is it really the Government’s position, as I have outlined, that it is okay for an employer to dismiss those on strike and that they will not need to provide evidence that the employee was obliged to go into work? It is ludicrous.

The vote took place, the Tories having a majority won. The Bill will go back to the House of Lords.



## Mick Lynch at the RMT Conference

[Since Mick Lynch made this speech, the government have announced the closure of all ticket offices.]

RMT Press Office:

In his annual address to RMT AGM, general secretary Mick Lynch said:

“The RMT is sound, robust and in good shape to meet the challenges ahead.

“However, we cannot be complacent because the challenges are significant.

“With the ongoing threat of job cuts, and members who are suffering in this cost-of-living crisis, we have a government intent on deliberately creating an economic recession.

“We need the right strategies and systems so we deliver an effective political and industrial punch when required.

“We have a high profile, not just in the labour movement but in society as well.

“Not everyone likes us, but we are widely respected and that gives our members an advantage in their workplaces.

“When I spoke last year, we had embarked on one of the biggest waves of industrial action in our union’s history, with 53,000 members across Network Rail, the 14 train operators and London Underground all involved.

“That is 65 percent of our membership taking action all at once. Some have said the RMT has revived the trade union movement, putting our values and our politics back into the mainstream in this country. We can all be proud of that.

“Even though we have not sought a leadership role, by the actions of our members, we have led the labour movement. We are the most active and high-profile union in the country. Where we lead, others follow.

“We have repeatedly smashed trade union ballot thresholds, and we continue to use new organising techniques to achieve that which has confounded the employers and government.

“They thought this time last year that the public would hate us and that we would be out of this fight quickly.

“We are not giving up on this struggle. Our members remain committed to the action we will be taking, and they remain committed to our campaign.

“In our continuing dispute with the train operators, we won’t take lectures from unelected Prime Ministers and millionaire politicians and employers about balloting our members.

“These are the same people who are accountable to no one and have wreaked havoc on our railways in places like Avanti and TPE.

“The reason we are still in this dispute, is because they want to end our strike mandate before we had even started discussing the changes they want to make.

“We have achieved much, removing the threat of driver only operation from the proposals and no ticket office has closed. There have been no cuts to catering or fleet engineering. And no compulsory redundancies.

“However, they remain intent on butchering our railway system. They are intent on butchering our railway jobs and that’s why we need to redouble our commitment and stand up and fight until we get the result we deserve.

“Where we have made progress industrially on our objectives such as in Wales and Scotland, we have not had the Tories calling the shots. We haven’t had to face the ideological hatred of trade unions from the governments there.

“RMT will remain unaffiliated to any political party, but we will be fully engaged and involved in politics.

“It is fully clear that is in our class interest and the direct interests of our members to get rid of this Tory government and replace it with a Labour government.

“It will be Tory or Labour - that is the simple truth. It would be a catastrophe for our industry, our

members and our class if the Tories got in again.

“And it is my view that we have to do everything within our power to make sure the Tories are not in government at the next general election. Imagine, how you will feel when you wake up on that election morning for your super early shift, and you find out they are back in again. That will be the worst ground hog day you have ever experienced during your service in transport.

“The Tories are vicious in the pursuit of their class interests, and we have to be strong in response.

“The trade unions must now in this time and under a new government exert themselves as an independent working-class movement.

“And we will put every politician whether they are in Scotland Wales the councils and the mayors, wherever they are, under extreme pressure.

“You can’t cosy up to them and hope they will do you a favour.

“We have used the last year to present a different vision for transport. Bus road and maritime and rail - run in the benefit of the passengers and the workers.

“That is our vision, and we must always fight for it.

“November this year is the 30th anniversary of the legislation that privatised our railways.

“It is our efforts that have ensured that policies of nationalisation are incredibly popular, with the people of Britain.

“We are fighting to win today’s industrial and political battles in order to win a better tomorrow for our people and for all workers.

“We remain committed to our traditional values of solidarity and equality - of peace and unity - for socialism and a better world for all. Let’s stick together in the face of any challenge and build our union - strong, diverse and unified.

“Let’s go forward unafraid and able to put up a fight because that gives us the opportunity to win.”

# Who was who and what was what in industry and politics in the 1970s.

## Glossary

From Problems of Capitalism and Socialism special series on the Bullock Report, Number 2

**AUEW:** Amalgamated Union of Engineering Workers led by Hugh Scanlon (see below). An uneasy amalgamation of engineers, builders, foundry workers and white collar workers (TASS). TASS, which was Communist Party dominated, split away and merged with the Association of Scientific, Technical and Managerial Staffs (ASTMS) to form the Manufacturing, Scientific and Finance union (MSF).

In 1992 the AUEW merged with the EETPU (see below) to form the AEEU. This, in turn, merged with the MSF in 2001 to create the present day Amicus—whatever that means.

**British Leyland:** By 1976 the bulk of the car industry, except for Fords, was amalgamated and nationalised as British Leyland. It produced such lines as Mini, Jaguar, Land Rover, Austin etc. Leyland Cars employed 128,000 workers at 36 sites and Leyland Trucks and Buses employed 31,000 workers at 12 sites. The company produced many other related products.

**CEB:** Central Electricity Board, proposed by Plowden to further centralise the industry under one Board. It was to comprise the Central Electricity Generating Board (CEGB) and the 12 Area Electricity Boards. Legislation for this was going through Parliament when the Government fell in 1979. The Thatcher Government went instead for privatisation. The CEGB was divided into Powergen, National Power, National Grid

and Nuclear Electric, and a myriad of electricity distribution companies. Only Nuclear Electric remained in the public sector.

**EETPU:** The Electrical, Electronic, Telecommunications and Plumbers Union was formed in 1968 in a merger between the electricians' union and the plumbers. The electrician's union was a major power base for the Communist Party. But in 1961 some Party members led by Les Cannon and Frank Chapple exposed ballot rigging and took the union to court. They then led it in an ever right wing direction. A problem for the ideological left is that the idea of principled compromise is out of the question. They only see sell out. So when they react against their Party position they do indeed sell out. Chapple took over the union in 1966 and promoted the policy of privatising the entire state sector.

**EPEA:** Electrical Power Engineers Association, founded in 1913, represented the top echelons in the electricity industry. In recent years the union has been very much involved in promoting ESOPs—Employee Stock Ownership Plans, especially during the privatisations. It was involved in a plan to completely buy out a power station in Northern Ireland by managers and workers.

**GMWU:** General and Municipal Workers Union was formed in 1924 and largely duplicated the work of the Transport and General Workers Union. After merging with the boilermakers it became the GMB. Union mergers have as much to do with rivalry within industries as with common sense. The boilermakers, very much based in the now almost defunct ship building industry,

would be expected to unite with the sheet metal workers and/or the engineers. But not 'til hell freezes over! The union became notorious in the labour movement in 1970. It was run by Lord Cooper. Its largest branch was the glassworkers branch at the Pilkington glass plants in St. Helens, with 7,400 members. The workers went on strike and the union refused to support them. For a brief period there was an independent General Glass Workers Union. Cooper had a string of directorships and was involved with the Atlas Foundation, a CIA funded organisation.

Hugh Scanlon and Jack Jones were the two most important trade union leaders in the 1970s.

Many have reasonably said that they were the two most important people in Britain, politicians included. Scanlon wrote the first pamphlet for the Institute for Workers Control. But after that he went cool on the matter and opposed specific policies to implement industrial democracy, especially the Bullock report. He implied that such schemes never went far enough: his was left wing oppositionism. Hugh Scanlon joined the Communist Party in 1937 under the influence of the Spanish Civil War. (Jones was also influenced by that conflict and went to Spain where he was wounded in the Battle of the Ebro.) Scanlon left the CP in 1954 but remained in the CP front organisation, the Broad Left. The Broad Left was the springboard for the rise of many future politicians, e.g. Charles Clarke. Scanlon became leader of the engineering union in 1968 and retired in 1978 going into the House of Lords as Baron Scanlon of Davyhulme.



**Industrial Relations Act.** This was introduced by the Conservative Government of Edward Heath. It registered unions and employers organisations and set up an Industrial Relations Court under Lord Donaldson which had the power to jail anyone in breach of the Act. Its jailing of some dockers' leaders caused uproar and the Act began to fall into disuse. By 1972, the Heath Government changed its tack and sponsored Tripartite discussions and agreements between Government, unions and employers. But the unions decided for the most part to hold out for a change of government which would be more favourable to them. Heath went to the country in 1974 on the slogan "who runs the country"—the Government or the unions. He lost, and lost again more heavily in another election called later in the year. So the unions had a mandate!

