

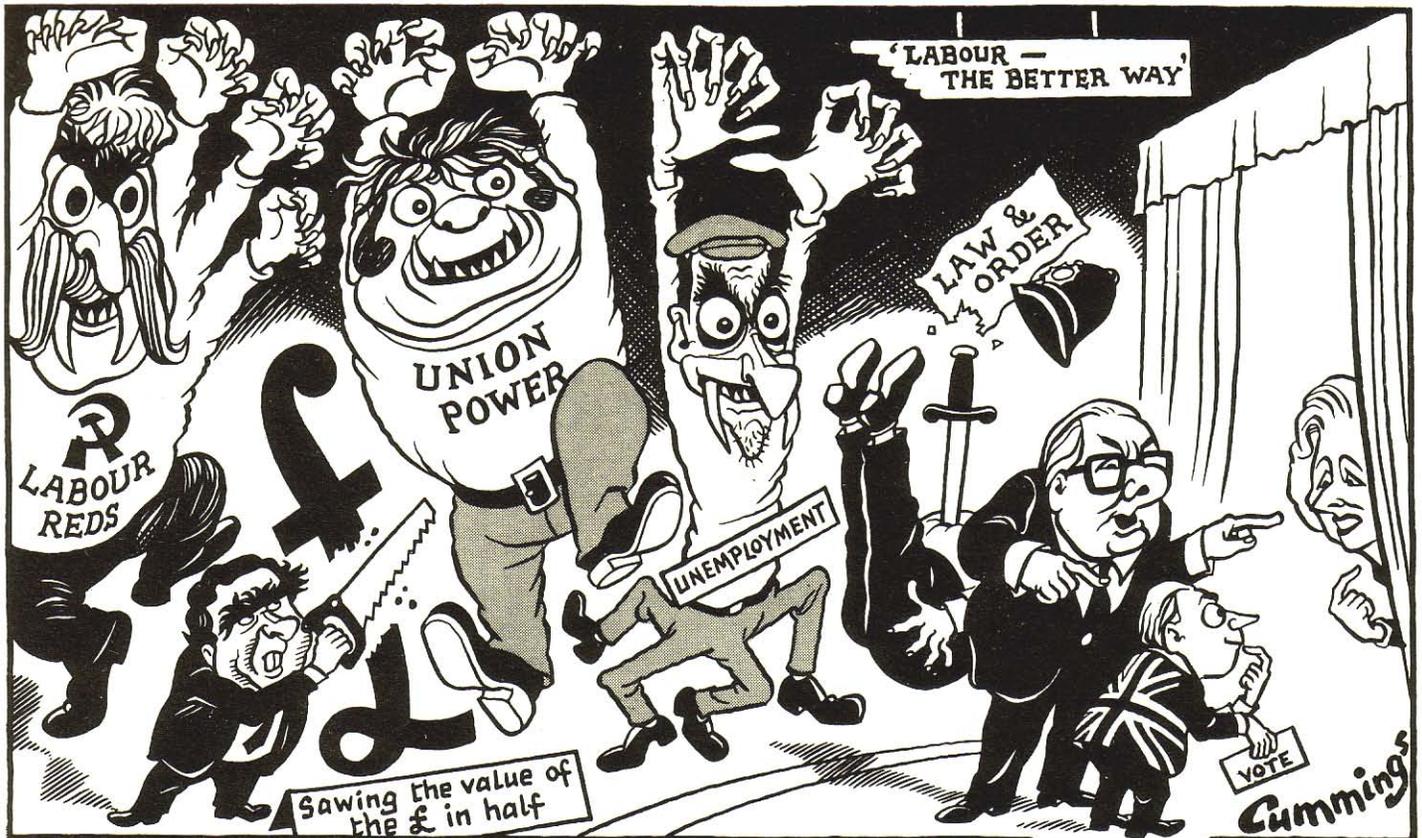
Problems Of Capitalism & Socialism

The Workers' Control Debate: From 1975 To Now

Second Series, Vol. 1. No. 4

August - September 2008

Freely, Collectively



"Surely, sir, you won't leave us to risk going into Mrs Thatcher's Chamber of Horrors?"

Daily Express, May 2, 1979

Bargained!!!

PROBLEMS OF CAPITALISM & SOCIALISM

The Debate on Workers' Control. From Discussion to Denial. From Failure to Fallout. From 1975 to Now.

SECOND SERIES, VOLUME ONE, NUMBER FOUR

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JACK JONES ON THE SHORT LIFE AND PROTRACTED DEATH OF THE BULLOCK REPORT.

From his autobiography Union Man: Published by Warren & Pell Publishing (www.warrenandpellpublishing.co.uk)

Part of the Social Contract which was repeated in the Labour Party's manifesto of 1974 was a commitment to an Industrial Democracy Act 'to increase the control of industry by the people'. Closer contact with Europe through the EEC and the European trade union movement increased our interest in the subject. It meant a lot to me personally. From my youthful days I had been associated with the extension of collective bargaining. Now I saw the possibility of elected shop stewards taking their place in the boardrooms of private companies and publicly-owned industries.

I wanted to avoid at all costs the sort of fiasco which occurred when Harold Wilson's Government of 1966-70 experimented with industrial democracy in the steel industry. When the idea was first considered I personally urged on Barbara Castle and Dick Marsh, the two ministers involved, the need to ensure that the worker directors should be elected and accountable to the shop stewards, and through them to the workforce. Their reaction was that my idea was 'syndicalist', if not 'anarchist', and could not be entertained. In fact, as it worked out, the procedure became meaningless and patronizing. The men who were appointed had to give up any active connection with their union. Indeed, in the early stages it was decided that the 'worker directors' should not operate in their own industrial group—as if a bus driver was appointed a director for the docks industry. As a result the 'worker directors' were virtually unknown to most of the workforce.

From the days of the Labour Party working party on industrial democracy in 1967, over which I had presided, practical policies had been worked out in the TUC and the Labour Party. I had anticipated quick legislation but it was not to be. Peter Shore, the Secretary of State for Trade, dragged his feet, eventually agreeing to set up a committee of inquiry. I felt let down by the attitude of many members of the Cabinet, who seemed anxious to avoid a clear commitment.

A private members' Bill introduced into the House of Commons by Giles Radice speeded up Government

thinking. The Bill was roughly in line with TUC policy for 50 per cent worker representation on boards of directors, having been largely drafted, at Giles's request, by Bill Wedderburn and David Lea of the TUC. David, an assistant general secretary of the TUC, was an able and devoted advocate of industrial democracy.

There began months of in-fighting, as leading members of the Government sought to evade action on the Radice Bill. Michael Foot and I fought hard to get the Government to legislate without delay, but our efforts were deflected by the Cabinet setting up a committee of inquiry. 'Whose side are they on?' I asked Michael. His reply was a mumbling defence of his colleagues, for there was none more loyal than he.

The battle was not over even then, as Len Murray, David Lea and I sought to secure terms of reference for the Committee of Inquiry which would be helpful to our cause. It seemed as though influential members of the Government, all of whom had benefited from the Social Contract, were doing their damndest to circumvent the whole idea. An attempt was made to put terms of reference to Parliament without the agreement of the TUC and seemingly designed to weaken our approach. It took a direct appeal to Jim Callaghan before we could get agreement. Instead of pushing at an open door we experienced opposition as hard as any we would have expected from the Tories.

The TUC nominees on the Committee, David Lea,

Clive Jenkins and myself, did not expect to secure full agreement, but at the start there appeared to be a surprising degree of sympathy for some of our views from the employer members. One of them, Barrie Heath, then chairman of GKN, enthusiastically backed a visit to Germany to study the operation of supervisory boards. He was not afraid of worker directors, at least of the sort he had on the boards of his German companies.

Jim Callaghan, I think, had similar views. He certainly admired Chancellor Schmidt, who in turn was enthusiastic about the German co-determination system. They were both in Bonn at the time of the Committee's visit and arranged to meet us. Schmidt effectively refuted the idea that foreign investment would dry up if worker directors were introduced into Britain. On the contrary, it was clear to me that he thought the 'old school tie' was inimical to British interests and that worker directors would be a beneficial influence.

The basic difference of view on the Committee was exemplified by Jack Callard, Chairman of ICI, and myself. Jack favoured 'consultation and participation', but workers on the board? oh no, no! I pointed out that non-executive directors sat on the ICI board who had little or no practical knowledge of its workings. Why should they not be replaced by men and women who worked for the company and whose future was bound up with it? Callard muttered about the expertise of the non-executive directors but his answer did not satisfy me. The other idea I advanced, that the worker directors should be shop stewards elected through the trade union system, was met with hostility from him and Barrie Heath to a degree which I could not understand because in both their companies trade-union membership was very high indeed. Maybe they were aghast at my other suggestion that worker directors should be paid the rate for the job they normally did. They certainly did not relish the idea and I'm sure they dismissed it in their own minds as just another 'anarchistic view'.

Alan Bullock, historian and biographer of Ernest Bevin, was the chairman of the Committee. He tried hard to reach a consensus. We could not have had a more impartial chairman, and, despite my well known doubts about academics, I formed a high opinion of his ability. Undoubtedly too, the two professors on the Committee made a considerable contribution. George Bain and Bill Wedderburn were quick to see the value

of the proposal that shop stewards should express workers' views to the board of directors and tell the shop floor about the board's discussions.

The majority report of the Committee in my opinion went a long way in seeking to transform the running of industry and to ensure joint agreement with the workforce in its operation. The CBI didn't agree; they were even critical of the minority report of the three employer members of the Committee, who wanted to settle for a small number of worker members on some form of 'supervisory boards' and without any relationship with the trade unions in the workplace.

After the Report of the Committee was issued, the forces of reaction combined to weave a tissue of half-truths and misrepresentation around it. I heard industrialists refer to the Report as the 'bollocks report'. One MP spoke of handing over power to trade unions 'representing only 40 per cent of working people'. Robert Carr, who had been Secretary of State for Employment in the Heath Government, spoke in the House of Lords of the Report 'disfranchising many millions of workers'. These spokesmen showed not only ignorance of the Report but an abysmal lack of understanding of industrial relations in Britain. For one thing, the proposals only referred to companies employing over two thousand people and evidence was given in the Report to show that in such companies trade union membership was approaching 100 per cent.

Strong attacks on the Report also came from the Left. The Morning Star was highly critical and one delegate at the Labour Party Conference described it as 'a sop to workers' control which would smash the unions, destroy their bargaining powers and leave them as puppets of management'. Joe Gormley didn't want anything to do with it either. But my worst disappointment was the way in which Government ministers treated it, playing for time, failing to think it through, and refusing to face the challenge to the old ways of doing things. Albert Booth, the Secretary of State for Employment, fought manfully for the Report, but Edmund Dell, Secretary of State for Trade, was less than enthusiastic. Eventually Shirley Williams, Paymaster General and Secretary of State for Education, was appointed by Jim Callaghan to sort out the position. That killed the main thrust of the Report and eventually a puny White Paper was produced. Even that failed to get to the legislative stage. At the time of my retirement it was 'in the air', and what was left of the Bullock Report sank in the disaster of the winter of discontent. *(pp. 310 - 313)*.

Labour: The Party's Over

EDITORIAL

Thatcher's favourite sons, Tony Blair and Gordon Brown, were able to put the socio-economics of her political project into practical effect through their New (maybe now, New New) Labour Party because the trade unions were prepared to pay for it. None of what has happened to the Labour Party since John Smith died could have been done if the unions had been prepared to keep their hands in their pockets.

A whole raft of anti-working class legislation, over a decade of making poverty pay for itself and fund its causes, the constant re-reforming to near destruction of the NHS, five or six wars and the Anglicisation of Europe—the British trade union movement has used its members money to pay for all that and more.

In the same period British business funded the individual entrepreneurs of Labour, those get up and go merchants, many of whom have now got up and gone into the cosy world of non-executive directorships, where its all payback and no comebacks. They've had the best of both worlds, those Champagne Socialists, coining it coming and going. Business as such never funded the Party as such. Business had no interest in that and no need to bother. The unions were happy enough to pay for their party to be used by hooray Henry's passing through, on their way to hell in a handcrafted handcart. Just thrilled to bits, those unions, to be funding their own destruction?

It's not that they were one and all on message, those union leaders who wrote the cheques for, as they made speeches and wrote articles against, New Labour's devastation of its social base. But it's not as if they weren't told before, and at every point during, Blair and Brown's anti-social Socialist crusade, precisely what was intended.

The most important thing about everything of consequence that Blair and Brown have done in government is that it was, all of it, projected, planned and announced in advance.

The Labour Movement was not in any way misled about New Labour. It is absurd to suggest that the Labour Movement was in any way betrayed by New Labour. Both wings of the Labour Movement were in it up to the last vote in their constituencies, the last penny in their political funds.

Talk of being misled and betrayed is rife now, now it is clear the New Labour phase of what Thatcher started is being phased out. It is all nonsense designed to save the jobs of the party and union hacks who spout it. (Thatcher was wrong about society. Society does exist beyond the mass of individuals and their families. But the Labour Party doesn't exist. Now that Blair has moved on and taken the substance, or the substantial illusion, of a New Labour project with him, there's just a frothing broth of individual MPs and their hangers-on, all of them very busy at the frothing and the hanging on. With none of them capable of, if even interested in, pulling the incoherent mess of it all together, for what could only be one last glorious snouts-in-the-trough feeding frenzy. Ah well. Too bad. Sad, innit?)

And there is only this much sense to it. The Party hacks who cheered in the lobbies and voted in the divisions had very little power in respect of what was happening. Single MPs, lonely, alienated, isolated creatures such as they mostly are, could do nothing to stop the New Labour juggernaut. All the unions had to do was stop paying for it.

The Labour Party, such as it was, even such as it has become, might be forgiven its part in the last eleven years (not that enough of it is going to survive long enough for Christian charity to become an issue). The trade union wing of the Labour Movement is way past forgiveness. Let the MPs go their own way, to any boards of directors as might have them, whatever chat shows might be prepared to talk to them. With their

party gone they are of no account. The trade unions are another matter. The trade unions and their role in working class politics will have to be considered now, debated for a while, and then rearranged.