**In Place of Strife:** This was a Labour Government White Paper introduced by the very left wing and very popular Minister, Barbara Castle, in 1969. It proposed that there must be a ballot before strike action and that there should be an Industrial Board to enforce settlements of disputes. It was the first political acknowledgement that the balance of power had shifted in favour of the working class and that the law had to be reformed to reflect that situation. Union experience of labour laws had been that they were always designed to curtail their activities in favour of the employers. And though this proposal was not in that category, they opposed it in favour of the status quo, which kept industrial disputes outside of any legal framework. In the Cabinet, the future Prime Minister, James Callaghan, led a successful opposition and the measure was dropped.

**The Sankey Commission:** The British coal industry in

the 19th century was a byword for incompetent management, dangerous conditions, and near feudal practices. During the Great War the Government took control of the industry to ensure supplies. After 1918 there was great unrest among the miners as they sought to maintain the conditions they had achieved during the War. To quell these disturbances, Prime Minister, Lloyd George, set up a Commission on the future of coal under Lord Sankey. It was composed of 50% union representatives and included socialists like Sidney Webb and R.H. Tawney. It recommended the nationalisation of the coal industry. This was rejected by Lloyd George and he handed the mines back to the private owners.

**Whitley:** John Whitley was Liberal MP for Halifax from 1900-28. He made a report to Parliament in 1917 on industrial relations which led to the setting up of Whitley Councils – joint worker-management discussion councils. They were a direct response to the rise of the Shop Stewards Committees and the fear of the development of Soviets, especially in the engineering industries. They never took off in the private sector but they did become a regular feature in the public sector, especially in the Civil Service and the clerical areas of local government.

**Nationalised industries:** In the 1970s there were swathes of the population, especially in the North of England, who barely came into contact with the private sector. People worked for a state enterprise, lived in a local authority home, travelled by public transport, and shopped in the Co-op—indeed were buried by the Co-op. The privatisation which took place in the 1980s and 90s, and later, not only transferred many sectors to private hands but deliberately destroyed several former state companies in coal,

steel, shipbuilding, etc. The Co-op was reduced greatly and, for the most part, operated like private companies where it continued to exist. This was facilitated by the encouragement of the supermarket chains through legal and planning measures. (At the moment a similar process is being proposed for France by President Sarkozy. In Iran its proposal by the Shah and the Americans was a major factor in getting support for the Islamic Revolution.)

Here is an (incomplete) account of the level of publicly owned enterprises existing in the 1970s.

Central Electricity Generating Board and the Regional Electricity Boards. The BBC. London Transport. British Airways. The National Coal Board (all mines with more than 30 workers). Bank of England. The GPO (including Cable and Wireless and British Telecommunications as well as the Royal Mail). British Railways. British Road Services (with about 40% of road haulage). British Waterways Board (rivers and canals as well as general water and sewage). Thomas Cook Travel. National Health Service. British Gas. British Steel (there remained a couple of private steel companies). Rolls Royce Aerospace. British Leyland. British Aerospace. British Shipbuilders. Many other services were owned and operated by the local authorities – especially housing, which kept private house prices low as well as providing a very large rented sector; it also provided for mobility with schemes for house swaps.

See Problems of Capitalism and Socialism special series on the Bullock Report, Number 2. [http://free-magazines.atholbooks.org/problems\\_2/Problems\\_2.pdf](http://free-magazines.atholbooks.org/problems_2/Problems_2.pdf)

# Workers Control

In 2008 Conor Lynch and Joe Keenan devoted a series of 6 issues of our magazine “Problems of Capitalism and Socialism” to Workers Control. They reproduced documents of the time pro and against Workers Control, with commentary, including statements by the Institute for Workers Control, which, despite its name, did not support workers control when it came to it. The series shows that the working class were not helpless ‘victims’ of Thatcher: they had agency, they could have warded her off by directing their actions differently when they had the power to do so.

Jack Jones wrote an introduction for the series:

## **Introduction by Jack Jones**

The great power of the trade unions and sympathetic Governments in the late 1960s and the 1970s provided an opportunity for the working class in Britain to start becoming the ruling class. These conditions were the result of the social and economic reforms introduced by Clement Attlee and Ernest Bevin following the second World War. The Government was prepared to admit the unions as equal partners in planning the economy. The Bullock Committee, on which I had the privilege to sit, was set up under terms of reference devised by the Trades Union Congress and recommended a parity of power between employers and unions on the boards of large private companies.

Another committee was set up by civil servants to deal similarly with the public sector. The opportunities offered were unfortunately not taken up in the wider union movement and

Britain moved in a Thatcherite direction. This all happened over thirty years ago. A whole generation does not know about these things or about the world as it was at this time.

I am glad therefore that two of the workers’ control activists of the time, Joe Keenan and Conor Lynch are publishing an account of these times and these events as a series in their magazine “Problems of Capitalism & Socialism”. I am also pleased that most of the material will be in the form of reprinting journals, pamphlets, and articles from that era. This will not only inform this generation but to some extent help it to experience the arguments, the controversies and the atmosphere of that period.

Jack Jones, January 2008

(Note: The Bullock Committee was set up in 1975. Editor)

The whole series is available on the Athol Books website: [http://free-magazines.atholbooks.org/problems\\_2/Problems\\_1.pdf](http://free-magazines.atholbooks.org/problems_2/Problems_1.pdf). The extracts below of election manifestos, magazines of the time and commentary will give an idea of the contents.

Workers control was a possibility at the time because capitalists were weak, and the unions were strong; the state was still deeply involved in the economy, from the time during the second world war when a working class man, a union man, Ernest Bevin, had been in charge of economic affairs.

The weakness of capitalism at the time.

Industry was in decline, with a lack of investment and a loss of competitiveness internationally.

“The central political issue

of the late sixties and seventies in Britain was the power of the working class which had completely undermined management’s right to manage and had demoralised a bourgeoisie which was no longer prepared to make the necessary investment in machinery, plant and training to reverse a long-term decline in industrial productivity. This fundamental imbalance between irresponsible labour and impotent capital generated wage-led inflationary crises and constant political turmoil. It was clear that power and responsibility had to be reconnected within one or the other economically active classes before society collapsed into either purposeless revolution or reaction. And that, precisely that, was the issue in the general elections of February and October 1974”.

The Tories acknowledged it in their 1974 election manifesto, putting the blame entirely on the government and the unions:

“Our taxation and industrial policies will therefore be designed to encourage firms to invest more money in new plant and machinery in our factories. It is here that we have fallen behind other industrial countries. In the last few months, investment and industrial confidence have received a terrible and deliberate battering. Taxation has clawed back much of the cash which industry needs. Threats of nationalisation have destroyed confidence. It is time to call a halt to these immensely damaging policies...”

A previous report, the Plowden

report, had acknowledged the situation:

“From North London WC group “From Plowden to Bullock” 1976

What we have today is a dual power situation; a stalemate in which the class responsible for managing industry cannot deliver the goods, and the only class which can deliver the goods has no say in management. It's a stupid situation that can only be resolved by workers demanding and taking control of industry and using it to ensure efficient use of the resources inefficiency is squandering. Dual power and inefficiency are common to both the public and the private sectors. There is only one solution in both sectors – Workers Control.”

The text continues:

The TUC's report on industrial democracy is just such a principled compromise. While it can be twisted any which way on paper, by either right or left, in practice it can lead only to real, effective workers control; which neither right nor left want in any shape or form. Both really want to preserve the present stalemate. The left because it needs to direct its activities to doing down the employers and is even prepared to prop them up in order to continue doing so. The right because its only reason for existence is to defend the employers (they not being capable of defending themselves) against vicious, ‘unnecessary’ left wing attacks.

There will be no need for either concern under workers' control, when workers themselves will determine manning levels

and wage rates. When all the paraphernalia of restrictive practices which the working class has accepted to date as defences against predatory entrepreneurs go out the window, when workers themselves are demanding maximum productivity on their own terms, in their own interest.

Then we will require a vigorous, offensive trade unionism, dedicated to maximising production efficiently. Unions then will be involved in directing resources—labour, capital, raw materials, plant and machinery—where they will be most needed. They will co-ordinate nationally the activities of worker controlled industries.

Fair enough, ideally, the TUC shouldn't be bothering its head about 50% participation in either the public or the private sector. It should be advocating 100% control. But, when you get right down to it, it's not numbers that matter. It's the support workers' representatives can mobilise against the employers' representatives—and that's overwhelming. Immediately, they can count on the backing of the workers in the industry and, if need be, can call on the entire working class. What forces has any decrepit management to throw into the ring against that kind of opposition? What punter worth his copy of last week's ‘Sporting Life’ would bet against the workers?

Again, ideally, the TUC should be advocating that workers' representatives should involve themselves in all areas of policy making, including wages and conditions. But again, in practice, what workforce involved in a dispute over wages and conditions is going to let its representatives off the hook?

[...]

However willing it may be, no Labour government can institute industrial democracy simply because it likes the idea. The impetus for reform and the muscle to back it up must come from the organised workers of the Labour movement. Bullock's job is to sound out the feeling in the country. Ours is to organise that feeling and give it concrete expression.”

The following issue of Workers and Industry summarised the situation:

“Workers and Industry 7 May 1976

Britain's economic crisis is the result of deadlock.

The employers no longer have the power to manage industry efficiently and profitably. The workers now have that power but use it in a negative fashion.

While this further demoralises the employers, it does nothing to ensure the development of a strong and prosperous economy. It is now time for the workers to end this deadlock by taking effective steps towards replacing the employers as the rulers of industry.

Such steps involve workers immediately demanding the right to hire and fire management, to supervise management's activity and determine its priorities.

Workers' Control is the only way forward and out of the crisis.

Jobs are safe only when the economy is expanding; and new jobs would be created daily in industries run by the workers.

Standards of living would rise with productivity in industries run by workers, when workers determine how much goes to wages and how much to investment.

Only workers themselves can ensure economic expansion



and so safeguard their jobs and living standards.”

Workers Control is about workers developing the habit of being rulers:

“Workers and Industry May 14, 1976

That’s what industrial democracy is about. It’s a period of joint control in which workers will inevitably gain experience of wielding their immense industrial power positively in pursuit of definite economic objectives which they will be in a position to determine themselves. Industrial democracy is about workers learning the skills they’ll need in order to devise realistic and efficient policies which promote both their interests and the interests of the economy and society at large. Its about workers taking on the valid social functions which the employing class is no longer capable of performing and themselves forcing the pace of technological change and economic and social progress.

Above all industrial democracy, the period of common consent and joint control, is about workers developing the habit of being rulers. Workers will soon get used to exercising power to achieve constructive, predetermined, ends. before long they’ll have all the self-confidence they need to sweep the employers entirely aside and assume complete control.”

### **More on the use of power:**

#### **The use of Power**

Workers’ Control as a matter of political strategy is not about the right of workers to be involved in consultation exercises or decision making processes at shop floor or board level in industry. As a matter of fact it is not about rights at all.

Workers’ Control is about power and nothing else. It is all about power.

Workers’ Control is about power in precisely the way that Ernie Bevin was about power. In the course of winning the anti-Fascist war in Britain and fitting-out Britain to play some part in winning that war abroad Bevin established all the elements of working class life, from trades unions and Methodist chapels to working men’s clubs and music halls, at the heart of British social life. In just the same way that the acknowledged routines of social power in the First World War were middle class by origin, training, manning, accent and inclination the force that infused the second effort wore cloth caps and hob-nailed boots.

Historically British society is adversarial; so much so that its managers often have difficulty in making a pattern out of the war of each against everybody else which occupies so much of their social space. Margaret Thatcher couldn’t see it at all, famously declaring in an interview with *Woman’s Own* in 1987:

“There is no such thing as society: there are individual men and women, and there are families.”—then moving on with policies to undermine the economic basis of family life.

For almost forty years the working class, by sheer combative reflex, was on top of the zero sum game of British politics. Unfortunately that combative reflex was never absorbed in reflection to become a body of knowledge providing workers with a programme for imposing their collectivist instincts on the bourgeois morass. While he lived Bevin was the closest thing the British working class has ever had to a

programmed body of knowledge. After his death it lived on for some time in the great union he founded and built. Elsewhere the class reverted to brute force and an ignorance which to say the least suited many of those who were supposed to be providing it with political leadership.

Back in the day, having shared in winning the war on the back of working class social power the British state had no immediate choice other than to acquiesce in Bevin’s consolidation of that power as a Welfare State. It had no choice because if it was to remain true to itself it had to abide by the one rule of the zero sum game of British politics—to the victor the spoils.

Britain’s welfare state was an acknowledgement on the part of its ruling class that working class power entitled workers to rights. Though these may have been mostly negative rights in the first instance, such as the right not to die screaming in a Poor House or on a charity ward, they very quickly acquired a positive character, transforming the quality of life of individual workers and the political prospects of the class as a whole. But this, though rooted in power, was all perceived as a question of abstract right and was tenuous thereby.

Bevin would have had it otherwise. He would have had the welfare state develop as a logical outcome of working class power, in such a way that just seeing itself in the light of such power relations would impel the class to the further consolidation of still greater power. To that end Bevin asked the unions to manage the welfare state. And the unions, probably blinded by the rights, certainly frightened by the responsibility, refused.

## Work Ethic

Its work ethic was the point at which the British working class asserted its humanity against the reductionist crudities of the capitalist division of labour. Workers who could control nothing else in their working lives could at least decide how well or how poorly they performed their allotted tasks at the point of production. Where and when they decided to take a pride in their work was the moment that determined them to combination and collective action. Wreckers don't form unions and struggle to secure their future. Workers taking a pride in themselves and in their work do precisely that. It is precisely so that working class confidence and power was built, precisely in the loss of all such that the New Labour cancer developed and spread.

Opposition to Workers Control from the unions.

(From TUC report 1976)

"The traditional British trade union attitude to schemes for 'participation' in management of private industry has been one of opposition. It has been considered that the basic conflict of interest between the workers and the owners of capital and their agents prevents any meaningful participation in management decisions. The reasoning behind this opposition has varied from the claim that the trade union's job is simply to negotiate terms and conditions and not to usurp the function of management, to the proposition that trade unions should not be collaborationists in a system of industrial power and private wealth of which they disapprove..."

Another attempt to solve the stalemate.

## In Place of Strife

Conor Lynch

Two months after the War in Europe ended, Winston Churchill called a general election. The Labour Party won by a landslide. The Party, led by Clement Attlee and Ernest Bevin set about transforming the social and economic relations in the country. They set up the Welfare State and the National Health Service. They bought out the owners of the commanding heights of the economy and nationalised them. All this was done at a moment when Britain was deeply in debt to the Americans for war supplies—a debt only finally paid off a few years ago. The mobilisation for war had put millions into the armed forces and redirected industry to wartime production. Many cities had suffered bombing damage and a huge house building programme had to get under way. Yet Labour achieved all of its goals. It shows that the apparent lack of money is no barrier to social reform.

The Conservatives under Churchill returned to power in 1951 and retained power until 1964. But apart from the privatisation of steel production (renationalised by Labour in 1967) the Tories left the structures established by the post-War Labour Government intact. In some areas, housing in particular, they vied at elections with Labour to promise yet more social provision. And they delivered. The withdrawal from the colonies continued apace—with the resulting development of a national mindset which was beginning to see a Britain focused on matters at home rather than abroad.

The Government did attack Egypt over the latter's

nationalisation of the Suez Canal—with the help of France and Israel—in 1956. The thing was a fiasco and the Americans opposed the attack. The Tories were ruthless in getting rid of the leaders responsible. But the national Psyche cannot be changed in a generation. First, Margaret Thatcher, and then Tony Blair revived the imperial spirit of the nation and gave the country the steady stream of wars that it has conducted over the last 18 years.

By the time Labour returned to power in 1964, Britain was, at the very least, a semi-socialist state. But one which had brought almost all parties to accept the social democratic rules of the political game. Democratic socialism, in other words. A result of all this was that the organised working class, i.e. the trade unions, had extended their power beyond their wildest dreams. They could get almost whatever they demanded and do almost whatever they desired. Strikes within most industries were a foregone conclusion where they were caused by a dispute between management and labour. More and more they took the form of battles between the unions and the Government at the bar of public opinion.

So, when the seamen struck in 1966 (under the leadership of, among others, one John Prescott) the fight was for public support. In this case the Government won. The Government did not win in the series of strikes by coal miners between 1974 and 1981.

After the seamen's strike the Labour Government saw clearly that this kind of public industrial warfare was going to get nowhere. Already they had been talking about a prices

and incomes policy to ensure a steady and even rise in living standards which would avoid inflation:—avoid the situation where higher prices gave rise to higher wage demands and vice versa. Barbara Castle, probably the most left-wing member of the Government, and in her last years a thorn in the side of Tony Blair, introduced a Bill called *In Place of Strife*. This was intended to put labour relations within a legal framework. There was an instinctive suspicion of this since in the past legislation to do with unions was always to their detriment and they only wanted legislation which dismantled previous legislation.

Castle tried to explain that things were different now. That the unions were the new power in the land and that their power required an equivalent share of responsibility. The unions rejected this and believed that the old methods of confrontation were the best. Their power and their unity was growing steadily and opportunities for squeezing the employers (state or private) seemed endless. Some trade union leaders, like Jack Jones, began to worry. The unions may have been powerful, but some were more powerful than others. The cake, (ever-expanding or not) was not being divided up evenly.