Way back in time, before all this New Labour pushing came to incoherent shoving, the British Labour Movement was typified and exemplified, on each wing of the Movement, by Jack Jones and Barbara Castle. As far as the industrial wing went, as far as the political wing of the movement went, Jones and Castle were as good as it got. Each of them has written a political autobiography which brings the relationship between the unions and the party they founded and funded into focus for thought, debate and action.

JACK JONES—UNION MAN

So, now then, with no sexist nonsense here about Ladies First, straight back to Jack Jones and Union Man:

“One person who was never complacent was Barbara Castle. As soon as she was appointed Minister of Transport she moved like lightning. New experts were brought in, ideas and schemes tossed around, meetings called here, there and everywhere. Small as she was, she could command attention from the most reluctant audience. She proved herself a bundle of energy with a capacity beyond the normal to master a brief. Proposals and plans of the most detailed kind presented no problem to her. She would read and absorb them and, if acceptable, make them her own property, for which she would fight in any way she thought fit.

“During her days at the Ministry of Transport I was present at meetings with her in her cottage (Hell Corner Farm) in Buckinghamshire, her flat in London, her office and in the Commons. However fierce the debate she would stick to her guns. I pay this tribute to her although I was often on the other side. Sometimes our differences were deep but I never doubted her ability. If civil servants or anyone else stood in her way she would do everything possible to outwit them, but she always sought agreement with her allies. I recall spending most of a Sunday at her cottage talking about transport plans along with Chris Foster, an expert she had brought in from Oxford, Stephen Swingle and John Morris who were then junior ministers, and the late Professor Balogh. The latter was a favourite of hers and lived in the vicinity. ‘Tommy’ she called him, and when he entered he took possession of the room, insisting

on squatting near the fire. He immediately launched into a diatribe against car parking on both sides of London streets, based apparently on his experiences in Hampstead where he had his London home. I was not very polite to ‘Tommy’, which upset Barbara.

“After spending some time discussing transport integration and the plans for regional transport authorities, we turned to my views on industrial democracy and how they might fit into the machinery Barbara and her friends had in mind. The discussion was inconclusive, for Barbara thought my ideas ‘way out’, ‘syndicalist’, even ‘anarchist’. I found her reaction incomprehensible, for I was simply urging that when she came to set up regional transport authorities, working people in the employment of the authority, such as busmen, should be appointed to serve on the board. She conceded that it would be useful to have people on the authorities with practical experience, but did not agree that they should **represent** the workers. Neither did she agree that employees should serve on the authority in which they worked. Her ideas prevailed in subsequent legislation.

“In my many dealings with Barbara Castle I found her anxious to do things **for** the workers but not **with** them. Her outlook was not all that unusual in politicians of the Left. On many occasions I have had to listen to politicians telling me what to do, although their practical experience of the subject was negligible. I found myself often feeling like a schoolboy when dealing with Barbara. She was indignant with me on one occasion because she thought I was trying to scotch her plans. A meeting had been arranged between her and the TGWU group of MPs to discuss amendments to the Transport Bill which I had persuaded the group to put forward. They all dealt with the subject of workers’ representatives on the proposed regional organization in the passenger transport industry. When she arrived at the meeting she found me there among the MPs and much to her consternation I took a major role in the discussion. I took the view that we were all comrades and there was no harm in my action, but Barbara resented it just the same.

“Her views about my ideas were confirmed, for I was advocating that work-people should be elected, through the trade union machinery, to the policy-making authority and the executive board. ‘This is the way to secure the wholehearted co-operation of the workforce,’ I argued. ‘Busmen, for example, are aware of the grumbles of the passengers, the technical faults of particular vehicles, difficulties over loading and routes. a man with trade union experience would be able to

bring his knowledge into management thinking.’ Barbara’s response was hostile. My ideas, she said, were unrealistic. She did promise to have the civil servants look into the details, but I knew from her manner that we would not make much progress.

“That evening I was also made aware of the shortcomings of the TGWU parliamentary group. Some of the members worked hard at putting the union’s view; most, however, seemed to lack energy and interest. The original idea of supporting a group of MPs was that they should advance the union’s views in the House of Commons and provide a means of access to Ministers and Government departments. The concept was splendid, but over the years too many members had forgotten their obligations to the union once a safe seat had been secured. I am sure that greater efforts should be made in the training of younger workers, so that they can play a useful role in Parliament. People with experience of being shop stewards could do a very effective job in the House.” (pp. 192 - 194)

In Place Of Strife

Harold Wilson’s first Labour government was elected in 1964 and re-elected eighteen months later in March 1966. The Royal Commission on Reform of Trade Unions and Employers’ Associations, the Donovan Commission, was set up in 1965 and reported in 1968. In 1969, Barbara Castle, now Employment Secretary, sought to restructure British industrial relations to control unofficial strikes and demarcation disputes by law, as outlined in the White Paper, In Place Of Strife, which, Jones says...

“...caused much division and bitterness. It shook the Labour movement...

“The twofold nature of the Government’s proposals put the General Council in a dilemma. Some proposals were favourable, but they appeared to me a sugar coating on a very bitter pill. The Government was determined to apply legal sanctions. It had tried it with the prices and incomes legislation and had failed, now it sought to control the trade unions by other means. This approach, the TUC declared, would ‘worsen rather than improve industrial relations’.

“...The General Council responded to pressure from Frank Cousins, myself and others to seek a meeting with the Prime Minister. Meantime shop stewards were upset at what appeared to be a direct attack on them. Those of us on the General Council who had lived through the rough and

tumble of life on the shop floor knew there would be real trouble if coercive measures were applied.

“The meeting with the Prime Minister took place on 11 April 1969. He was accompanied by Barbara Castle. We told them that (except in wartime) there had been no criminal law in industrial relations for over a hundred years, and that we would not co-operate with the operation of legal sanctions. At this and later meetings Harold Wilson and Barbara Castle held stoutly to their views. Their criticism of unofficial and inter-union (demarcation) strikes was scathing, although to my mind they revealed a lack of understanding of working conditions.

“The gap between the Government and most of the members of the General Council sharpened considerably...but Harold and Barbara stuck to their guns, frequently maintaining that legislation on industrial relations would be a vote winner...

“...We had just returned from a trip to Jerusalem when a phone call came through from Vic Feather. He wanted me to attend a meeting with the Prime Minister at Chequers on Sunday, 1 June. He and Hugh Scanlon would be present. It was to be a personal meeting with the Prime Minister, stressed Vic, and absolutely secret. Fine, I said, but ‘will the queer one be present?’, making it clear that I thought it should be a meeting with Wilson alone. Vic in response gave me a firm assurance that Barbara Castle (‘the queer one’) would not be there. That pleased me because we all thought (maybe mistakenly in the light of diaries published since) that Barbara had made the issue her private property and Wilson was the less hard of the two.

“On Sunday afternoon I drove to Chequers. Vic Feather met me at the door and his first words were: ‘She’s here. Don’t be difficult!’ He went on to explain that it was a complete surprise to him. ‘She got to hear of the meeting through civil servants and insisted on being present,’ he said.

“Harold had laid on a good meal and the atmosphere was friendly enough though a little tense. I was still fuming about Barbara’s presence because I felt it would inhibit the chances of getting an understanding. The niceties were soon over and we moved into the argument. I suppose we all felt that the fate of the Labour movement was at stake, so the atmosphere was pretty serious. Barbara was rather shrewish, trying to put Hughie and me in our place. We were told once again that ‘The public is looking for action against unofficial strikers. Action must be taken by the Government; you’ve had your chance, boys!’ The nearest thing

to a conciliatory tone was adopted when they explained their attitude to 'criminal sanctions', as we called them. 'No,' said Barbara, 'people will not go to prison. Fines could be imposed but they would be collected as civil debts.' It was going over old ground but sometimes the argument was heated. I reminded Barbara that the idea of making procedure agreements legally enforceable had been around the Ministry of Labour for years and it had been put forward by the Department - not the Government - to the Donovan Commission in 1965. 'Why,' I asked, 'should a Labour Government peddle the anti-trade union ideas of top civil servants?' Hughie and I went on to outline the problems created by long-drawn-out procedure agreements and the need to revise them by negotiation rather than introducing laws to enforce them.

"Wilson and Castle were basically academics and it was difficult to persuade them to see things from a shop-floor angle. Hughie and I tried to explain why the idea of applying attachment orders on the earnings of workers not observing a 'conciliation pause' before some antiquated procedure was exhausted, seemed so ludicrous. It was simply not feasible for each worker to have his personal circumstances examined. Such action would lead to further strikes and probably violence...

"Shortly afterwards the Special Trades Union Congress took place...Ostensibly the main purpose was to discuss the General Council's proposals on the TUC response to the Donovan Commission, but everyone knew that the critical issue was the Government's declared intention to introduce, in the current session of Parliament, their Industrial Relations Bill containing penal clauses. Congress declared itself totally opposed...At the same time it took a constructive approach to the General Council's involvement in inter-union disputes and any 'unconstitutional stoppage of work which involves directly or indirectly large bodies of workers or which, if protracted, may have serious consequences'.

"Armed by this backing from the whole movement, talks were resumed with the Prime Minister...it was possible to spell out some aspects of trade union life which Wilson and Castle seemed not to understand. I found it necessary to explain how differences between unions over membership, for example, had been successfully dealt with by the TUC and that we were proposing to move along the same lines in dealing with demarcation and other strikes. It was this approach which finally prevailed, although Wilson and Castle were insisting, almost to the end, that if they withdrew their proposed legal

sanctions the TUC must draw up rigid rules, apply harsh discipline and take measures which might well have destroyed the organization altogether...

"...I frequently wondered why so many politicians who had reached the top in the Labour Party were opposed to trade union thinking; people like Roy Jenkins, Denis Healy and Dick Crossman. Barbara Castle was the same and she claimed to be a left-wing socialist. 'Why on earth is she so bitter against our people?' I often asked myself during our differences over **In Place of Strife**, and even more during the Ford strike which started in February 1969. There were times when I almost thought she was a company spokeswoman." (ibid, pp 203 - 208)

Barbara Castle

So much for the moment then of Jack Jones' view of Barbara Castle (and Labour politicians in general) on In Place of Strife (and unions in general).

In January 1974, in our Policy Statement On Workers' Control (which was republished in the previous issue of this magazine), the British & Irish Communist Organisation took the view that substantial measures of industrial democracy were then available to be taken up by the unions in return for their agreement to an incomes policy that was absolutely essential to the survival of British capitalism. It was very easy to show that the leading spirits of the Conservative Party understood that working class power would not allow wage restraint to be imposed on the unions and fully intended to do just that kind of a deal with them. There is nothing in Jack Jones' view of Heath (which I will quote a little later) to refute the position we took then. But we extended that position to the politics of In Place of Strife and quoted Castle along with Maudling and Heath as understanding that the power relations in British society had changed utterly. Jack Jones' account of his battles with Barbara Castle in 1969 are entirely at odds with the position adopted in the Policy Statement. What then was Castle's view of all that political economy, the unions and In Place of Strife?

Just why some terms originating in the political topography of the French National Assembly in the revolutionary period are expected to have retained the magic of their meaning over more than two centuries is a wonder and a puzzle. Mountain and plain have been demoted to geography but left and right are still used to denote something political that supposedly relates to, though it cannot possibly derive from,

eighteenth century Parisian squabbles. It's a mystery and a nonsense but one that we appear to be stuck with for the moment. And so...

Barbara Castle, in her autobiography "Fighting All The Way" (Pan, 1993), describes herself as having been Left-wing all her life, sometimes soft-Left and sometimes hard-Left but always Left. While the term meant anything she was a Bevanite. All along she was often suspicious, and always resentful, of the role of trade unions in politics.

"...unemployment was the biggest enemy of the rights the trade unions had struggled to win...trade unions cannot defend working people single-handed. They need the support of a government whose aim is to bring unemployment down.

"It was in Manchester that I met the man who was to give direction to my political life and meaning to my personal one for the next ten years. He was William Mellor, who had edited the Labour Party's paper, the **Daily Herald**, until it was taken over by Odhams Press in 1931, when he became part of Odhams editorial management. I already knew of him as an influential figure of the left who had pioneered the concept of guild socialism with his close friend G. D. H. Cole. This movement reflected the disillusionment with parliamentary government among certain unions after the war - notably the miners and railwaymen, who were determined to achieve the nationalization of their industries, by industrial action if necessary. Mellor himself advocated direct action by workers - not revolution in the streets but the use of organized industrial action to fight the capitalist forces which dominated Parliament. Guild socialism did not have much political impact, but the influence of its ideas lingered on in the form of Labour's belief in the right of workers to participate in the running of industry and the economy. It also helped strengthen the links between the party and the trade unions, which were never (as cynics still like to suggest) just a marriage of convenience, with the unions bringing the party a substantial dowry. Loyalty to the trade unions among the Labour rank and file was fierce and genuine, particularly as the politicians in Parliament had so signally failed to deal with the economic crisis of 1931." (pp 64 - 65)

To begin with she was a member of the ILP. When it disaffiliated from the Labour Party in 1931 she joined Cole's Society for Socialist Inquiry and Propaganda which soon merged with ILP affiliationists to form the Socialist League.

"At home the Socialist League plans for stopping

Hitler were not going well. The NEC was dominated by the trade unions, which not only elected the trade union section of the NEC and effectively dictated the membership of the women's section by their votes, but had the right to vote for the constituency parties' nominees, thus ensuring that no one could get on to the NEC of whom they did not approve. They were for the most part cautious men deeply suspicious of left-wing ideas, and they proceeded to wheel out the party's disciplinary machinery against the Unity Campaign (launched in January 1937, along with **Tribune**, editor). In vain people like Harold Laski pleaded that the Labour Party should not rule out joint working-class action against Hitler before, as in Germany, it was too late. Co-operation with the Communist Party was forbidden. Some members of the NEC, including Clement Attlee, argued for tolerance, but were overruled. The NEC declared that membership of the Socialist League was incompatible with membership of the Labour Party. We faced the classic dilemma: to go into the wilderness as the ILP had done or to stay in the mass movement on the NEC's terms...