On top of this the political leadership which the working class looked to also thought, or pretended to think, that the possibilities under free collective bargaining were endless and encouraged the unions. The people who were the theoretical leaders of the coming Workers Control movement, Ken Coates, Tony Topham and Michael Barrett Brown, opposed any legal working out of the new balance in class relations. They were

supported by left wing agitators such as Neil Kinnock—later to become a disastrous leader of the Labour Party.”

Workers Control was a solution to the problem; it was opposed by some if not all Tories, but also by some unions and by some political groups that claimed to be defending the working class; the rank and file when it was not influenced by political groups was not militant for it.

The Bullock report died the death; it was the last effort to resolve the stalemate between workers and managers in favour of the workers, before Thatcher solved it the other way.

The series concludes:

### **Labour in Retreat**

“Between them, Bevin, Citrine and Attlee established the preconditions of the Labour Government of 1945-51 which began an explosion of working class confidence, living standards and organisational power that continued for thirty years and then took almost another thirty to wind down and be put into reverse. The context within which they worked was the essential condition of their success—1931’s detailed rolling up and rout of the joint forces of the Progressive Movement.

It is no coincidence at all that the collapse of the Labour Movement that Bevin, Citrine and Attlee built up from the ruins of a Liberal-Labour project has seen the resurgence of that project. The return of New Liberalism within a Labour shell is not a mysterious thing.

The only mystery is how so much of the Labour Party watched and listened, but saw and heard nothing of what it was being shown and told. And now has the nerve to complain of ‘betrayal’; some weird generic

form of betrayal that, from the outset, outlined the future course of itself in great detail.

If New Labour’s New Liberal Project had been a betrayal there might be some hope of the Party being rescued by the Unions, as occurred after August 1931. But the Unions are part of New Labour’s Project. The people who manage the union.plc’s of today were formed in, by and for the Project. We needn’t look for any Bevins or Citrines to emerge from the politics and economics graduates who run Unite and Amicus and Omnivore or whatever. There is no hope there.

Only the Left is looking to the Unions. And the Left, a shower of petty factions, is only looking to the Unions to switch their political funds to one or other petty faction that it might develop and grow into the next in an inevitable sequence of betrayals that is their only notion of working class history.

Which leaves ourselves. We are not of that Project and not of the Left that began it or the Left which is angling to succeed it. We are, indeed, just old fashioned conservatives with fond memories of the warm human social relations that obtained within the working class before Progress exploded it into an atomised mass of compulsive borrowers and frenzied shoppers. We are conservative enough to want to see those relations restored.

We have no resources but ourselves and the hope that ourselves will be enough at least to destroy the odd illusion or two and uncover here and there the unobserved course of events. Destroying illusions and recovering lost narratives is not sufficient in itself, but it’s a start.



# Notes on the News

By Gwydion M. Williams

- Hard Right, Faded Left
- India Rising
- Snippets
- Bill Gates Goes to China
- Kosovo – Punishing Serbs
- Pro-Western Russians Hate Each Other
- Unwanted Afghans
- China – Solid Politics?
- More Illiberalism
- 

## Hard Right, Faded Left

Tony Blair persuaded Labour that we should drop our traditional commitment that the state could and should help the needy.

Much of Europe's centre-left followed, ignoring the success of the Mixed Economy, also called Keynesianism.<sup>1</sup> As did most of the US Democrats, rejecting their New Deal success.

Great attention was given to the needs of various minorities, which was good in itself. And to giving a 50% share of high-status jobs to a few suitable women.

But what about the mainstream working people? What about the working poor? What about women who could never aspire to high-status jobs? The leaders of centre-left parties showed little interest in their needs.

With all of the quotas they imposed, there was never one for **social class**. Few MPs now come from the occupational groups normally classed as Working Class. Many, indeed, pass smoothly from student politics into political aids, with no experience of life as it is for most people. And those who were middle-class professionals were almost all journalists, lawyers, or charity professionals.

Most of the political class swallowed the Classical Liberal notion that the state was only there to prevent one type of human being favoured over another. To be referees in a global struggle for wealth and fame and power. They saw no need to help the losers, who maybe deserved it. Who needed to be motivated to try harder.

Much to their surprise, this led to a global rise of a Hard Right. Which in the USA is mostly about hatred and fear, though Trump began the trend to bring home more industrial production. But in Eastern Europe, it has been otherwise:

<sup>1</sup> <https://labouraffairsmagazine.com/problems-magazine-past-issues/the-mixed-economy-won-the-cold-war/>

"The proportion of people in Poland classified as being at risk of poverty or social exclusion is the third lowest among all European Union member states, new Eurostat data show..."

"Poland has seen a significant improvement on this measure since 2015, the first year for which data are available.

"Back then, 22.5% of the Polish population were deemed at risk. Its fall since then (of 6.5 percentage points) was more rapid than the 2.4 percentage point decline across the EU as a whole, from 24% to 21.6%.

"During that period, only three member states have recorded large declines: Hungary (12.2 percentage points), Bulgaria (11.1 p.p.), and Romania (10.1 p.p.). Seven countries – France, Estonia, Luxembourg, Germany, Austria, Sweden and the Netherlands – have seen an increase in those at risk of poverty."<sup>2</sup>

2015 was when the conservative Law and Justice party replace the liberal Civil Coalition. I assume they worked to reverse the damage.

Europe's Illiberal Democracy has shown a real concern for looking after people. More like what Britain's Tories once were, and Thatcher ended that.

The liberals, libertarians, and liberal-left find it baffling that their progressive social causes become unpopular. Not noticing that such causes get damaged when combined with a massive indifference to growing inequality and poverty. They stick to a mindless acceptance that 'there is no alternative'.

It goes beyond Europe. I've mentioned elsewhere a roll-back of Western influence in the Global South. Including much that I find tragic, but I have no doubt at all about the main cause.<sup>3</sup>

*The Economist*, which exists to give business people a broad view of how the world is going, recently had an article that was clear-sighted on some of this:

"This should be a propitious time for Europe's left. Inflation is fuelling calls for more government benefits. Surveys show citizens are more concerned with climate change and the cost of living than with crime. Antipathy to the EU has faded since the 2010s. Belief in small government, declining since the financial crisis, was all but killed off by the covid pandemic. A recent study of six European countries... found that big majorities everywhere agreed that 'the state should play a larger role in the regulation of the

<sup>2</sup> <https://notesfrompoland.com/2023/06/20/poland-has-eus-third-lowest-poverty-risk-figure/>

<sup>3</sup> <https://labouraffairsmagazine.com/problems-magazine-past-issues/the-west-fails-in-five-civilisations/the-west-fails-in-five-civilisations-2/>

economy'...

"The left's problems start with the once-great social-democratic parties. In the early 2000s in western Europe they averaged nearly 30% of the vote. They have declined steadily since the global financial crisis in 2008, to just above 20% (see chart). Having embraced free-market economics during the 'Third Way' period of the 1990s, most centre-left parties endorsed fiscal austerity after the financial crisis. That was a huge mistake, argues Björn Bremer of the Max Planck Institute in Cologne: voters could no longer see the difference between the centre-left and the centre-right..."

"Nowadays leftist parties offering more government spending face two problems.

"The first is that with much higher inflation, interest rates and debt, they no longer have fiscal room. The second is that on state intervention they have won the argument. Nearly everyone in European politics, from right to left, now accepts that governments must play a big role in the economy. That makes it hard for leftist parties to stand out."<sup>4</sup>

Pro-state and pro-planning ideas are regaining popularity.

We've seen the Neo-Liberal future. And it doesn't work.

Inequality is poisonous:

"When the Eastern European countries overtake Britain, it will be a grassroots-led effort. As a result of their Communist legacies, these economies are generally much more equal than Western Europe. Slovakia, Slovenia, Czechia, Croatia, Hungary and Poland all have better Gini coefficients than the EU average..."

"It will also be because the

<sup>4</sup> <https://www.economist.com/europe/2023/06/15/the-problems-ailing-western-europes-left-are-not-just-cyclical> - pay site.

Eastern economies have much better science education...

"During the Communist era, many Warsaw Pact nations focused heavily on hard science education because it was less likely to 'get political' than humanities education. In the modern period, computer programming became a prestigious job, one of the few ways to earn a Western wage in ex-Communist countries."<sup>5</sup>

The Leninist legacy had many positive aspects. And Britain is doing worse than Continental Western Europe, which was also damaged by accepting versions of Thatcherism.

I recently saw a review of a book called *The Death of the Left, Why We Must Begin from the Beginning Again*.<sup>6</sup> To judge from the review, it ignores Far Left sabotage of viable social-democratic reforms in the 1970s: Incomes Policy and Workers Control. And is keen to avoid credit for mainstream social norms coming into line with what were once Far Left views.

From Trotskyism, 1960s radicals learned how to look brilliant, but fail completely. Which was Trotsky's own history, as Lenin's foe before 1917. And again from the mid-1920s when he became an Oppositionist.<sup>7</sup> A lethal example that still has a grip on many.

### India Rising

He's been a Hard Right Knight, rising from a status not far above that of a dog.

My *Beatles* references are based on remembering how they helped spread a sentimental view of Hindu culture. Praising

<sup>5</sup> <https://medium.com/@cailiansavage1/is-britain-really-about-to-become-poorer-than-poland-f7c311084e5d>

<sup>6</sup> <https://labourheartlands.com/book-review-the-death-of-the-left-why-we-must-begin-from-the-beginning-again/>

<sup>7</sup> <https://labouraffairsmagazine.com/past-issues/labour-affairs-before-2014/why-trotsky-politics-achieved-nothing-solid/>

Maharishi Mahesh Yogi, who rejected modern values but had no coherent alternative. And *The Beatles* were part of a general detachment of the new generation from traditional Labour and Trade Union politics: one that also lacked a good alternative.

Mr Modi is a very coherent alternative.

India was led to independence by people from the very top of its ancient and oppressive caste system. Nehru's Kashmiri Brahmins are widely rated as the very top. And he and most of the rest of them had absorbed many Western values. Did far too little to remove barriers:

"Mr Modi's most effective populist claim, that he represents the triumph of vernacular, battling India over its complacent Anglophone former rulers. Mr Gandhi is half Italian and, like his father, grandmother and great-grandfather, all Indian prime ministers, Oxbridge-educated. Mr Modi was born poor, is largely self-taught and, partly because that describes millions of Indians, hugely admired for it..."

"Mr Modi's genius is his ability to capture the political narrative in such ways. He is adept at reading mass sentiment and, as a relentless campaigner, courts it as no other Indian leader has since Indira Gandhi, or ever."<sup>8</sup>

He continues the non-aligned policies of the old elite:

"India does not love the West, but it is indispensable to America..."

"No country except China has propped up Russia's war economy as much as oil-thirsty India. And few big democracies have slid further in the rankings of democratic freedom. But you would not guess it from the rapturous welcome Narendra Modi will receive in Washington

<sup>8</sup> <https://www.economist.com/asia/2023/06/15/narendra-modi-is-the-worlds-most-popular-leader> - pay site.

next week. India's prime minister has been afforded the honour of a state visit by President Joe Biden. The Americans hope to strike defence deals. Mr Modi will be one of the few foreign leaders, along with Winston Churchill, Nelson Mandela and Volodymyr Zelensky, to address a joint session of Congress more than once. The praise gushed on Capitol Hill about the partnership makes no mention of Ukraine, democracy or grit in the gears of America's new best friendship."<sup>9</sup>

I can't see he's particularly damaged what was already a bad electoral system. The Western media call it a decline in democracy. But they always say that, when voters dare choose leaders who resist Western demands.

I'd assume Mr Modi knows that if the USA ever broke the will of Russia and China, India would be next. Salami slicing tactics – Assad's Syria foolishly helped them against Saddam's Iraq.

US policy-makers in the 1990s must have thought they were being brilliant, when they caused the downfall of a whole slew of leaders they had previously propped up. Italy's Christian Democrats. Ceausescu in Romania. Mobutu in Zaire / Congo. Suharto in Indonesia. Even Saddam in Iraq – it gets forgotten that they rescued him in 1987.<sup>10</sup> Each time selling it as a way of ending corrupt and brutal government, which had not bothered them before. And which was mostly not improved on.

Most of the Global South is now wiser, with Saudi Arabia getting closer to China.

On past form, you'd not expect them to care if Ukrainians loyal

to the heritage of their World War Two fascists purged Ukraine of everything Russian or Soviet. Only the West has to hide that truth, helped by what can only be called Non-Investigative Journalists. But the Global South knows that an independent-minded Russia is needed to balance the USA.

### Snippets

#### Bill Gates Goes to China

US business people look after their own businesses. The German government has damaged the German economy by getting hostile over trumped-up issues.<sup>11</sup> But US billionaires know that they can do as they please.

And now much of Latin America dares to ignore US wishes:

"Chinese trade with Latin America has exploded this century from \$12bn in 2000 to \$495bn in 2022, making China South America's biggest trading partner.

"Chile, Costa Rica and Peru have free trade deals with Beijing, Ecuador inked its agreement this month and Panama and Uruguay are planning treaties.

"The Biden administration, however, has ruled out new trade agreements, frustrating Latin American nations. The EU has spent 20 years negotiating a free trade deal with the South American Mercosur bloc but has yet to ratify it...

"Trade is not the only issue. Beijing has won friends in Latin America by building and financing roads, bridges and airports. More than 20 Latin American and Caribbean nations have joined China's Belt and Road infrastructure initiative and China has lent more than \$136bn to Latin American governments and state companies since 2005.

"The US and EU, meanwhile,

have been focusing on corruption, democracy, the environment, human rights and the risks of doing business with China. The EU's Global Gateway initiative, envisioned as a response to the BRI, has pledged just \$3.5bn to Latin America.

"Among the US's talking points with Latin America is an entreaty to avoid 5G phone networks built by China's Huawei, which is sanctioned by Washington — but US and European alternatives to Huawei are often more expensive."<sup>12</sup>

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#### Kosovo – Punishing Serbs

When Yugoslavia began coming apart, the European Union should have taken in the entire Federation. And used membership to persuade the various Republics to re-draw their borders to better match the ethnic divisions. Divisions which were initially not a big issue.

Instead they supported Croat and Bosnian independence, taking with them majority-Serb regions. Regions now purged of Serbs in Croatia, after both sides behaved badly.

It was justified legally, because Tito had showed Leninist idealism. His constitution gave a right of secession to Yugoslavia's Union Republics, as Lenin had for the Soviet Union.

Kosovo, where Serbs were a dwindling minority, was not included.<sup>13</sup> Serbs still viewed it as theirs, and legally it was. But NATO forced separation, and was bitterly against first detaching the Serb-majority north.

The trend is now towards clearing out Serbs from a sectarian Kosovo. Just as happened in Croatia.

"The April 23 snap election was largely boycotted by

<sup>12</sup> <https://www.ft.com/content/19ff62c3-5c75-4ba7-8f73-75a7a902aa90> - pay site.

<sup>13</sup> [https://en.wikipedia.org/wiki/Demographics\\_of\\_Kosovo#Ethnic\\_groups](https://en.wikipedia.org/wiki/Demographics_of_Kosovo#Ethnic_groups)

<sup>9</sup> <https://www.economist.com/leaders/2023/06/15/joe-biden-and-narendra-modi-are-drawing-their-countries-closer> - pay site.

<sup>10</sup> <https://labouraffairsmagazine.com/very-old-issues-images/magazine-001-to-010/magazine-004-october-1987/why-the-west-saved-saddam-hussein-in-1987/>

<sup>11</sup> <https://www.ft.com/content/3034d39c-118a-44d3-b9bf-6482b786018f> - pay site.



ethnic Serbs and only ethnic Albanian or other smaller minority representatives were elected in the mayoral posts and assemblies.

"Local elections were held in four Serb-dominated communes in northern Kosovo after Serb representatives left their posts in protest last year and the Serbian community has demanded the establishment of a promised association of Serbian municipalities in Kosovo, which would coordinate work on education, healthcare, land planning and economic development at the local level."<sup>14</sup>

Set aside, just as the USA encouraged Kiev to ignore the Minsk Agreements. Those would have given autonomy to the Russian-majority Donbass and avoided the current war.<sup>15</sup>

Yet again, US 'help' means ruin.

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### Pro-Western Russians Hate Each Other

"Russia's browbeaten opposition gathered in Brussels to plot a path back to democracy this week, with Vladimir Putin's main rivals in jail or exiled and squabbling about how to move forward.

"Rather than uniting Russia's liberals, the war in Ukraine has deepened existing rifts and added new controversies, such as backing a military defeat for Moscow and Kyiv's demands for reparations, which some see as politically toxic among Russians...

"Though the EU had hoped to bring them together, the splits were yet again on display when followers of jailed anti-corruption

activist Alexei Navalny, the most popular Russian opposition leader, refused to take part in the parliament's event...

"Khodorkovsky — who devoted the bulk of his 50-minute interview to criticising Navalny's team — said the difference was between a 'revolutionary party and a popular front coalition,' much like in Russia before the October revolution in 1917...

"Some European officials hoped the Russian opposition could follow its Belarusian counterparts in creating a united platform and centralised office that could lobby westerners on Russians' behalf and help the anti-war diaspora. But the Brussels conference ended without any immediate prospects for such a step."<sup>16</sup>

But why not indulge themselves? It's a Fantasy Opposition. They remain divided, because they know that their sort of politics has very limited support among Russian voters. Less than 5% at the last election.