"...At the Bournemouth party conference that year the constituency parties won an encouraging victory when the trade unions were shamed into giving up their right to vote for the constituency nominees. The local parties promptly elected Cripps and left-winger D. N. Pritt to the NEC, but the trade unions were still in the majority.. They feared the communists more than they did Hitler, and to them all 'fronts' were anathema. The Popular Front was blacklisted, as the Unity Campaign had been. Cripps pressed ahead regardless, launching a Peace Campaign and a Peace Petition with the help of his allies, Aneurin Bevan and George Strauss. Shortly before the war broke out and with Hitler at our door, they were expelled from the party on the insistence of the NEC, together with other Popular Front enthusiasts like Charles Trevelyan." (pp. 86 - 87)

At the 1943 Labour Party Conference...

"I had taken very seriously **Tribune's** diatribes against the domination of party conference by the block vote of the trade unions and had been working for some time with William Warbey, an ally in many left-wing campaigns, on the details of a new party constitution designed, not to exclude the unions from a share in drawing up party policy, but to ensure that their views were expressed democratically. We therefore proposed that union votes in future should be cast through the local parties by individually affiliated trade unionists instead of through the block votes of nationally affiliated unions, though we later amended our proposals to allow half the union

votes to be cast nationally in order to preserve each union's corporate political identity..." (pp. 116 - 117)

In November 1947 Richard Crossman tabled an amendment to the King's Speech calling for the Labour government to pursue a socialist middle-way between American capitalism and Soviet communism. It was signed by 57 MPs...

"There were two consequences of this 'rebellion'. The first was that it drew an excited response from the rank and file in the party, many of whom wrote in supporting us. The second was the hardening of Attlee's right-wing enemies against him, particularly among the trade unions. He had already incurred their disfavour by the emollient role he had played in the 1930s during the rows between Cripps and Bevan and the National Executive. Now, with Attlee failing to slap down the 'rebels' on foreign policy, the Big Three of the trade union movement, Arthur Deakin, Bevin's successor as boss of the Transport and General Workers, Will Lawther of the Mineworkers and Tom Williamson, the compliant head of the General and Municipal Workers, decided he must be replaced by someone who would be tougher with the left, though they had to bide their time." (p. 157)

"...bitterness came to a head at the 1952 annual conference at Morecambe. Gaitskellite MPs and the Big Three of the unions were out for our blood and the litmus test of our support was the vote for the constituency party section of the NEC. A roar went up when the result was announced. Herbert Morrison and Hugh Dalton out, Harold Wilson and Dick Crossman in, giving us six seats out of the seven...

"What the result showed most of all was Hugh Gaitskell's unacceptability to the rank and file... The result highlighted a serious constitutional issue. Attlee's retirement could not be long away. The parliamentary party, which at that time selected the leader, would undoubtedly plump for Gaitskell as his successor, as would the big battalions of the trade unions...

"The trade unions' response at Morecambe was to redouble their ferocity against the Bevanites. Two of the Big Three lost no time in voicing their menaces. The message of Arthur Deakin of the Transport Workers was that the unions paid the piper and would call the tune. He retorted to a heckler, 'You know you would listen if you wanted to get money from the trade unions.' Sir William Lawther of the Mineworkers rubbed it in. You can have the happy assurance', he told delegates, 'that the block vote and the money that is provided will

be used in the direction that we think is in the best interests of our membership.'..." (pp. 205 - 206)

Following Tory victory in the 1955 election...

"Nineteen-fifty-five started badly for Nye (Bevan, ed.)...I noted that he was obviously restraining himself at conference, taking no part in the public debates and being goaded into an explosion only in the private session, when an inquest was held on the reasons for our defeat. Only a saint could have failed to react to the trade union bosses, led by Bill Webber of the General Council of the TUC, who declared that our defeat was due to the 'antics of the left'." (p. 237)

Then Left-winger Frank Cousins was elected General Secretary of the Transport and General Workers' Union.

"Looking back over Frank Cousins' long career, with which I was associated most of the time, I have no doubt that the greatest contribution he made to the Labour movement was to start the break-up of the monolithic power of the big union bosses...he was going to be governed by the majority decisions of his members and their delegates. Not for him Arthur Deakin's bludgeoning of his delegation, or the trading of block votes among a few top men in smoke-filled rooms...

"...Frank also pioneered acceptance by the unions of the importance and rights of the constituencies. It was a symbolic moment when he went to the rostrum and announced himself: 'Cousins, Sutton and Cheam Labour Party and Transport and General Workers' Union.' That, too, could not have happened in Arthur's day..." (pp. 251 - 252)

And so, the Great Beast having been tamed, with the Bevanite Left in government at last in the 1960s, it was time to conciliate the beast, to keep it mannered...

"All my ministerial life I remained a devotee of the 'beer and sandwiches' technique - though preferably not at Number 10. We gradually persuaded Harold that the Prime Minister ought not to become involved in these tortuous arguments, though there is no doubt that his cheeky-chappie accessibility kept him personally popular with our working-class voters and the unions, even when they were irritated by the policies of his government. Labour, I believed, had one of two choices: we could either treat the unions as our partners in a pluralist democracy, listening to them even when they seemed most unreasonable and spending endless time trying to win them round, or we could repress them

saying, "We are the boss.' Edward Heath was the first to try this second method of running the country, and he failed disastrously." (p. 373)

The political content of the term 'Left-wing' in the real world is some kind or other of radical liberalism. It does not necessarily imply any commitment whatsoever to trade unionism in general or the working class interest in particular. So Barbara Castle was Left-wing, committed to all the wide range of Left-wing causes. In her world trade unions were a nuisance, the political power of which had to be curbed. The working class was a burden which Left-wingers had to shoulder to carry into some antechamber adjoining polite society where it could be done good to.

Barbara Castle's autobiography entirely confirms Jack Jones' account of her behaviour over In Place of Strife. It seems incredible that she could at that time have been involved in a pioneering mission to encourage workers' control of British industry.

Our 1974 Policy Statement view of Castle's activity in 1969 relied very heavily on a speech she made at the Institute of Directors' Annual Conference in 1969. We quoted the following from a report of that speech...

"Her words were: 'We have got to recognise, whether we like it or not, that real power now resides in the workshop and on the office floor. It has, if you like, returned to the grass roots from whence it came. We have got to accept, again whether we like it or not, that workpeople have a veto which they are increasingly prepared to exercise; in other words, that management these days can no longer function by the arbitrary exercise of traditional 'prerogatives', but only by winning the consent of its workpeople'...Among those listening to Mrs. Castle in 1969 there was a murmur of assent to this proposition, but a quite definite undertone of shock. For it put into blunt words, and appeared to welcome without reservation, a development that since World War II has led management in British industry to regard itself as increasingly powerless against first, the strength of the unions in conditions of full employment and second, the transfer of power from union officials to shop stewards and unofficial leaders operating outside the orderly, paternalistic system to which management was accustomed." (Industrial Relations, the Boardroom View by George Bull, editor of The Director, Journal of the Institute of Directors, pp. 16-17)

Now, as things stand, something here just doesn't add up. Obviously Castle made that speech and used

those words. But it is completely at odds with her views and behaviour as a minister at the time, both as Jack Jones experienced it and she herself later described it.

Bernard Ingham

The answer is very simple and Castle supplies it in her autobiography:

"...Bernard Ingham. When on my move from Transport I lost Chris Hall and was looking for his successor, it was suggested to me that Bernard had been a very effective Information Officer at the PIB (Prices & Incomes Board, editor). Aubrey (Jones, former Conservative politician who was Chairman of the PIB, editor) did not want to lose him but could be persuaded to let him go. It was also hinted with departmental discretion that he was a Labour man. I found him a rather cuddly, but stolid Yorkshireman. I did not find his draft speeches exciting, except for a memorable one he drafted for me to deliver at the Institute of Directors' annual jamboree in the Albert Hall at which the captains of industry sit **en masse** with expensive lunchboxes on their knees. It was this stolid Yorkshireman who produced the phrase which was to shake this comfortable assembly... 'Power has passed to the shopfloor,' adding that management had better come to terms with it. My officials were not too happy about this, but I used it in my speech with dramatic effect. I decided this man had smouldering fires beneath his Yorkshire exterior." (pp. 429 – 430)

But it really doesn't seem to have been a matter of fires, smouldering or otherwise. More a matter of cool policy, coldly considered by the Civil Service in a conclave of sorts in a sort of place of retreat, Sunningdale.

In his own autobiography, Kill The Messenger, Ingham, who had been a journalist for eighteen years, in Yorkshire and London (with the Guardian), covering industrial affairs, an unsuccessful Labour local government candidate who was later to act as Press Officer for Margaret Thatcher, described how he was prepared for In Place of Strife:

"I took part in a conference at the Civil Service College at Sunningdale to lay the foundations for a new approach which in return for strengthening trade unions would require them to accept obligations, notably in securing the constitutional conduct of industrial disputes" (Fontana 1991, p. 112).

That's all he says about it. And enough is as good as

a feast.

It isn't difficult to see how an objective civil service assessment of the balance of class forces in Britain at the end of the 1960's would have led Ingham, who had spent the best part of twenty years both in and reporting on the Labour Party and the unions, to produce the *'Power has passed to the shopfloor'* speech which it then amused Castle to deliver for *'dramatic effect'* to the Institute of Directors. The important point is that the analysis was a civil service one.

It is also not difficult to see how the Left-wing, ultimately Bevanite, view of trade unions as alien things to be tamed, at worst curbed and at best done good to, would have disabled Wilson and Castle from acting on the basis of such an analysis. Certainly there is nothing in Castle's autobiography to contradict Jack Jones' account of the In Place of Strife controversy.

And then again, it is, on the other hand, easy to see how the bred in the bone *'one nation'* wing of the Conservative Party, typified in this period by Edward Heath, Reginald Maudling and Robert Carr would have taken just such an analysis into the Industrial Relations Act imbroglio, even so as to carry it intact through defeat there into the Tripartite Prices & Incomes period.

And easy to see how the failure with In Place of Strife, the Industrial Relations Act and Tripartism will have confirmed the civil service in its view of irresponsible trade union power which had to be brought into an institutional relation with sense and thus preparing the ground for the Bullock Commission.

Ted Heath—Friend Of The Working Man

But first a brief, and a little surprising, survey of Jones on Heath:

In 1972 Jack Jones met Ted Heath at Chequers to discuss increases in severance pay for dockers which had been recommended by a committee chaired jointly by Jones and Lord Aldington...

"Although I had known that Heath was not unsympathetic to labour from the days when I had met him as Minister of Labour, the exchange at Chequers strengthened my conviction that he genuinely wanted to get on with working people." (Union Man, p. 256)

"No Prime Minister, either before or since, could compare with Ted Heath in the efforts he made to establish a spirit of camaraderie with trade union leaders and to offer an attractive package which might satisfy large numbers of work-people. That was the case with his 'stage three'. He and his advisers offered a deal permitting limited free collective bargaining on top of threshold agreements to help the low paid and compensate for increases in the cost of living." (p. 259)

Heath's attempts, with the Industrial Relations Act and Tripartite Prices & Incomes policy, to bring trade union power within a legal framework and plan the economy so as to achieve economic growth without inflation, were no more successful than In Place of Strife. But Heath's strategy was based on a clear recognition of working class power that had nothing of Left-wing paternalism. It fell at last because the TUC could not persuade the Government that the Miners could be treated as a special case and allowed a pay rise outside the limits of stage three of its Prices and Incomes policy without that award setting a precedent and becoming the inflationary benchmark for all subsequent pay claims. As Jack Jones explains it the Government was right to be sceptical of the TUC's case:

"The Government spokesmen made it clear that they would not allow their phase three counter-inflationary policy to be undermined. They resisted all efforts to establish that the miners had an exceptional case. The TUC General Council told the Government that it accepted

"...there is a distinctive and exceptional situation in the mining industry. If the Government are prepared to give an assurance that they will make possible a settlement between the miners and the National Coal Board, other unions will not use this as argument in negotiations in their own settlements.

"I was personally active in promoting this view, which was endorsed at a conference of chief officers of the unions affiliated to the TUC. The most active opponent of the approach was Frank Chapple of the electrical workers' union; he did not accept that a miners' settlement should not be cited in other negotiations. His attitude was ignored or discounted by most people in TUC circles, although it obviously didn't help in our efforts to persuade the Government to change its mind.

"It was a genuine attempt but all our

efforts were negated...” (pp. 260 – 261)

The Miners went on strike. Heath went to the country. Labour went into government to implement the Social Contract between itself and the TUC.

In an interview shortly before his death, Campbell Adamson, General Secretary of the Confederation of British Industries, 1969 –76, said that there was an unofficial system between the CBI and the TUC for clinching deals. Adamson was in favour of tripartite arrangements between employers, unions and government. He said that Sid Greene, head of the railwaymen’s union, NUR (1957-75), had approached him saying that the unions were in favour of treating the miners as a special case and that they would deal with mavericks like Frank Chapple. Greene was also Chairman of the TUC’s powerful Economics Committee. This needed confirmation from the TUC to get the government to agree. He said that such confirmation would have been given by Victor Feather and would have stuck. But Feather’s term was up during 1973 and he was replaced by Len Murray. Not only was Murray too weak to give the necessary guarantee but he was, in principle, opposed to tripartite deals. He was a pure trade unionist and not a very effective one. He liked to be liked. Murray thought that the trade unions, even at the peak of their strength, should not be contaminated by power arrangements with government. So the Heath Government rejected the case for the miners being a special case. The miners struck, Heath called an election and lost. Adamson had also been in favour of scrapping the Industrial Relations Act. With Feather and Greene gone and Scanlon and Jones going in 1978, the unions were left without powerful and purposeful leaders. In place were weak leaders like Murray at the TUC and Moss Evans at the T&GWU, along with squabbling ideologues like Frank Chapple of the electricians and Ken Gill of TASS. When Scargill’s disastrous miners’ strike happened in 1983, Murray was unwilling and unable to deal with it and instead resigned – three years before his time was up. He was replaced by Norman Willis, on whose watch such things went from worse to worse.

The Social Contract was not accepted by all the unions.

“The opponents of the Social Contract were led by Ken Gill of TASS, a section of the AUEW (which remained very much a loose federation), and Bill Ronksley of ASLEF. They urged eight specific pre-

conditions before co-operation could be assured. Since the eight specifics were contained within the objectives of the Social Contract Len Murray gave assurances about them, but could not make them pre-conditions. This became the crux of a discursive and somewhat chaotic debate, with opinion clearly on the side of the Labour Government. The danger of losing the advantages we had already received, let alone prospects for further advance, if Labour lost the Election, concentrated the minds of a lot of people including Hugh Scanlon. He asked Ken Gill to withdraw his resolution. So strong was the desire for unity in the Congress that Gill agreed, against what he said was his better judgement. Next day he was condemned by the Morning Star (daily journal of the Communist Party of Great Britain, editor), which declared: ‘The Social Contract is a re-vamped version of Phase Three wage restraint...it was wrong to withdraw the resolution under the erroneous conception of unity’.” (p. 285)

Nor was it accepted by everyone in government.

The “*re-vamped version of Phase Three wage restraint*” was voluntary restraint. The unions were never happy about the restraint aspect of the thing. Wilson’s and Callaghan’s Chancellor of the Exchequer, Denis Healey, was very unhappy about its being voluntary. As Jones describes it...

“The Annual Congress of the Scottish TUC took place at Aberdeen in April 1975. I broke away from docks problems in London to speak to the Scottish trade union leaders. In the course of my speech I said ‘My appeal is to respect the Social Contract, and to support it. To do this would mean advancing the interests of our members and keeping a Labour Government in power. Can we really afford to let this Government be thrown out? The Labour Government, for all its limitations, is two hundred times better than a Tory Government.’ I added that the Social Contract was one means of laying down the policy on which the Government would move. ‘How else but with unity between the trade unions and the Labour Government are we going to fight rising unemployment and the redundancies that are taking place?’

“There was no doubt the nation was in a serious state. The Chancellor of the Exchequer (Denis Healey) was uttering dire warnings and in the background were threats to use legal powers on pay once again. He was like an old-time reactionary crying, ‘Bring back the cat!’ Prices in the shops rose week by week and this upset the budgets of working people, who were

constrained to seek wage increases to correct **their** economic position. Contrary to 'expert' opinion, I do not accept that wage increases are the root cause of inflation; they are a reaction to rising prices and, therefore, feed inflationary trends.

"I knew something had to be done...At a union rally in Bournemouth early in May 1975 I called for a new approach to be made, 'to provide for wage increases to be on a flat-rate basis. The figure should be directly related to the cost of living. The one figure should then apply to all people at work – MPs, judges, civil servants and other workers.

"I explained then, and in more detail in a series of articles I wrote for the popular dailies, the benefits of the flat-rate scheme. Flat-rate increases would mean that **everyone**, irrespective of occupation or position, would get the same amount of money in the next pay round. All would be required to make sacrifices. The lower the income, the smaller the sacrifice. They would be simple to apply and straightforward in effect. No one could get round them by plausible interpretation. **They would be seen to be fair.**" (pp. 294 – 295)

At the T&GWU Biennial Delegate Conference at the end of June '75...

"The interest was intense. I did not have an easy task, for the opposition to any understanding about incomes was considerable. Statutory controls and the Social Contract were damned as one and the same thing. But this view did not prevail, and when the vote came support for the Social Contract was overwhelming, including for the proposed flat rate, to apply for the next twelve months.

"The whole project then almost foundered. There was a fall in the value of the pound and Healey panicked. He made an emergency statement to the House of Commons, proposing a 10 per cent limit on wage increases, the introduction of cash limits in the public sector to cover wage negotiations, and other similar measures. No one warned me; the Conference only knew what came to us by the media.

"There was consternation. Some delegates felt cheated. Confidence in my leadership was shaken. I thought, myself, that Denis had been ham-fisted, to say the least. The delegates who opposed the Social Contract demanded a fresh debate and submitted an emergency motion. It was opposed and defeated, but the spirit of the Conference had been upset.

"It was an amazing period...We would have made

a lot more progress if Denis Healey, for example, had not rushed to make speeches immediately the Treasury had persuaded him on some issue. Having made a public statement it was difficult for him to move away from it. Time and time again during the 1975 crisis it was all too apparent that Government leaders, and even the staff of the TUC and the Labour Party, had no conception that the support of rank-and-file members had to be won, and their confidence sustained.

"The TGWU Conference decision cleared the ground for an agreed policy in discussions between the Government and the TUC." (p. 296)

The final figure for flat rate increases (on salaries under £8,500 a year) was £6. This was both wage restraint and a previously unheard-of boost for the lower-paid. This was successful...

"...We proved that the trade union movement could deliver, and not one instance of a breach of the policy from the trade union side was reported. Within the twelve months of operation which had been stipulated, inflation fell by more than half, from 25 per cent to 12 per cent.' (p. 300)

Denis Healey—So-Called Chancellor

So was the Chancellor, for whom controlling inflation was the order of the day, pleased? Not especially.

In this editorial of autobiographies, one more can't do too much more harm. Healey's is "The Time Of My Life", wherein he writes on this period...

"In my two 1974 budgets I tried to deal with the inflation caused by the Heath Government and the increase in oil prices by cutting VAT, introducing rates relief, lending money cheap to the building societies so that they could keep mortgage rates down, and subsidising food and housing. I hoped that in return the trade unions would respond by limiting their wage increases to what was needed to compensate for price increases in the previous year, after taking account of what they had received already through threshold agreements; they had agreed to do this in their so-called Social Contract with the Government. Tony Barber's (his Tory predecessor's, editor) policies and the oil price increase had raised inflation to seventeen per cent by the time of my second budget in autumn 1974 and would have raised it higher in the following year. But if the unions had kept their promise, inflation would

have been back to single figures by autumn 1975.

“They did not...” (pp. 393 – 394)

Healey acknowledges that *“In its first year the pay policy was a resounding success. The rate of inflation was halved...”* (p. 396) and is happy to accept this as a credit to his negotiating skills and the good food and drink he served at 11 Downing Street to jolly those negotiations along.

After the first year things on the Prices & Incomes front just got more and more difficult as *“my overriding concern was to restore a healthy financial balance both at home and abroad.”* (p. 400)

Healey decided that to do this he had to reduce the Public Sector Borrowing Requirement by raising taxes and cutting public expenditure, which had an inevitable impact on prices and incomes and got inflation going again. Just how much of that increased taxation and those spending cuts was justified is impossible to say as, according to Healey, the Treasury figures for the PSBR on which he relied were completely misleading. Oh dear.

After the second year things on the Prices & Incomes front just got more and more difficult as existing cuts in public spending notwithstanding...

“...the Conservative press was screaming for cuts in public expenditure; its frenzy was not discouraged by the Treasury’s own misleading statement that public spending was taking sixty per cent of Britain’s GDP and by the official Treasury forecast, which overestimated that year’s PSBR by over £2 billion. In fact it later turned out that public spending actually fell by nearly two per cent in 1976/7, its first fall since 1969/70, when Roy Jenkins was Chancellor...” (p. 427)

Treasury forecasts for 1977/8 *“...also turned out to be much too high, but it was all I had to go on, and it was worrying the markets.”* How Sad.

Healey then went to the International Monetary Fund and negotiated a loan of who knows how much on the understanding that he would cut public expenditure by a further £1 billion. And once again...

“...in a sense, the whole affair was unnecessary. The Treasury had grossly overestimated the PSBR, which would have fallen within the IMF’s limit without any of the measures they prescribed...” (p. 432)

So never mind.

“The Labour Party Conference which followed gave me a standing ovation.” (p. 432)

Well, that’s all right then.

Healey sneered at the *“so-called social contract”*, the development of which he continually undermined, the benefits of which, as a so-called Chancellor who should have known better than the figures the Treasury fed him, he wasted. The core statement of his position in these years is summed up by him...

“Meanwhile my own international reputation was secure.” (p. 437)

Healey was Chancellor in a Labour Government that was far from the worst the political contributions of trade unionists have ever paid for. To that point the history of the Labour Party, dominated as it was by Ernest Bevin, was a legacy that kept its heart, if only rarely its head, for the most part in the right place. What Bevin shaped was a legacy that allowed the Parliamentary Labour Party to pretend it was in a Burkean kind of relation with its constituents. Those Labour MPs who were not conscious mercenaries told themselves that they were representatives not delegates of the voters in their constituencies, but, when it mattered to their trade union paymasters, trooped into the lobbies as paid servants of the trade union movement. The business of leaders of the Labour Party was to mediate between the PLP’s paymasters and the PLP’s illusions.

Attlee and Wilson understood the delicacies of Labour Party politics and played them superbly. They were politicians who engaged in politics. Healey was something utterly different.

Healey was a very clever grammar-school boy who had the misfortune to get a first at Oxford and become an ex-communist intellectual. He fancied himself a statesman and had a knack for politicking. His account of his years as Chancellor is filled with economic theory that is often close to the mark. He says that he knew the problem with British industry was lack of investment. But nothing political followed from that knowledge. He *“concluded that the key to Britain’s industrial performance lay in the efficiency of individual firms”* (p. 406). But nothing political followed from that conclusion. He says *“the central*

problem lay with management". And, yes, it did. But he did nothing about it.

His one reference to the Bullock Commission on Industrial Democracy which was central to dealing with under-investment, low-productivity and managerial inefficiency is this:

"Another issue on which the Government spent an inordinate amount of time, unfortunately to no effect, was the report of a commission chaired by my school-friend Alan Bullock on industrial democracy. This aimed at introducing into Britain a system not unlike the German **Mitbestimmungsrecht**. Bullock proposed that workers should have the right to be represented on company boards, provided that at least one third of all the eligible workers had voted in favour. Unfortunately, the trade union leaders insisted that they should represent the workers concerned, through their existing union structures, which could not be relied on to operate democratically. So the proposal ran into the sand. Genuine industrial democracy would in fact have undermined the power of the trade unions at national level. The employers were typically short-sighted in opposing it root and branch." (p. 459)

Mitbestimmungsrecht is really just an opportunity to use a long German word with the appearance of casual familiarity. Industrial democracy would have undermined the power of trade unions only by way of the truism that ultimate power is ultimately precarious (*'uneasy lies the head that wears the crown'*). And the employers only opposed it root and branch when it became clear that the unions themselves were fatally split on the issue.

Barbara Castle was frequently upset by the crudity and lack of manners of the union bosses who financed the Labour Party. It's not likely she could ever have found a good word to say for the likes of Arthur Deakin and Will Lawther. But she knew who the piper was that called the tune in those days. Lawther had only very occasionally to remind her, in words she remembered as well as his lack of manners, how "*the block vote and the money that is provided will be used in the direction that we think is in the best interests of our membership*." If Healey ever knew that, he forgot it quick enough to write that, as of 1970:

"The trade unions were now emerging as an obstacle both to the election of a Labour Government and to its success once it was in power." (p. 346)
But without the trade unions to finance it no Labour

Government could ever be elected. So the trade unions were both a precondition and an obstacle. Ah...theory!

Joe Gormley

In the extract from *Union Man* with which this magazine begins Jack Jones writes...

"Strong attacks on the [Bullock] Report also came from the Left. The Morning Star was highly critical and one delegate at the Labour Party Conference described it as 'a sop to workers' control which would smash the unions, destroy their bargaining powers and leave them as puppets of management'. Joe Gormley didn't want anything to do with it either."

In his autobiography (honestly, the last autobiography to be introduced in this issue, truly!), *Battered Cherub* (Hamish Hamilton, 1982) Gormley (who was Arthur Scargill's predecessor as President of the National Union of Mineworkers; he never lost a strike, Scargill never won one) commented...

"...I was pretty sceptical about the Bullock Report, and the idea of workers being involved in management, with trade unionists on the boards of companies and so on. How, for instance, could I honestly sit down as a member of the Coal Board? If there was an issue which I felt strongly about, on my members' behalf, but on which I was out-voted, how could I go back to my Executive and say, 'Ah well, we may be right, lads, but I was out-voted and therefore we have to accept it? It would be an impossible position to be in. But worker-participation, with everyone feeling involved in the decisions being made about their pit, is quite a different matter.'" (p. 204)

Gormley was no ideologue and that view is nothing more than a consequence of the confused debate in the trade union movement which Manus O'Riordan described at the time in articles in the ITGWU journal *Liberty*, which we have been reprinting in this magazine. The Bullock Report was specifically about industrial democracy in the private sector. It was not making any proposals about what should happen in nationalised industries, like mining (there was a parallel study about industrial democracy in the public sector which reported just as the Callaghan government was falling). Bullock's Report recommended that employee representatives be elected through trade union machinery, but left it open as to who they would actually be (officials, shop-stewards, people from outside the company that

the workers liked and trusted). Gormley could have stood for election as a worker-director if he chose to. Being a worker-director would not have required him to stop being or behaving as a trade unionist. Neither the worker-directors nor their unions were required to accept Board decisions. Anyway, Joe Gormley could have been head of the National Coal Board at any time he wanted. He didn't want it.

Earlier in the book Gormley described his involvement with the Labour Party:

"In the autumn of 1966, following the Labour Party Conference, and just two years after Labour had returned to power under Harold Wilson, I was elected Chairman of the Party's Organisation Sub-committee, one of the most influential positions in the Party...

"...As it is, of course, the bulk of the Party's funds come from the unions anyway, and unless and until alternative arrangements can be made, this is the way it will have to stay. That's why I consider it unfair when people attack the unions for the influence they have on the Party. For a start, we don't put pressure on to nearly the extent that some would believe. But, in any case, It is unreasonable not to expect those who are paying the piper not to want to call a little of the tune from time to time." (p. 68)

"...many people were attacking us for having too great a say in Party policy. It was an attack that had happened before, and has happened since, but this time there were many different organisations putting on pressure to water down any control that we still exercised.