Yabloko, the biggest of them, got 753,268 votes in the 2021 election. 1.37%. No seats. They used to be less marginal, falling from 4.30% and 4 seats in 2003 to 1.59% and no seats in 2007. Part of a decline since the Yeltsin years, when the incompetence of the Westernisers was not so clear.<sup>17</sup>

The Communist Party, the biggest opposition, got 10,660,669 votes. 19.33%. 48 out of 450 seats.<sup>18</sup>

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### Unwanted Afghans

Praise. Encourage. Give  
damaging advice. Discard.  
Neglect.

<sup>16</sup> <https://www.ft.com/content/17acd2fc-fc81-4238-ac29-ddbf82702c24> - pay site.

<sup>17</sup> [https://en.wikipedia.org/wiki/Yabloko#State\\_Duma\\_elections](https://en.wikipedia.org/wiki/Yabloko#State_Duma_elections)

<sup>18</sup> [https://en.wikipedia.org/wiki/2021\\_Russian\\_legislative\\_election#Results](https://en.wikipedia.org/wiki/2021_Russian_legislative_election#Results)

A remarkably consistent pattern by the West, for everyone the USA has supposedly helped since the end of the Cold War.

The only important Armed Progressives in Afghanistan were the ruling Communist faction. The USA could have subsidised a Broad-Front Government, with far less money than they've wasted on their grand failures.

Elsewhere, they often had to work with former Communists who'd accept the new order. Those people got elected, formed strong governments, and could not be pushed around. But the USA indulged their silly ideologies in Afghanistan — let everything pro-Soviet perish! They let them be killed or driven out — or maybe some became Taliban. Regardless, the USA in its brief conquest of Afghanistan relied on warlords. People who mostly ran away or made peace with the Taliban, when the USA gave up on the mess they had created.<sup>19</sup>

Those Afghans who loyally served the US mission mostly didn't get out. And in both the UK and European Union, those who arrived are being neglected.<sup>20</sup>

<sup>21</sup>

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### China — Solid Politics?

"When the Chinese Communist party leadership gathered in Beijing for its quinquennial congress last October... overlooked by many at the time was the rise of a new group of political leaders in the top echelons of power whose background diverges from the usual careers in provincial government or Communist party administration. Instead, they all

<sup>19</sup> <https://mrgwydionmwilliams.quora.com/Afghanistan-Taliban-and-Nothingists>

<sup>20</sup> <https://www.theguardian.com/world/2023/jun/11/thousands-afghan-refugees-uk-homeless-crisis-operation-warm-welcome>

<sup>21</sup> <https://www.theguardian.com/world/2023/may/31/eu-accused-of-staggering-neglect-after-just-271-afghans-resettled-across-bloc>

<sup>14</sup> <https://www.aljazeera.com/news/2023/5/26/serbia-puts-army-on-high-alert-as-kosovo-serbs-clash-with-police>  
<sup>15</sup> <https://mrgwydionmwilliams.quora.com/Ukraine-Mariupol-and-the-War-for-the-Oblasts>

have deep experience in China's military-industrial complex.

"Their swift advancement is part of Xi's efforts to reinvigorate China's long-running project of 'military-civil fusion', a policy that seeks to harness new technologies from the private sector for the benefit of the country's rapidly modernising military..."

"More than a third of the Communist party's 205-member Central Committee now have a background in science, technology, engineering and mathematics, according to a report by MacroPolo, the think-tank of the Paulson Institute in Chicago. That is a 35 per cent increase from the previous committee appointed five years before."<sup>22</sup>

The rest of the article is negative about this. Warning or maybe hoping that China will repeat the Soviet error of being burdened by their military. But China is much more modest, and not trying to control the wider world.

Raising up more scientists and engineers is also sensible. Unlike lawyers or journalists, they learn to respect Objective Facts.

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#### More Illiberalism

"Slovakia's president Zuzana Caputova, a standard bearer for liberal politics in central Europe, will not seek re-election next year, adding to doubts over the country's pro-western politics... after a year of political turmoil in Slovakia that has boosted the Moscow-friendly ex-premier Robert Fico.

"Elected on a pledge to uproot corruption..."

"Fico and his Smer party are now frontrunners to win a snap parliamentary election in September..."

<sup>22</sup> <https://www.ft.com/content/6f388e4b-9c4e-4ca3-8040-49962f1e155d> - pay site.

"A comeback by Fico in Slovakia's election would pose a further challenge to Nato and EU unity over Ukraine, bolstering Viktor Orbán of Hungary's more sceptical view of sanctions against Russia."<sup>23</sup>

All over the world, politicians elected on an anti-establishment and anti-corruption platform achieve nothing much. It is an empty idea, because corruption may be there to keep society functioning where there are few shared ideals.

Liberalism as reborn in the

<sup>23</sup> <https://www.ft.com/content/839281de-fd77-4b2e-a8e4-2d41a083cd6d> - pay site.

1980s has been a global failure.

Slovakia is likely to be another crack in the anti-Russian front.

The left party, SMER-SD, is actually doing worse than they did in 2020.<sup>24</sup> But the ruling liberal / anti-corruption party OĽaNO has lost most of its support.<sup>25</sup>

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Old newsnotes at the magazine websites. I also write regular blogs - <https://www.quora.com/q/mrgwydionmwilliams>

<sup>24</sup> [https://en.wikipedia.org/wiki/Opinion\\_polling\\_for\\_the\\_2023\\_Slovak\\_parliamentary\\_election](https://en.wikipedia.org/wiki/Opinion_polling_for_the_2023_Slovak_parliamentary_election)

<sup>25</sup> [https://en.wikipedia.org/wiki/2020\\_Slovak\\_parliamentary\\_election](https://en.wikipedia.org/wiki/2020_Slovak_parliamentary_election)

## What You Should Know about Labour's Economic Policy

The Labour Party wholeheartedly supports the war on Russia in Ukraine and sanctions against the import of cheap energy from Russia. UK support for sanctions is the main driver of domestic inflation in Britain as energy is an input into all products and services.

Labour is not committed to any significant revenue raising measures by the state nor to mobilising national resources to promote economic renewal.

Labour wholeheartedly supports the independence of the Bank of England.

The Bank of England wishes to reduce inflation by raising borrowing costs and reducing demand in the economy by causing a recession. Labour has no principled objection to this policy.

A recession involves workers and their families losing their homes and their jobs.

It follows that the Labour Party supports the policies that cause inflation (as well as endangering national security) and also supports a recession to reduce the inflation that the policies that it supports have caused.

Workers and trade unionists might ponder whether this is a party worth supporting, or whether they should support any party in their constituency that genuinely cares about their communities, their homes and their jobs.

# For what do we struggle?

By Eamon Dyas

We are living in interesting times as we witness the death throes of one world and the birth of a new one. But we, who are old enough, have lived through similar times in the past and looking back with the benefit of hindsight the main lesson that comes out of this is the fact that those interesting times in the past did not result in any significant re-assessment of the continuing relevance of socialism for the working class. The failure to undertake such a task in the aftermath of the collapse of the Soviet Union is probably forgivable as the impact of that event was seismic on the left and proved too disorienting for the left to make any real sense of what this meant. Time and subsequent experience therefore makes it incumbent on us to ensure that these latest interesting times become the opportunity for a re-examination of the purpose of socialism in the context of the evolved British working class.

Socialists have a particular responsibility to make this effort. We make claim to possess a perspective that has at its core the short and long-term interests of the working class. Given that the perspective of socialism is one that has been framed in terms of an ideology we need to look at the circumstances that gave rise to that ideology and the premise on which that ideology has been based. It seems to me that the ideology is rooted in two things – a inherited understanding of what it is that constitutes the nature of the working class and the nature of the State. What is significant about this inherited understanding is that historically both the working class and the state have been assumed to be immutable. I omit the reforming labourites from this as it is directed at those

who are represented by what is known as revolutionary socialism.

But contrary to that inherited understanding, experience has shown that neither the working class or the British State has been immutable. The working class has never been immutable. In the world from which the modern ideology of socialism emerged the working class had gone through the trauma of industrialisation. The arrival of the industrial proletariat showed that the working class was a developing entity and its interests far from immutable. But, with the emergence of the industrial proletariat the working class began to be seen through the prism of that component of the class. So, when socialists looked at the working class in late 19<sup>th</sup> century England it saw it primarily as a mass of manual workers given coherence and direction by the industrial proletariat. It was acknowledged that the working class was more than the proletariat but it was the proletariat, because of its particular relationship with the modern means of production, that provided the class with the only means of advancing its overall interests. The interests of the industrial proletarian, expressed through the power of the State, would become the lode stone guiding the wider interests of the class. In other words, the arrival of the industrial proletariat represented the apotheosis of the working class. There was nothing beyond that in terms of class destiny and the arrival of the industrial proletariat was the last stage in the progression towards a classless society. Societies beyond the industrial proletariat were ones that had experienced the eradication of all classes. In so far as the immutability of the concept of working class was

concerned it was defined in terms provided by the emergence of the industrial proletariat.

But, belief in that immutability has always been based on a false premise. Where, for instance is it in today's Britain. The element that could still be defined as the industrial working class is a shadow of what it once was and what it once was proved to be incapable of following what the proponents of socialism believed to be its historical role in the context of the state.

Let us look at what the world of the British working class was like at latter part of the nineteenth century. Here is a description of May Day 1892 in Manchester - the city where Engels went to live in order to get a better understanding of the English working class. It is important to remind ourselves of that world for it is from that world that the modern ideology of socialism emerged:

"A south wind puffed the clouds across the sky and delicate shafts of spring sunlight glanced through, as a young man on a white horse rode off in front of a white ensign embroidered with the words, "Work for all, overwork for none". Behind him came the Manchester Fabians, the railwaymen and their banner "Unity is Strength", the tailors, the bakers and confectioners, the spindle and flyer makers. The Social Democrats grimly bore the unadorned Red Flag. The Labour Church advanced to the tune of "A day's march nearer home", beneath a blue banner with white lettering "God is our King". The dressers, dyers and finishers flaunted "Equality by right, justice to all". Behind them were horsehair and fibre workers, enginemen and cranemen, the men of the



Navvies' and Bricklayers' Union, and in the rear a contingent of the scorned "Lib-Lab" Labour Electoral Association.

"Twelve bands broke up the mass into companies, which marched six deep through a great throng of working people lining Oldham Street and Piccadilly. The women cried "Bravo!" as the procession passed, and the men stamped their clogs, and spat, and wondered. There was a halt while the procession from Stafford came into line. Then there were only the bands and the banners to keep up their spirits as they marched through the silent, respectable crowds in Portland Street and Oxford Road. But as they reached their own land, the long grey vista of the Stretford Road, they were met with cheer upon cheer from men, women and their children swarming out of the wretched cottages and the narrow courts. There were cries of delight for every brave slogan, for the coloured banners and the bands, and the crowds fell in behind, singing and laughing and chattering as if England had arisen at last and the long, long night was really over.

"Into Alexandra Park they went, where the buds were bursting on the trees, and the sun shone, and the police stood stolidly about the six platforms. There were Comrade Sidney Webb of the London County Council, and Don Roberto, Cunninghame Graham, with his pointed beard and his silver wit, looking as if he had just stepped out of a Velasquez painting, William Johnson, the dashing Prince Rupert who commanded the Shop Assistants' Union, the little fighting cock Alfred Settle, Horsfall of the Workman's Times staff, and half a dozen more. They spoke, and the crowds cheered. No matter what they said, the crowds cheered, for it was May-day, and the banners curled bravely in the wind.

"Blatchford was chairman at the first platform, a covered cart like a camel's cage, through the bars of which he smiled his heart out upon the happy crowds. He had a headache and a bad cold, and no one heard his speech except the police. But when he cried, "Hands up for Socialism!" every hand was raised. Before nightfall, between 60,000 and 100,000 working men and women had committed themselves to demanding nationalisation of the land, an eight-hour day, payment of M.P.'s, shorter parliaments, adult suffrage, and an independent Labour party." (Robert Blatchford: portrait of an Englishman, by Laurence Thompson. Published by Victor Gollancz Ltd., London, 1951, pp.86-87)

In the meantime, the immutable British State had also proved to be far from immutable. Such was the prominence of all things socialist that towards the end of the century Lord Harcourt was said to have claimed that "we are all socialists now". At the same time the more radical elements of the Liberal Party had begun to adapt to the world of organised labour and allied themselves with labour interests as a means of channelling the movement along lines that did not threaten the state. In the process of this channelling those Liberal elements as well as socialists were instrumental in the emergence of what came to be known as Municipal Socialism. However, the advanced thinking in the Conservative Party was also already evolving along lines that would enable the State to adopt to this new situation. Since the time of Disraeli the Conservative Party had been aware of the need of the British State to bend with the prevailing social forces if it was to survive. And the move of the anti-Gladstonian liberals towards the Tories was to add impetus to this tendency. In fact, on 29 April 1892, a couple of days before the May Day celebrations, Lord Randolph Churchill, in a letter to Arnold White, the Liberal-Unionist candidate for the Tyneside Division of Northumberland, had this to say:

"The labour community is carrying on at the present day a

very significant and instructive struggle. It has emancipated itself very largely from the mere mechanism of party politics. It realises that it now possesses political power to such an extent as to make it independent of either party in the State, and the struggle which it is now carrying on is less against capital, less one of wages or division of profits, but rather one for the practical utilisation in its own interests of the great political power which it has acquired. The labour interest is now seeking to do for itself what the landed interest and the manufacturing capitalist did for themselves when each in turn commanded the disposition of State policy. Our land laws were framed by the landed interests for the advantage of the landed interest; our foreign policy was directed by that interest to the same end. Political power passed very considerably from the landed interest to the manufacturing capitalist interest, and our whole fiscal system was shaped by this latter power to its own advantage, foreign policy being also made to coincide. We are now come, or are coming fast, to a time when labour laws will be made by the labour interest for the advantage of labour. The regulation of all the conditions of labour by the State, controlled and guided by the labour vote, appears to be the ideal aimed at, and I think it extremely probable that a foreign policy which sought to extend, by tariff reforms over our colonies, and even over other friendly States, the area of profitable barter of produce will strongly commend itself to the mind of the labour interest. Personally, I can discern no cause for alarm in this prospect, and I believe that on this point you and I are in agreement.

"Labour in this modern movement has against it the prejudices of property, the resources of capital, and all the numerous forces - social,

professional, and journalistic - which those prejudices and resources can influence. It is our business, as Tory politicians, to uphold the Constitution. If under the Constitution as it now exists, and as we wish to see it preserved, the labour interest finds that it can obtain its objects and secure its own advantage, then that interest will be reconciled to the Constitution, with just faith in it, and will maintain it. But if it should unfortunately occur that the Constitutional party, to which you and I belong, are deaf to hear and slow to meet the demands of labour, are stubborn in opposition to those demands, and are persistent in the habit of ranging themselves in unreasoning and short-sighted support of all the past rights of property and capital, then the result may be that the Labour interest may identify what it will take to be a defect in the Constitutional party with the Constitution itself, and in a moment of indiscriminate impulse may use its power and sweep both away." (Glasgow Herald, 2 May 1892, p.8)

[White, incidentally, was an anti-semitic who published "The Modern Jew" in 1899 and went on to be a rabid anti-German in the run up to the First World War.]

So, successful were both the Liberals and the Tories in injecting the necessary element of flexibility into the British State that within just over a quarter of a century of the 1892 May Day in Manchester that most of the demands emanating from the platforms in Alexandra Park had been conceded.

In the meantime, there occurred an event in Russia that provided a new focus for the socialists. This event became the means by which future generations would be inspired to appreciate what could be done by a state operating in the interests of the working class. However, the inspiration also had the effect of diverting attention from the fact that the Russian Revolution was, in many ways, a freak event and happened because of the way in which the

stresses in Russian society had been put under pressure because of the First World War. The failure to understand that essential component of what went into the Russian Revolution led to the illusion that it could be used as a model for other societies in other circumstances if only the industrial proletariat could take command of the state. Although some allowance was made for the different circumstances operating in different countries the basic idea of a working class interest defined by an immutable industrial proletariat confronting an immutable state continued to guide the thinking. The state could only fully serve working class interests if it was taken over and made to serve the immutable interests of the industrial proletariat. Although there was an acknowledgement that the state could in some circumstances be made to serve aspects of the working class interest activities directed towards achieving those limited objectives were diminished by a socialism that always had its focus on bigger things.

As long as the Soviet Union existed, there was a Monstrance to which socialists could pay homage and, in the process, continue to believe in the critical relationship of an immutable industrial proletariat with the state. But then we had 1991 and in Britain, the final triumph of Thatcherism had by then resulted in the effective destruction of the industrial proletariat as a political force in British society. The result of the combination of the collapse of the Soviet Union and the destruction of the industrial working class should have generated a serious examination by socialists of how socialism can remain relevant. But there was no such examination. Instead, some who were disappointed at having to face the new reality retreated into an agitational mode that was directed at improving society through the propagation of the culture of "Rights". However, by then the most important rights had already been conceded by the State and all that was left was the task of seeking out new examples of oppression to champion. With that as their goal they have embarked on an unending crusade to discover ever new examples of oppressed people. This also permits such elements on the left, disappointed by the refusal of the working class to perform its

historical task, the licence to cast the actual working class - a class eager to hold onto the last vestiges of family and community life - into the role of reactionaries.