"It was clear that the Labour Government, and in particular Barbara Castle, was not exactly out of sympathy with these pressures, so much so that I said publicly during 1967 that if this were the case, then the Trade Union Movement would have to form another political party, functioning in exactly the same way, and with exactly the same objectives, as was the case when the Labour Party was first formed. It caused quite a stir, but it was no more than a blunt statement of an obvious truth—the Union Movement **must** have a voice in Parliament, able to push for legislation to further its aims, and if the Labour Party was no longer prepared to be that voice, then it would have to be somebody else." (pp. 71 - 72)

Joe Gormley showing a proprietorial spirit there that has been sorely lacking in the trade union movement recently. That spirit is very badly needed now. Well,

the spirit certainly, but perhaps not the letter of it.

As Gormley said the Labour Party was formed by the trade union movement to go into Parliament and push for legislation to further its aims. It was formed as a Trade Union Party, but out of elements the most purposeful of which had broader political aims. These were the "*Socialist Societies*" (the Independent Labour Party, the Social Democratic Federation which dropped out within a year or so, and the Fabians) and the "*lib-lab*" MPs (mainly from the Miners' Federation which affiliated to the Labour Party in 1908) who had deserted the Liberal Party to win as Labour candidates in 1910. When individual membership of Constituency Labour Parties was permitted in 1917 they and the Conferences to which all the leading lights of the Societies and the CLPs gleefully trooped out for, with their foot-soldiers in dutiful attendance, became the battlegrounds of contests between more or less utopian Socialism and more or less hard-headed trade unionism.

The constant struggle between the Socialists of the Societies and the Trade Unionists came to a first conclusion in August 1931 when Ramsay MacDonald and Philip Snowden, leading Society Socialists whose politics had been formed between Liberalism, Non-Conformism and the ILP, at this time Prime Minister and Chancellor respectively, collapsed their Labour Government and went into coalition with the Liberal and Conservative Parties. This was a shock that was required to energise the trade unions, under Bevin and Citrine (General Secretary of the TUC, 1926 – 46), to rescue the party by re-asserting their control over it.

The immediate failure of the 1926 General Strike (more apparently devastating than really so) had disillusioned some of the Socialists and acted as a clarion call to others of them. Direction of the Party seemed up for grabs and individuals and groups were grabbing. Chaos was calling to crisis.

G. D. H. Cole

The best of the bourgeois intellectuals in the Labour Party, in his Guild Socialist days, was G. D. H. Cole. In the late 1920s, when he succumbed to Fabianism, he was one of the worst of them.

After what he saw as the failure of the working class and their unions in 1926 Cole abandoned notions of workers control and took on a proper Fabian attitude to the role of experts and the state. He wrote in the New

Statesman in April 1929 that, “*a considerable increase in the strength of the non-Trade Union elements within the Labour Party is not only desirable, but absolutely indispensable if the Party is ever to attain independent political power*”. In “The Next Ten Years In Economic And Social Policy” (written in 1928, published, 1929) he advocated the militarisation of labour on a vast programme of relief work that a Fabian-run Labour Government would impose on trade unions. Social planning by coercion was at the core of his proposed ten year plan. Disinterested Fabian experts were to be at the head of it.

Oswald Mosley, frustrated in his premature Keynesianism had, in 1930, taken himself and four other Labour MPs into the New Party (soon to be the British Union of Fascists).

Elsewhere among the Societies the ILP, in which MacDonald and Snowden had grown up, had decided that its members who were MPs should follow ILP policy rather than that of the Labour Party. Discussions on this were ongoing when the old ILPers at the head of government provoked the crisis of August 1931. The ILP marched somewhat unctuously to the moral high ground, waited less than a year, and took their opportunity to disaffiliate in 1932, with every (very mistaken) expectation of replacing a failed political entity in government pretty much upon the instant.

In the five years between the loss of the General Strike and the loss of the second Labour Government the intellectuals and icons of the Socialist Societies were taking advantage of trade union disarray to advance themselves and their ideological quirks. Things had to get worse before they could get better. MacDonald and Snowden provided the worse. Bevin and Citrine then exerted themselves to make it all better.

The 1945 Labour Government, the Welfare State, the NHS, all that was made possible by Bevin’s reconstruction of the Labour Party after 1931. It may have all happened somehow or other without the shock of MacDonald’s betrayal, but in the real world in which it actually happened it took that shock to get things, to get Bevin and Citrine, moving.

Conclusion

Joe Gormley must have been one of the first trade union leaders to feel the shock of In Place of Strife

coming (in 1967!). In Place of Strife was a shock. But there was no comparison between 1969 and 1931. In 1931 a Labour Government was seeking to manage rampant unemployment by cutting the dole. In 1969 a Labour Government was seeking to legislate a trade union movement onto the commanding heights of political economy.

Nevertheless, if Gormley had assumed the mantle of Bevin, had given Wilson and Castle their marching orders and started a new Labour Party from scratch, with it “*functioning in exactly the same way, and with exactly the same objectives*” as the old party, well then, you have to wonder how long it would have lasted before by functioning in exactly the same way, and with exactly the same objectives, the same problems would have come up again.

In this case it would have been a matter of no time at all. The problem Wilson and Castle tried to deal with by way of In Place of Strife was central to the functioning of British trade unions in an industrial situation of under-investment, low productivity and managerial inefficiency. Managements which were no longer actually, as opposed to legally (theoretically), responsible to shareholders were both weak and incompetent. As Bernard Ingham wrote for Barbara Castle and dramatic effect at the Institute of Directors jamboree: “*real power now resides in the workshop and on the office floor. It has, if you like, returned to the grass roots from whence it came. We have got to accept, again whether we like it or not, that workpeople have a veto which they are increasingly prepared to exercise; in other words, that management these days can no longer function by the arbitrary exercise of traditional ‘prerogatives’, but only by winning the consent of its workpeople*”.

With low productivity endemic, economic growth could only be achieved at the price of high inflation. Low productivity could only be turned around with the consent of the working class. That meant the trade unions taking at least a share in responsibility for production. And that meant at the least industrial democracy or workers’ control at the most. And by and large the unions in 1969 (and later) weren’t having any of it. Reconstituting the Labour Party on the same old, or any other, terms would not have changed the world’s constitution one iota. The same old problem would still be there on the same old, or any other, terms.

As it happened trade union disquiet, alarm and

fury at being asked in In Place of Strife to grow up and act like adults was a shock to the old Labour Party system. Once the immediate issue, which fed into Jim Callaghan's appetite for skulking and scheming and plotting, was buried in Cabinet, Harold Wilson on the one hand and Jack Jones on the other set about addressing the underlying question of working class power up-front, by way of giving scandal to the neighbours—which is what the Social Contract was built to do, and greater scandal yet in the Committee of Inquiry on Industrial Democracy.

But Harold Wilson resigned for reasons of health and Jack Jones reached retirement age. The Social Contract broke down. Bullock reported into the political vacuum that was Jim Callaghan's Cabinet (he couldn't plot against himself, could he? He wasn't, was he? What else could the poor man do? As Barbara Castle said, he wasn't all that interested in politics as such.). Winter was cold and wet and, as we remember it, discontented. Thatcher was promising a return to the security of comfortable old things, unfettered free collective bargaining and a reserve army of labour (though Reg Prentice smoothed the rough edges off signing on). She dealt with all the old industrial problems of under-investment and so on by allowing industry to decline and decay and cease and so on. Revenues from North Sea Oil were used to pay to make all that painless.

John Major was more of the same, with a smile.

Then Thatcher's children took over. Her abrasive brand of radical liberalism never sat well with the actual conservatives in the Conservative Party. The "wets" muddied her waters to the end. But the radical liberals in the Labour Party, Society Socialists, as Christian as old Philip Snowden, as personable as Ramsay MacDonald, took to her waters like a happy flock of Left-wing ducks.

And no shocks similar to 1931 and 1969 have rocked the trade union movement. There have been an awful lot of individual complaints but no forthright organised response. The closest thing to a parting of the ways has been the disaffiliation of the RMT. But that was initiated by the Labour Party, the RMT tried to fight it in the courts and Bob Crow has boasted that the RMT has more MPs in its parliamentary goup since being disaffiliated than it had before (it seems it has increased from 10 to 22, but to what point?). Eleven years of whining between elections has been more than matched by all hands rushing to man the pumps

at each election. Campaigning for Blair and Brown, canvassing for Blair and Brown and, above all else, paying for Blair and Brown.

Well the greatest shock of all would appear to be hurtling towards the Labour Party at tremendous speed. By-elections and local elections have so far only given indications of the annihilation of the Labour Party that is to come. Nothing is absolutely inevitable in politics and Brown and his advisers will be thinking hard of how to avoid Gotterdammerung.

Their most likely trick is armageddon-lite, but their stock is so low, and their resources so stretched, that a quick little war giving a decisive victory with no British casualties, somewhere very very small with no allies or geopolitical significance, should prove almost impossible to arrange, particularly with the Conservative Party having no incentive at all to help.

So, in two years or so, the trade union movement will find themselves facing reruns of all the adverse legal decisions of the twentieth century with a deeply wounded party or no party at all to handle essential parliamentary business for it.

However deep the shock might be, from severe to catastrophic, it will be supremely difficult to recover from. It may well be impossible to recover from along traditional lines.

In 1931 the great bulk of the Labour Party and all of the trade union movement were innocent of what really could be described as a betrayal by elements of the Socialist Societies which had gotten above and beyond their wit and remit. In Place of Strife was only a betrayal of the timid complacency of the trade union leadership.

And now all talk of Betrayal is trivial and irrelevant. Eleven years and counting of a considered programme of anti-working class, pro-market, anti-social, pro-spiv measures by a group of like-minded people being true to their instincts is something altogether different. What the Labour Party has done is make a determined change in character and direction, attempting with no little success to build itself a new social base as radical liberals within the 'progressive' wing of the bourgeoisie.

From its Kinnock-led rebranding the Labour Party was no longer committed to the working class interest, so what was there of the working class for it that it

could be said to have betrayed? The Left-wing which led the Labour Party to this pass believed in a variety of radical liberal causes which it could have betrayed, but has by and large been true to. It is only possible to betray your friends and things close to you that you care for, and New Labour hasn't done that. Those who feel betrayed by this Labour Party never meant anything at all to it.

1931 was a matter of character flaws and ideological hang-ups amongst the Labour Party leadership giving rise to a moral collapse in the midst of a crisis. It was a real classic case of a betrayal, complete with misunderstandings, misplaced loyalties, and broken promises. Centrally, in respect of the personnel involved and their real social weight in the party as opposed to the apparent weight given them by their positions in the government, 1931 was a Socialist Society storm in a trade union and labour pint pot.

Thus it was a situation which Bevin could recover easily, and more than simply recover, could use to further the working class interest in having a trade union party with a tame Left-wing of bright parliamentary performers.

Bevin and Citrine curbed the trivial enthusiasms of the Society Socialists and put their Left-wing to honest work among the bricks and mortar of the Welfare State, the NHS and the mixed economy their trade unions were determined to have.

Whereby hangs a tale, and a hell of a problem.

There is no sign today of any modern Bevin or Citrine. This crisis, even at the worst of its coming culmination, could be an opportunity for getting rid of dead wood and rebuilding effective links between the unions and the party. But who's to do the business?

After In Place of Strife Wilson and Jones moved on to the Social Contract and the Bullock Committee. Who is there could take those roles today?

And it has to be asked now, not only, can the old relationship between the pipers and the tune be re-established, but also, should it be?

The Party's over. Somehow the heart and the soul of the Party, which were Bevin's legacy to his class, managed to predecease it.

Should it be resuscitated.? Can it be resurrected? Should it be recast on new lines and rebuilt entirely from scratch?

Answers please on anything from a postcard to an email or an A4 notepad. There's a lot to be considered. Lots more to be done. And not a lot of time for any of it.

A website for this magazine has been set up at:

<http://www.atholbooks.org/magazines/probs/newseries.php>

A Forum for discussion of issues raised in this magazine now exists at:

<http://www.atholbooks.org/forum>

Anyone can read articles and comments posted on the forum. That does not require registration.

To post articles and comments yourself it is necessary to register as a member of the forum. That is easily done.

INDUSTRIAL DEMOCRACY IN BRITAIN—CONFLICTING TRADE UNION VIEWS

Originally published in *Liberty*, journal of the Irish Transport and General Workers Union, in August 1976

by Manus O’Riordan

In the July and August issues of Liberty we presented readers with the debate on worker directors at the 1974 Conference of the British TUC and indicated both the inadequate extent of that debate as well as the inconclusive nature of its outcome. It is perhaps this lack of thoroughgoing debate throughout the trade union movement which is the main drawback in securing meaningful advances in industrial democracy. In the January issue of ‘Industrial Society’ the General Secretary of the Amalgamated Union of Engineering Workers, John Boyd, highlighted this problem in the following way:—

“...The E.E.C. recently declared on company law and industrial democracy... Coupled with our Government’s committee of inquiry with its terms of reference and its declared intention to prepare legislation for the 1976-77 session, this imposes on our British trade unions the responsibility of leaving aside all our sloganising, romanticism and hazy meanderings about workers’ participation, workers’ involvement, decision-sharing, industrial democracy and other such phrases...

“...All the signs are that our Government will legislate, and clearly a Labour Government will pay more attention to trade union thinking than any other viewpoint. It is true the TUC General Council issued, and Congress accepted, the document ‘Industrial Democracy’, and so one could claim that is the policy, these are our arguments and that’s that. But such is not really the case. This document has still to be discussed with the mass of trade unionists, the majority of whom are not aware of it. It contains many revolutionary ideas not only for British industry but for the trade unions and their members, the implications of which are not fully appreciated by the rank and file.