In other cases, the left has responded to the challenge of the new reality by clinging more tightly to old certainties and refuse to look beyond them. Typical among this mentality is the continued espousal of the mantra that reform is merely the means by which the establishment can buy off the working class and diminish its revolutionary potential. We saw how destructive this particular position can be of working class interests in the way that the left rejected what was the most significant concession by the State to the working class in modern times - the worker's control element in the 1977 Bullock Report - and in the process open the door to Thatcherism.

What then are the core issues that needs to direct socialist thinking in the future. Primary among them must be a willingness to support any advance in working class rights in ways that are devoid of judgments that are based in old ideological positions. Secondly, must be an acknowledgment of the validity of working class fears about things like immigration and the way that identity politics is eroding family and community values. Thirdly, must be a turning away from the idea that the State is the only legitimate arena for socialists to pursue the class struggle and an acceptance that in some circumstances, other arenas and local government can be the best means of advancing working class interests. While the power of the State will always remain a defining element in the advancement of workers' rights history has shown that such rights are more likely to be gained on the back of significant social pressure and more difficult for the State to retract in such circumstances.

These objectives may not possess the exciting ingredient of traditional socialism but the pursuit of them may have the potential to bring into working class politics a wider range of people than any stubborn adherence to traditional socialism is now capable of doing.

# Starmer's Moment of Weakness Approaches

By Martin Seale

Keir Starmer has a primary objective – that Labour forms the next government. For that to be achieved he believes that he will have to convince voters who have never voted Labour before to switch their vote to Labour in the 2024 general election.

Anything that in any way endangers this happening will be ruthlessly disposed of.

The political manifesto on which he was elected as leader of the Labour Party in 2020 has been abandoned. It is feared that the mildly radical social democratic ideas in that manifesto could alienate wavering voters. Indeed, left wing members in the party are seen as a threat to securing a labour victory. Many have been expelled on false antisemitic charges.

The left in the Labour Party is obviously very disillusioned. There is much talk that the Labour Party is beyond redemption and that a new party should be formed.

Such a view fails to grasp that the Labour Party is a fundamental institution of the British working class. Most support for it is almost tribal in nature. When Derby North MP, Chris Williamson, expressed scepticism about the level of antisemitism in the Labour Party, he was blocked from standing as a Labour candidate in 2019. He chose to stand as an independent. He lost the seat and his deposit despite being a well-known politician both locally and nationally in Derby. Williamson, as Labour Party candidate, had got over 23,000 votes in 2017. In 2019, as an independent, he got a mere 635 votes.

The Labour Party is the main institution through which the British working class will advance their interests in the society. Currently it is in the grip of a conservative and authoritarian clique. Left wing people should

stay in the party and bide their time. It may look at the moment that Starmer has an iron grip on the party but, in politics, things can change very fast. Less than 4 years ago, Johnson seemed to dominate British politics after securing an 80 seat majority for the Tories. Now, he has resigned from Parliament. Corbyn must be smiling on the back benches.

It seems highly likely that Starmer will be the next prime minister. The mistake is to see this as his moment of strength. It is not his moment of strength. Rather, it is precisely his moment of greatest weakness. Now his problems really begin. He will have to deal with real issues not just Downing street drinking parties. It is far from clear that he will be able to do that.

At the top of that issue list for the British people are the 'cost of living' crisis and the state of the NHS.

The cost of living crisis has been brought about by the war in Ukraine. Starmer is a firm supporter of NATO's role in that war. Families are not going to see any drop in their cost of living while that war continues. There is little evidence that a Starmer government will be able to deal with this crisis much better than the Tories.

The NHS is in trouble because of years of underfunding. Yet Starmer's shadow chancellor has locked Labour into a policy of keeping both taxes and the national debt low which would make it very difficult to effect the changes required.

The lack of substance in Labour Party policies could become evident very quickly. It would only take a few by-election losses for Starmer's leadership to be challenged.

In short, the left must remember

that it is real events that will determine what happens. If Starmer cannot deal with real events then he will be disposed of as rapidly as Ed Miliband and Jeremy Corbyn.

The left should be ready at that point to step into the breach. But are they ready to do that?

On Ukraine, most Labour party members are still inclined to the view that Putin launched an unprovoked attack on Ukraine. Few would agree that it was NATO's eastward expansion that provoked Putin's invasion. The left should put their energy into clarifying this issue rather than exhausting themselves trying to replace the Labour Party.

On the NHS, and indeed, on economic matters generally, the starting point of the left is poor. They assume that there is no difference between the budget of a government and the budget of a household. This fundamental error always leaves open to the question 'How will you pay for it?' which generally reduces the Labour Party and the left to incoherence.

While they bide their time, the left need to master the mechanics of how a currency issuing government finances its spending. They need to get themselves into a position where they are completely comfortable arguing that the size of the national debt is an irrelevant statistic and that it should never influence government policies. A failure to understand that led to the complete collapse of Labour in the face of George Osborne's austerity. Let's make sure it does not happen again under Starmer.

<https://labouraffairs.com/2022/02/01/how-to-pay-for-it-q-a/>



# An Active State—Rachel Reeves in America

Martin Seale

Rachel Reeves made an interesting presentation to the Peterson Institute in Washington DC on 24<sup>th</sup> May. The speech was accompanied by a 33 page document called “*A New Business Model for Britain*” in which it was stated:

“The causes of Britain’s economic weaknesses run deep, however. For too long, Britain has been held back by two misguided models of economic thought.

“The first error is to think that the state has little strategic role in the economy beyond removing barriers to free enterprise, correcting the occasional market failure, and redistributing the proceeds of growth. That view was wrong forty years ago, when it was enthusiastically embraced by the Thatcherites, and it is wrong today. Government does indeed have a role to play in tackling market failures, but its role must go beyond that too. ***A modern state must be more active, making and shaping markets that are essential to a nation’s resilience and future prosperity.***

“The second error that persists among policymakers is the belief that the people and places that matter to an economy are few in number and that a nation can rely on growth in just one corner of the country or a handful of industries. The result has devalued people and places, and wasted so much human potential. In the process, it has left our economy dangerously exposed to the shocks that emanate from this uncertain world.”

It is somewhat surprising that Reeves dared openly challenge the Thatcherite vision and called for an active state which would override free markets that were felt not to be acting in the nation’s long term interests. Reeves rarely

says anything which she thinks would upset the powers that be.

The powers that be were upset and let their displeasure be known in a full page analysis on June 7th in the FT of what they called “Labour’s surprisingly bold agenda”.

Mike Riddell, a global bond fund manager at Allianz Global Investors is quoted as saying “***Any additional unexpected borrowing risks another gilt meltdown.***”

Riddell is here referencing the drop in gilt prices that followed Kwarteng’s budget in September 2022. He is suggesting something similar could happen if Labour tried to go ahead with its planned £28 billion investment.

Comments like this appear to have panicked Labour since they believe that they are dependent on the markets for the funds that they need to implement their policies. Unsurprisingly, Labour immediately went into grovelling mode. Reeves announced that, what had been the sacred pillar of Labour’s economic revival plan, spending £28 billion a year fighting climate change, would have to be delayed. Reeves accepted the suggestion in the FT that the money was not there to do it, at least not immediately. Her fiscal rules required that the debt to GDP ratio should be falling. Fighting climate change, usually considered a sacred task amongst left wing people, has a lower status than keeping to fiscal rules.

It’s an argument that most people would find hard to challenge. It fits in with their experience of the world. When interest rates go up, their mortgage payments go up. They have to cut back on spending on other things. It makes sense that a government would be similarly constrained.

But this argument fails to grasp

that the UK is a currency issuing government and a currency issuing government is fundamentally different to a currency using household. Until left wing people understand the implications of this distinction, they will always lose arguments with right-wing monetarists.

The spending of a currency **using** household is limited by its income and what it can borrow and what assets it can sell.

The spending of a currency **issuing** government is not limited by its ability to borrow. Indeed, it would be more accurate to say that a currency issuing government never borrows money. It has no need to, since, as a currency issuer, it has an infinite supply of it.

Rishi Sunak spent £300 billion (10 times what Reeves plans to borrow) in the space of a year to finance Furlough payments without any change in interest rates or increase in taxes. There was no dependence on the markets. Rishi Sunak simply instructed the Bank of England (BoE) to make the necessary Furlough payments. The BoE created the money to do this and registered it as a loan to the government. Since the treasury owns the BoE, Sunak was effectively borrowing from himself.

The markets hate to be reminded of what happened during Covid. It makes clear how irrelevant they are to government spending. They are keen to resurrect the myth that any government spending requires their approval.

By refusing to challenge this myth, Reeves is guaranteeing that any future Labour government will be much less effective than it could be.