“...the British working class is too mature, too sophisticated, too shrewd and pragmatic to have any sham or hypocrisy about industrial democracy. If change is coming it must be real. And this throws up the challenge to the trade unions...Do people want more orders, more direction, more

involvement of our democratic institutions, including trade unions and Government, in all the things which affect the quality of their lives? I believe, on balance, they do. So the same people want the industrial democracy wanted by EEC, activated by the TUC, which will substantially change the role of trade unions in industry—or do they prefer the existing methods and relationships enlarged to cover more subjects? None of us can be sure.”

ENDLESS NEGOTIATIONS

John Boyd’s agnosticism was certainly not counteracted by the nature of the decisions taken at the 1974 Conference of the TUC. The General Council’s Report demanding enabling legislation so as to give trade unionists the right to claim fifty per cent representation on company boards was indeed adopted by the 1974 Conference, but so also was Composite No. 17 which expressed opposition to any mandatory system of worker directors. It was the ambivalent nature of these decisions which, on the one hand, led the TUC General Council itself and such unions as the TGWU and APEX to conclude that they had been given the go-ahead by Conference to campaign for parity of board representation, while, on the other hand, unions such as the EETPU, the AUEW and the GMWU felt that they had been given the right to campaign against any such enabling legislation.

This is how matters have accordingly proceeded over the past year. The General Secretary of the

Electrical, Electronic, Telecommunications and Plumbing Union, Frank Chapple, was a member of the Plowden Committee of Inquiry into the Structure of the Electricity Supply Industry in England and Wales, and the EETPU itself also made a submission to that Committee in outright opposition to the TUC's own submission. The Plowden Committee was accordingly unanimous in concluding:—

“We received evidence from the TUC (...under whose proposals...) half the Board would be appointed by the Secretary of State and would be responsible to him. The other half would be trade union representatives, who would be appointed by, and would ‘report back’ to, the five national consortia of unions which negotiate with the Electrical Council...

“...We do not believe that such a body could have a common purpose or could work together to secure the overall good management of the industry. We fear that, if the TUC proposals were carried out the Board would be merely the forum for endless negotiations between two groups of representatives. Neither group would be responsible for taking the lead or could be blamed if things went wrong...In such circumstances, good management would be impossible...

“...Not all the unions involved in the industry supported the TUC. The strongest opposition came from two of those with greatest weight in the industry, who argued that a trade union's duty to represent its members' interests... could not be reconciled with even a share in responsibility for managing the industry.”

JOINT DECISION-MAKING

This oppositionist approach stood in sharp contrast with the stand adopted by the Transport and General Workers' Union whose General Secretary, Jack Jones, had been one of the chief architects of the TUC policy. His views were particularly reflected in a number of TGWU submissions on Industrial Democracy in various sectors of industry, as for example the Energy Sector. The TGWU declared its full support for the TUC demand for 50 per cent direct trade union representation on policy-making boards and went on to argue:

“Though in recent years there has been much

more consultation with unions in corporate planning and in the evolution of energy policy, there is a fairly radical difference between a system based on passive consultation, where trade unionists and their representatives are consulted on a range of issues only after the basic decision has already been taken; and a system which involves union representatives at all levels in policy formulation and implementation. The area of decision-making by ‘joint agreement’ must be extended to the point where there can be no unilateral application of executive action by management.

“We feel that the existing nationalised boards in the energy sector...should be reconstituted under new statute with parity representation for lay trade union representatives (shop stewards or equivalent) vis-a-vis the other Government-appointed directors...

“...We are aware that the Plowden Committee in its report rejected the TUC's proposals for greater industrial democracy in the electricity industry. We do not accept the arguments in its Report that TUC proposals would lead to the Board merely becoming the forum for endless negotiations between the groups who have no common purpose. Rather, we feel that the TUC proposals would have led to the Board being able to harness the abilities and expertise of the work force in the interests of the electricity industry as a whole. We welcome the Report's acceptance that ‘employees at all levels should have a greater say in the control of their working lives’ but believe this can only be achieved effectively by board level representation.”

EMPLOYER OPPOSITION

The TGWU championed parity board representation in the private as well as the public sector and its General Secretary, Jack Jones, is at present a member of the Bullock Committee of Inquiry into Industrial Democracy, whose terms of reference are as follows:—

“Accepting the need for a radical extension of industrial democracy in the control of companies by means of representation on Boards of Directors, accepting the essential role of trade union organisations in this process, to consider how such extension can be achieved, taking into account, in particular, the proposals of the Trade Union Congress Report on Industrial Democracy as well as experience

in Britain, the EEC and other countries... ”

The British employers' organisations have, however, bitterly attacked the TUC Report in their submissions to the Bullock Committee and have at times used rather strange arguments in the process. For example, the Confederation of British Industry declared that *“Any suggestion that employee participation necessarily involves employee delegates on the board is irrelevant and unacceptable”*. But the CBI also *“noted with approval”* Composite Motion No. 17 which had been proposed by the AUEW at the 1974 TUC Conference in order to oppose any system of worker directors by counterposing to it an extension of the scope of collective bargaining. The Engineering Employers' Federation, in turn, mentioned that:—

“The position of employee directors must become critically exposed when a major issue arises threatening a conflict of interest between employees and those who must manage the company not only for employees, but also for shareholders, customers and the public. Employee directors will then either be unable to act as effective guardians of the special interests of their appointers, or they will be unable to act responsibly as directors in the overall interests of the Company.”

Having expressed such concern for traditional trade unionism, the EEF went on to argue more bluntly that if workers' representatives held half the seats on company boards there would be *“a deterioration in management performance”* because each board would be *“an arena for political manoeuvre and conflict, rather than a forum for taking realistic decisions”*. The CBI also contended that *“the principle that there should be participation only where desired by unions is unacceptable to British industry and those who manage it”*, while frankly revealing its fears that the TUC Report was *“concerned not with genuine participation but with control”*. The British Institute of Management, in turn, held out the prospect of *“deadlock...especially as union directors would be mandated to represent rather than participate”*.

PROFIT-MAKING DANGERS

It was not from the employers' side alone, however, that the TUC proposals on Industrial Democracy came under fire. The Amalgamated Union of Engineering Workers felt that the adoption of its Composite Motion No. 17 by the 1974 Congress gave it the go-ahead to

continue opposing TUC Policy on worker directors in the private sector, although by now it was prepared to accept them in the public sector. The AUEW submission to the Bullock Committee accordingly argued:

“It seems to us that there are considerable disadvantages to the Supervisory Board system recommended by the TUC for the Private Sector... What appears to us to be unreasonable is the view that there is a point beyond which collective bargaining cannot develop. In Italy the Fiat workers have proved this assumption incorrect. Starting from the traditional role of making pure economic demands they have, by degrees, enlarged collective bargaining to the point where they have been able to insist that Fiat management invest in the depressed South on the workers' terms. They are now in the process of demanding a say in what management should produce. thus the TUC's assumption is not correct, but even if it were then it would seem to be dangerous to proceed beyond that point by some other mechanism. Collective bargaining represents advance and consolidation by the members, stewards and officials as one body. The introduction of Supervisory Boards does not run parallel to this process but could in certain cases, oppose it...”

“...Given the need for Supervisory Boards themselves to be monitored, we believe that this can only be done effectively by the collective bargaining mechanism. In order to carry out such a task collective bargaining would have to reach company level on issues such as pricing, investment etc. Collective bargaining in the Engineering Industry has not yet developed to anything like this stage. Ironically, if Supervisory Boards are introduced it could be because of them that the extension of collective bargaining will be inhibited...Seeing no justification in the argument that there are areas which collective bargaining cannot reach, we view the way forward in the Private Sector as an unlimited extension of collective bargaining, which would ultimately embrace such issues as pricing, long term investment plans, location, forward planning, sales and profitability...”

“...It is clear that there is a distinction between the private sector being run purely for profit and the public sector which should be run in the interests of the public and our approach should reflect that difference...In the nationalised industries

we should become involved in decision-making, seeking majority Trade Union representation at board level and effective controls at other levels”.

MERGER CONTROL

A different approach was, however, adopted by another union in its submission to the Bullock Committee. The Association of Professional, Executive, Clerical and Computer Staff (APEX) declared its support for the TUC policy of 50 per cent trade union representation on company boards because it felt collective bargaining pure and simple would not be sufficient. It gave its reasons as follows:—

“APEX, through its membership in many industries, has been involved in varying aspects of industrial democracy. In a number of companies which have been rescued by Government financial support, trade unionists have been involved in joint committees with management in order to examine the problems affecting the operation and viability of the company with a view to reaching mutually agreed conclusions on the steps to be taken to handle the problems concerned. It would be totally unrealistic to expect that trade unionists would be prepared to be involved in great depth in assisting the resolution of major problems affecting a company, and once that company was put back onto a viable basis that the trade unionists should be told that henceforth they would cease to have any further responsibility in this field. Once trade unionists have seen the need to work with management in their mutual interest and as equal partners, then they will clearly wish to retain similar rights and obligations in the future if only to avoid a repetition of the circumstances which led to the potential liquidation of their company...”

“Below Board level APEX sees the development of industrial democracy as an extension of existing forms of collective bargaining in which APEX and all other independent trade unions are currently involved. In this sense, we wish to see developments at the grass roots’ level, as well as at Board level since unless there are employee rights in relation to managerial decisions which affect employees directly at their place of work, no amount of formal democracy at higher levels will be capable of carrying through other broader reforms...”

“... (But) do workers need representation at Board level? it is frequently contended by opponents of

representation at Board level that a full extension of industrial democracy can be secured by an extension of existing forms of negotiations, and furthermore, that involvement at Board level requires trade unionists to sit on both sides of the table during the course of wages bargaining. Although there is considerable scope for an extension of bargaining between unions and employers there are certain issues that are not amenable to resolution by existing negotiation procedures.

“... (For example) the only people who can control a merger between two companies ultimately are the shareholders of both companies under the present law. It is not possible to conceive of an extension of negotiations between unions and employers that will give unions a veto over such matters. The trade unions may seek to influence such events but basically they are powerless to prevent their consummation... For these (and other) reasons we do not consider that an extension of collective bargaining alone can result in the introduction of effective industrial democracy”.

The strongest trade union opposition to the TUC Report came from the EETPU which refused to accept any concept of worker directors in either the public or private sector. In its submission to the Bullock Committee it argued:—

“Our experience at our conferences, at our colleges, in our shop stewards’ committees has been that there is little demand among the members for involvement in decision-making. It is acknowledged throughout the trade union world that it is difficult enough to persuade members of trade unions to get involved in union activity, let alone joining in a bureaucratic orgy of consultation and participation in management functions.

“... As is well known, the EETPU has disagreed with what has been represented as the majority TUC view on industrial democracy... Our alternative to reliance on worker directors is to dramatically expand the scope and range of issues dealt with by the collective bargaining process... The collective bargaining relationship is capable of organic development which will not be too dramatic for those affected by its decisions...”

“...” It is also unhelpful for the (Bullock) Committee to be required to concentrate primarily

on the Trades Union Congress Report on Industrial Democracy. At the 1974 TUC where this Report was considered, there was a motion on the agenda which was carried and appears, on the face of it, to contradict certain elements of the TUC Report... We are aware, as must the Committee of Inquiry, that the TUC accepts that the mandatory imposition of worker directors would be unhelpful. Nevertheless, the TUC now appears to be suggesting that enabling legislation should be passed which allows the introduction of worker directors should the trade union organisation within a specific company require it...

“...We oppose the introduction of worker directors on wider grounds... The advocates of worker directors say that it is at board level that managerial decisions of an influential nature are taken, then worker directors should be there on the board to contest those decisions or prevent them being taken in the first place. The EETPU thinks that there are many profound difficulties inherent in such a situation. The belief that managers implementing the policies of a Board composed of 50 per cent trade union representatives will be more acceptable than the current exercise of the managerial function is an illusion. It could convey the impression that the management has captured or absorbed the trade unions...

“...Furthermore, it is not the responsibility of work people to manage the enterprise... Company decision-making will not be improved by worker directors promising more than they can deliver at election time... Failed candidates may pour their disappointment at losing a board election into their collective bargaining roles where the decisions of the Board may then be subject to less constructive criticism...”

BOARD-ROOM POWER

The TUC proposals, then, had come under strong attack not alone from the combined forces of the employer organisations, but also from some of its own affiliated unions. In its supplementary evidence to the Bullock Committee the TUC made the following response to such criticisms:—

“Major developments in industrial democracy clearly can take place and indeed are taking place without any legislative back-up as the scope of

collective bargaining is gradually extended to cover a wide range of issues which were previously regarded as ‘managerial prerogatives’. Nevertheless the company law aspect is still important because company law at present precludes certain developments in the area of industrial democracy...

“It is increasingly evident that the major issues determined by boards of directors are of close interest to work people... (such as) the appointment of top management, disposition of resources, mergers and the acquisition and disposal of assets. Work-people should have a right to a say in such decisions, at present reserved to shareholders.

“Board level representation is certainly in no way a substitute for collective bargaining. Trade union organisation is now strong enough in Britain to reduce to the minimum the fear that trade union strength might be weakened. But it is in fact nevertheless of vital importance that board-level representation is based on trade union machinery and that workers’ representatives must be seen to be in touch with the feelings of their fellow workers...

“...The TUC advocates parity trade union/ shareholder representation at board-level in order to avoid a situation of trade union representatives being given responsibility without a real share in decision-making. It is the TUC view that it is unrealistic to expect ‘equal responsibility’ without ‘equal representation’. Nothing could be more damaging than having to accept responsibility if the shareholders’ representatives had an entrenched majority. Only with a system of parity representation can trade union representatives be expected to feel any sense of collective responsibility for board decisions... (at the same time) the primary responsibility of trade union members would be to their constituents; they would indeed be ‘workers’ representatives on the board’ rather than simply ‘worker directors’ responsible only to themselves...

“... We believe that though this could not be apparent overnight, the companies with workers’ representatives on the board would over a period of time be in a better position to respond to the changing industrial environment and be more efficient than those without... The major gain in efficiency would derive from the creation of a new approach to policy-making in companies, particularly in relation to new products and

new methods of work...and the acceptance and implementation (of future policy) would in general undoubtedly be assisted, given the greater confidence in the work of the policy board and the systematic reporting back to established stewards and office committees of the board's work..."

OPPOSITIONAL RHETORIC

The major handicap facing the TUC in the pursuit of its policy aims nevertheless lay in the ambiguity of its 1974 Conference decisions. If further progress was to be made the issue needed to be resolved when industrial democracy was again debated at this year's TUC Conference on September 8. On the previous day the TUC General Secretary had taken the argument into the camp of those opposing the Congress Report when he wrote in *'The Morning Star'*—

"...We say 'yes' to the extension of collective bargaining and 'yes' to parity representation on policy boards. Neither one is a substitute for the other.

"Some people are prepared to accept the logic of shared responsibility for board decisions in the public sector, but not in the private sector. The public sector is different, they argue, in that it is not dominated by the profit motive and the potential for conflict between management and worker interests is less great. But let us be clear that those who argue this way are no longer saying that representation at board level is an inherent contradiction of trade union functions.

"Let me illustrate the point. Can we say that workers in British Leyland (now publicly owned) should have the right to parity board level representation, but that Chrysler workers should not? I think the shop-stewards at both British Leyland and Chrysler would be the first to say 'no' to that distinction. Through the National Enterprise Board, firms under public ownership will increasingly be operating alongside firms in private ownership, and the justification for using 'public' or 'private' sector labels to justify or exclude board representation will become less and less sustainable..."

"...In accepting their share of responsibility

for jointly-made board decisions trade union representatives will not be accepting some new and alien form of responsibility as is sometimes implied. Every time a union representative signs a collective agreement he is assuming responsibility for a decision. That decision, while possibly not ideal, represents the best bargain that can be achieved at that particular point of time.

"These are hard facts of industrial life which are all too often buried under abstract rhetoric about unions as independent oppositional bodies totally uncontaminated by any shared responsibility for company policy. All that can be achieved through a totally 'oppositional' role is a de facto right of veto over management decisions, which unions are increasingly realising isn't always the best way to further membership interests. Trade unions want to be in a position to have a decisive say not just over what they don't want but on what they do want."

The line of reasoning pursued in that article on September 7, set the framework for the TUC debate on the following day. Conference narrowly adopted a vague motion from the EETPU rejecting "any form of participation in management which would tend to weaken trade union independence", after Len Murray had declared that the General Council found its terms unexceptionable. This was the sort of resolution that meant all things to all men and Len Murray and Jack Jones would argue that their policy for board representation fully complied with such terms by virtue of being a further advancement of the power of the trade union movement.

The really crucial votes centred on a composite motion moved by the National Union of Railwaymen which backed up the TUC General Council Report and called for worker participation at all levels including the board-room in both the private and public sectors, and an amendment to that motion from the AUEW which sought to prevent workers serving on the boards of private companies. The 1976 TUC Conference at long last grasped this contentious nettle by heavily defeating the AUEW amendment and overwhelmingly carrying the NUR pro-General Council resolution against the combined opposition of the AUEW, the EETPU and the GMWU. It now remains for the Bullock Committee to make up its mind.

WORKERS' CONTROL NOW
EVIDENCE TO THE COMMITTEE OF INQUIRY ON
INDUSTRIAL DEMOCRACY
SUBMITTED BY THE BRITISH AND IRISH
COMMUNIST ORGANISATION

INTRODUCTION

Contrary to current left-wing propaganda the British working class does not live in a vacuum. It cannot act as though capitalism were not in crisis, cannot behave now as it did when the economy was healthy and expanding.

The roots of the current crisis have been with us throughout the post-war period.

Since 1945 the two main things affecting the survival of the working class are

1. the tendency for the level of investment to be too low to ensure sufficiently extended accumulation, thus threatening the continuing development of the productive forces. (One of the consequences of this is that working class consumption cannot increase sufficiently, as there is nothing additional to consume.)

2. the inability of management to organise production on the shop floor efficiently so as to maximise the productivity of labour and capital in the production process— with the result that both labour power and capital are wasted and thus there has been comparatively less produced to be available for consumption and investment. (Workers' Control in Britain, B&ICO Policy Statement, January 1974)

In that statement we argued that these threats to the jobs and living standards of the working class can only be overcome by workers taking control of industry. The bourgeoisie cannot do the job for us. It is no longer capable of forcing the development of the productive forces to allow for economic expansion, greater efficiency and productivity.

As G. D. H. Cole, one of the most perceptive of British socialists pointed out sixty years ago:—

...at some time before the wage system is ended, it may become necessary for Labour to take a hand in the running of industry, and to accept what is sometimes called 'a common responsibility with capitalism'. There may come a time when owing

to Labour pressure, capitalism and the capitalist state are no longer enough to control industry alone, and, at the same time, the workers are not strong enough to assume complete control...

...it is certain that the time for such a partnership is not yet. It could be acceptable only when the fabric of capitalism had been undermined by the perfection by the workers of their control over labour... (Self Government In Industry, 1917)

Sixty years on, in terms of its political and economic organisation, British capitalism has grown progressively weaker and less able to compete in the world market. The managers of British industry

have grown ever more inept and incompetent. British industry today is characterised by gross waste and inefficiency.

As the working class has matured the bourgeoisie has degenerated to the point where it has no answer to the current crisis and can only call on the working class to restrain itself. It has no answer within itself to the problem of how increased resources for investment, from profits and public funds, can be used efficiently. Only the working class can ensure productive use of resources. To do so it must back up its acceptance of wage restraint with determination to involve itself in what have been up to the present straightforward managerial decisions; taken by capitalism's representatives in the interests of capitalism. The working class must take responsibility for decisions on manpower and capital allocation, on the whole range of questions affecting production.

The time for a common responsibility with capitalism is now. The situation of social stalemate and dual-power in industry which Cole described sixty years ago has finally come about. Owing to working class pressure, capitalism is no longer strong enough to control industry. The industrial power of the workers is such that only they are capable of controlling industry.

Legislation on industrial democracy is necessary to provide an effective framework within which workers can use their immense industrial power constructively to restore direction and purpose to decrepit British industry.

Not only is this the only way in which the working class can immediately protect its jobs and living standards, in the longer run it is the only coherent strategy for advance to socialism. As Cole pointed out:—

A class that becomes atrophied is doomed to decay. The power of any class in any stage of human society rests ultimately upon the performance of functions. These functions may be socially useful or anti-social; an anti-social function may be just as good an instrument of survival as a social function. But as soon as a class is left without functions, the decay of its power and prestige can be only a matter of time. It was the deprivation of the noblesse of France of all social functions that made possible the overthrow of the ancien regime; and we, in our day and generation, shall

succeed in overthrowing industrial capitalism only if we first make it socially functionless.

This means that before capitalism can be overthrown, there must be wrested from it both its control of production and its control of exchange...

...new conditions must germinate within the old, by the gradual assumption by Labour of functions which now are the preserves of the employers. Before Labour can control it must learn how to control; and this it will only do by actual experience of control. (Self-Government In Industry)

The working class can only advance to socialism in Britain by assuming those valid functions which the employing class is no longer performing competently; by itself determining the goals of society and directing all social and economic activity to their achievement. Industrial democracy is the first step along that road to socialism.

The past ten years, since the Donovan Commission reported in 1966, have seen a growing awareness within the Labour movement that working class power must be extended from the shop-floor and be brought to bear in the boardroom; that policy decisions must be determined in the interests of the workers.

Since 1966 there has been the development of interest in, and a commitment to, industrial democracy within the most progressive wing of the Labour movement. Both the Government and TUC are now committed to the development of worker representation on the boards of public and private industry as a means to upset the balance of power in industry and resolve the current stalemate in favour of the workers.

At the same time the employers have rediscovered a common will to assert themselves against the working class. Following on the fall of Heath they have abandoned the conciliatory attitude which marked their involvement in the tripartite talks. All thought of compromise has gone out the window as the bourgeoisie gathers itself to defend management's right to manage without interference from the shop floor. The employers have declared class war and must learn to live with the consequences of that action. Unfortunately for them, they have backed down so often and so far in the past that they are now too weak to prevail. They can make progress difficult but not

impossible.

The development of workers' control could only have gone smoothly had the employers realised that their best hope for survival as a class was to make themselves useful to the workers. Had management accepted that in future they would be responsible to workers rather than shareholders the establishment of industrial democracy could have signalled a period of peaceful transition of power. As it is the employers will have to be and will be defeated as a class, not only on the immediate question of legislation, but also on operating and expanding the law in every enterprise in the country. Now the development of workers' control will lead to excitement and dislocation of the economic fabric of Britain. But there is still no alternative.

Workers cannot afford to stand idly by while the most incompetent managements in Europe play meaningless games with their jobs and living standards. Only the working class itself can halt the drift by itself taking on responsibility for Britain's economic performance.

THE TUC

Britain's industrial structure badly needs shaking out. The TUC's proposals for changes in Company Law and the Statutes of Nationalised industries to allow for worker participation in previously unilateral management decision-making are certainly a step in the right direction. The TUC has recognised that while...

...Collective bargaining of course provides a de facto control and involvement in management decision (it) has no legal foundation in company law. Moreover the scope of collective bargaining normally excludes managerial decisions such as future investment programmes.
(Report on Industrial Democracy, 1974)

In the TUC's view industrial democracy means...

...the achievement by working people collectively of a greater control over their work situation. To be relevant, schemes of industrial democracy must be seen to be effective by workers at their own place of work. Yet some of the most basic aspects of the work situation, and the security of that employment, stem from decisions taken at extremely remote levels.

This applies particularly to decisions on closures, redundancies, mergers and major redeployment. It is for this reason that any policy for the extension of industrial democracy must operate at all levels from the shop floor to the board room, and indeed affect the process of national economic planning itself.

While trade union strength at the shop floor and the scope of collective bargaining should certainly be extended the TUC recognises that there is ultimately no substitute for worker representation on the policy making boards of companies. Britain will continue to decline until the working class takes on responsibility for industrial production. But there can be no question of responsibility without a corresponding share in control.

Essentially, although the TUC has chosen to attack the very basis of the employers' power, their right to manage, it underestimates the revolutionary implications of its proposal for 50% worker representation on the board. In the first place should the workers at any stage determine an alternative set of policies and press for them enthusiastically the employers can ultimately have no choice but to permit their implementation. While workers retain the power and the will to withdraw their labour and are prepared to use that weapon to back up their board room representatives parity can at any point be converted to control. All that is required is that workers and their representatives should develop the requisite economic skills to devise efficient and realistic policies which promote the interests of both the workers and society at large. Given involvement in decision-making and increasing familiarity with the wide range of information which the TUC suggests should be made freely available to employees, the workers cannot fail to develop these skills.

The potential effects of the TUC's proposals on the traditional role of trade unions as negotiating agents are also tremendous. In collective bargaining workers can only modify or reject management's proposals; they cannot suggest, and then insist on the implementation of, alternatives. Yet the TUC underplays the significance of this when it says, in its Evidence to Donovan, and again in its Report on Industrial Democracy, that...

...a distinction needs therefore to be drawn between the negotiating function of the employer and the overall task of management. Once this

distinction is established, it can be seen that it does not detract from the independence of trade unions for trade union representatives to participate in the affairs of management concerned with production until the step is reached when any of the subjects become negotiable questions as between trade unions and employers.

In fact, the development of worker representation can in practice lead only to an extension of the role of trade unions and a lessening of the importance of collective bargaining as the main expression of working class power. It leads inevitably to a decisive shift in emphasis—from negotiation to dictation, from de facto to de jure, from negative to positive control.

There is no reason why any of the matters with which workers' representatives will concern themselves should ever become subjects for negotiation. The employers' representatives can argue their case and that's that. The workers' representatives can argue their case and back it up with strike action. All those weapons in the workers' arsenal which are at present only used in support of collective bargaining can, given vigour and determination, be used to establish workers control throughout British industry.

If that doesn't shake our doddering managers out of their cosy lethargy then nothing will.

CONSERVATIVE UNIONS

As the TUC points out in its report:—

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 unions' 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...

Change has been a long time coming. In 1944 the TUC's attitude to worker representation on the boards of nationalised industries was purely negative.

It does not seem by any means certain that it would be in the best interests of the work people of a nationalised industry to have, as directly representative of them, members of the controlling board who would be committed to its joint decisions...trade unions should maintain their complete independence.

The 1953 "Interim Report On Public Ownership" went on to say...

Joint consultative machinery is essentially advisory as distinct from executive in its scope... this limitation which is inherent in the policy of Congress must be recognised and accepted, and joint consultative machinery must not be expected to give executive power to workers representatives.

By 1966 the TUC had reassessed its position. In its evidence to the Donovan Commission it said...

The experience of the last twenty years at home has stimulated new thinking on all aspects of industrial organisation and there has also been the experience of a whole variety of developments abroad. A new approach to industrial democracy in the nationalised industries can now be based on the experience of running these industries. There is now a growing recognition that at least in industries under public ownership provision should be made at each level in the management structure for trade union representatives of the work people employed in these industries to participate in the formulation of policy and in the day to day operation of these industries.

A 1970 Congress resolution called on the government to introduce legislation providing for trade union representatives on the management boards of all nationalised industries. In 1974 Congress adopted the "Report on Industrial Democracy" which advocates legislation in both the public and private sectors to allow for 50% worker representation on the boards. Now the government has set up the Bullock Commission which is charged to report within terms of reference dictated by the TUC.

The problem is that the change reflected in this line of development has not taken place within the body of the trade union movement on the basis of a vigorous and wide-ranging discussion. It has taken place purely and simply in the heads of some progressives

on the General Council (Jones, Murray, Lea) who manoeuvred skilfully to carry their more pliant brethren along with them. It is, consequently, hardly surprising that the TUC's present line has not been fully endorsed by all its members.

At the 1974 Congress the General and Municipal Workers Union and the Electrical Electronic Telecommunication and Plumbing Union, in alliance with the Communist Party of Great Britain, opposed the Report on Industrial Democracy and introduced the following resolution, which was adopted...

Congress reaffirms that the overriding role of the unions is the advancement of the interests of their members. It therefore requires that any extension of trade union participation in industrial management shall be, and be seen to be, an extension of collective bargaining and shall in no sense compromise the unions' role as here defined.

Recognising that the best way to strengthen industrial democracy is to strengthen and extend the area of collective bargaining giving union representatives increasing control over elements of management including dismissals, rationalisation etc., Congress rejects the mandatory imposition of Supervisory Boards with worker directors, and calls for a more flexible approach giving statutory backing to the right to negotiate on these major issues, but relating the control more directly to collective bargaining machinery.

More recently the TUC has attempted to dissuade the dissident unions from putting their own, contradictory, evidence to the Committee of Inquiry by stressing that legislation to allow 50% worker participation should only be put into operation with the approval of the unions concerned.

Again, following the 1974 Congress, the GMWU and EETPU opposed the TUC's evidence to the Plowden Committee, arguing that...

...a trade union's duty to represent its members interests, including those of members employed outside the electricity supply industry, could not be reconciled with even a share in responsibility for managing the industry.
(Plowden Report on The Structure of the Electricity Supply Industry in England and Wales, 1976)

When, after the Plowden Committee's Report, the Secretary of State for Energy, Mr. Anthony Wedgwood Benn, told the TGWU Executive that it was...

...essential that those who work in the energy industries should have a full opportunity to contribute to the development of policy. (Financial Times, 4.3.76)

...the GMWU and EETPU, along with NALGO and the EPEA wrote to him endorsing Plowden's recommendations (which ruled out the development of any real form of industrial democracy) and rejecting any system of industrial democracy involving worker directors.

The attitude adopted by these unions is one of straightforward conservatism. They are refusing to recognise that the situation in British industry has changed drastically and requires fresh organisational and tactical responses from trade unions. Workers can no longer leave management to get on with the job and expect automatic increases in their standard of living as that management, by some god-given reflex, manages efficiently and well. The plain fact is that management is incapable of managing. The employers' right to manage as they see fit is not only not sacred, in practice it is non-existent. There is no such thing as a right that is not, and cannot be, exercised.

A trade union's duty to its members goes far beyond simply representing them in negotiations. To be effective in this day and age, unions must involve themselves, on behalf of their members, in running industry efficiently and profitably. Productivity and efficiency are not matters for negotiation and compromise. In such areas it is a simple matter of telling management what to do and forcing it to do the job properly. Here there can be no substitute for workers in the board room to monitor progress and report developments to the shop floor.

The Amalgamated Union of Engineering Workers has also taken a stand against the TUC's proposals but its case is more substantial than the simple-minded, anti working class, conservatism of the leadership of the GMWU and EETPU.

In the first place the AUEW is in favour of worker-representation on the boards of nationalised industries. Its objections apply to the extension of the TUC's proposals to the private sector where, according to

Hugh Scanlon, it's...

...management's right to manage.

(Financial Times, 18.2.76)

The AUEW's opposition is based on a fear that workers on the boards of private companies will collaborate with employers to do down their fellow workers; that they would at the very least become enmeshed in management's machiavellian schemes to wring the last drop of sweat out of an unwilling workforce.

This attitude is not at all realistic. It is not, after all, as though the TUC were advocating that existing trade union machinery should be dismantled. In the unlikely event of workers representatives deserting to the enemy the workers themselves will still have the ability, lessened not one whit by participation in management, to down tools, go slow, ban overtime, etc.

Unless the working class en masse deserts Hugh Scanlon and Ernie Roberts and goes over to the employers there is little danger of collaboration amounting to anything worth worrying about.

There is no longer any objective need to keep the roles of management and unions separate and clearly defined. That was the case when the working class was weak but now that it is the employers who are on the defensive it is in the workers interest to let such distinctions blur and take on for themselves the functions and prerogatives of management. In this new situation advocating that management should be left in sole charge of policy making is tantamount to treason; giving aid and comfort to a beleaguered and almost helpless enemy.

It is high time that the immense strength of the workers, built up through and based on the development of collective bargaining, was used positively in the struggle for power. That the struggle involves in its initial phase a formal sharing of responsibility with capitalism is unavoidable. If the working class is to safeguard its living standards, let alone strengthen its economic and political base, it must immediately invade the board room. There is no way round that simple fact. Parity of representation on the boards of both private and public industries is an opportunity to be seized and used, not a danger to be avoided.

CONSERVATIVE COMMUNISTS

It is not perhaps surprising that the Communist Party of Great Britain has taken an uncompromising stand against progress and working class advance. The CPGB has never had any reputation as a radical innovating party pushing forward to boldly go where no man has gone before, but this time it has excelled itself.

Opposing immediate implementation of industrial democracy, a substantial step towards workers control and socialism, the CPGB say...

...full workers' control can only be developed in a socialist society. (CPGB Evidence to the Committee of Inquiry on Industrial Democracy)

Just what they mean by "full workers' control" and "socialism" and just how they see the relationship between the two is left conveniently unanswered. The phrase seems to have been thrown in purely to provide a supposedly radical gloss to what is essentially a conservative position. Also the CPGB always has to keep something in hand to recommend its "socialist" wonderland to workers. All other aspects of its programme, bureaucratic nationalisation in a little England context, have been discredited. Only the slogan "workers control under socialism" retains any idealist potential for the CPGB, simply because it refuses to examine the real implications of the steps necessary to achieve such a desirable situation.

The CPGB's stated reasons for rejecting the TUC's proposals for 50% worker representation on the boards of private companies are downright dishonest. They say...

We are completely opposed to the concept of Worker Directors and the Supervisory Boards. Such a concept runs counter to the whole experience of the labour movement in Britain and does not offer anything that could not be achieved by the extension of collective bargaining and the strengthening of the trade unions.

Secondly we believe that this concept embodies a number of dangers and could in fact lead to a restriction of industrial democracy. Among the supporters of this method are to found individuals and organisations with a history of opposition to the

trade unions and collective bargaining and who see the worker director system as a means of enmeshing the workers in the running of private industry based on production for profit. They imply that differences of opinion between private capital and the work force can be resolved by discussion and vote.

We would also note that encouragement of this concept of democracy is coming particularly from the Commission of the EEC in their Draft Statutes for the European Company and the Draft Fifth Directive—a body notorious for its bureaucratic approach to problems.

Likewise we would note that in the country with the greatest experience of this form of industrial democracy, the German Federal Republic, it has not notably improved the workers power to influence or change decisions, it has led to the weakening of the trade union organisation at factory level...

Whether the EEC Commission is more or less bureaucratic in its approach to problems than the CPGB is open to debate, what is clear however is that there is no comparison between the TUC's proposals and the system of co-determination at present (until 1977) operating in West Germany. The TUC is demanding 50% representation with elections through existing trade union machinery. Worker-participation in West Germany is much more limited. Throughout most of industry workers representatives have only 1/3 rd of seats on the supervisory boards. Even in the Coal and Steel industries where workers formally have parity with employers representatives, only three out of ten seats made available to workers would go to union representatives, six directors would be elected by the entire workforce (organised or not) and one seat would go to a representative of the white-collar employees. Such a system has only the most tenuous links with what the TUC is proposing. Also, whatever the CPGB chooses to believe, German workers have not suffered unduly from co-determination, limited and all as it is. Working class living standards are higher and the Trade Union movement has, if anything, more influence on national economic planning than in Britain.

Also, contrary to the CPGB's simplistic view, the worker director system implies that "*differences of opinion between private capital and the workforce*" (ie, the class struggle, a term the CPGB prefer to forget) can be resolved by the workers backing up

their representatives' arguments with the traditional weapons of the shop floor and subordinating management to their interests.

As for the composition of the pro and anti worker director camps, if the CPGB looks carefully it will find that those in favour of that system are the most progressive section of the TUC and Labour Party. Those against it include the CPGB itself, the AUEW, EEPTU, GMWU and also the Confederation of British Industry, The Industrial Participation Association (an employers' organisation), the Industrial Society (an employers organisation), the Engineering Employers Federation and the Steel Industry Management Association (a middle-management union not affiliated to the TUC), some of which bodies are not exactly noted for their enthusiastic commitment to trade unionism and the working class interest.

What the concept of worker directors offers that cannot be achieved by a simple extension of the scope of collective bargaining is the chance for workers themselves to make, not just influence or veto, but MAKE, decisions. And that is something which, as the CPGB says, runs counter to the experience of the Labour movement of any country, including the Soviet Union in the era of Lenin and Stalin. As we pointed out in our policy statement Workers' Control in Britain...

The Russian experience, while it is of great value to the general development of working class politics, is of more limited value to the investigation of the particular question of workers control. It was not the exhaustion of the potentialities of capitalist economy that led to the socialist revolution in Russia, but the failure of bourgeois politics in a country that was economically ripe for extensive capitalist development. Learning from West European experience the small industrial working class in Russia developed a more capable political party than the bourgeoisie, and took political power in a country whose general economic and cultural conditions were more appropriate to capitalist than socialist development. Furthermore, the small working class that existed in 1917 was disrupted in the civil war and the war of intervention during the following years, so that it had been "declassed". In 1921 there began the development of a new working class out of the peasantry, under the tutelage of a socialist state (which included large numbers of the old working class). Circumstances dictated that a system of "one man management"

be operated in factories. During the Stalin period this system could not be superseded. No sooner had a modern industrial economy been built than another massive disruption was caused by the Nazi invasion...In Britain workers' control within capitalism is being put on the agenda by the very development of the capitalist economy. This means that the British working class has to deal with a situation which did not occur in Russia because of the political failure of the bourgeoisie while the capitalist economy was in its infancy: hence the limited value of the Russian revolution in clarifying this question of workers' control.

The class organisation of British workers has now reached a degree of perfection unmatched in any other country at any time. Its very strength and coherence argues now for substantial progress towards a form of socialist organisation which, in keeping with working class traditions, would strengthen democracy at every level in the society.

This is a time for radical change; not the dogmatic hangovers and fears the CPGB offers, along with insistence on centralised control of the economy, as a substitute for genuine advance. The CPGB's attitude to industrial democracy in Britain today serves only to show how deeply conservatism is embedded in the society.

Nor does the CPGB's slight nod towards progress in the nationalised industries absolve it of the charge of cowardly conservatism. No-one looking at the hopeless state of the public sector would believe for a moment that the CPGB's much vaunted "*principle of social control*" has led to any substantial, let alone desirable, change in the organisation and performance of the industries concerned.

Yet, according to the CPGB, workers in a majority position in a private firm would immediately demand nationalisation and would surrender control to representatives of government, consumers and local authorities. Such nonsense on top of a rejection of the only practical strategy to hand for working class advance merely adds insult to injury.

All in all, whatever troubles employers may have to face in future they can rest assured that Her Majesty's loyal Communist Party will put no obstacles in the way of Britain's stable and orderly progress to the bottom of the scrap heap.

EMPLOYERS:— A LAST DITCH STAND

Since the failure of the Tripartite talks in 1972/74 the employers have abandoned their previous post-war strategy of compromise and conciliation and have opted to engage in class war to defend their rights and privileges. The Confederation of British Industry's evidence to the Committee of Inquiry represents a determined attempt by the employers to regain the initiative from the TUC. It is essentially a rejection of real industrial democracy onto which a diversionary system of participation and consultation designed to undermine working class power on the shop floor has been grafted.

The CBI has made it clear that it rejects the TUC's perspective absolutely.

We believe that the CBI should put forward a practical policy of its own and stand by it, rather than attempt to negotiate or compromise on the extreme proposals of others. (CBI Evidence to the Committee of Inquiry on Industrial Democracy)

It condemns the Commission's terms of reference which it rightly claims were dictated by the TUC and recommends that its members should immediately, without waiting for the Commission's report, and ignoring its proceedings, negotiate "*participation agreements*" with their employees; directly without involving trade union machinery. The TUC's proposals are, it quite correctly says...

...concerned not with genuine participation, but with control.

Industrial democracy, as the bosses see it, is about...

...involvement of the employee in the context and purpose of his job...promoting understanding.

And making workers...

...aware of the reasons for the major decisions which affect them.

They deny that...

...employee representation at board level necessarily has an important role to play in the extension of greater participation.

And reject what they define as the TUC's objective...

...control over major, corporate, decisions (by) representatives of organised labour.

Clearly the CBI is reacting against the threat to the basis of its power which is inherent in the TUC's demand for legislation to give effect to parity of representation on the boards of companies. It has the enthusiastic backing of its entire class in its oppositionist strategy.

The Engineering Employers' Federation has taken a similar stand against the TUC's proposals. The Industrial Participation Association (whose President, Sir Jack Callard, former chairman of ICI, is a member of the Bullock Commission) also attacks the Inquiry's terms of reference; the suggestion that worker directors should be elected through trade union machinery. It would also limit worker representation to 1/3. Another employers organisation, the Industrial Society, proposes that the Companies Act be amended to make it clear that directors have...

...a responsibility for the interests of employees as well as shareholders.

and to require annual reports to be made by the boards to a company's employees. At most, they suggest, experimental arrangements should be found whereby workers could endorse the appointment of one or perhaps even two directors. The Steel Industry Management Association likewise rejects union representation on the grounds that...

...managers should be free to manage.

They propose that supervisory boards should be made up of four equal parts involving representatives of workers, owners, managers and the "social interest".

Big deal all round! The bosses will consider any permutation of participation but the TUC's plan for parity of representation which implies ultimate workers control.

Nor is this all. The CBI and EEF policy of negotiating "participation agreements" is designed to not only defend but further the employers interest. Their main aim is to achieve a situation where...

...decision making in industry is with the consent of the employees involved.

In the CBI view the justification for industrial democracy is that...

...employees today are better educated, better informed and have been encouraged to expect more from their lives.

It feels that these more mature employees should now be encouraged and given every opportunity of...

...influencing decisions.

Providing of course that management and unions keep to their respective traditional positions.

According to the CBI...

Bargaining is a proper process for deciding the share of proceeds to be allocated to pay and other employment costs; participation is the means of enlisting employee co-operation in creating the proceeds to be shared.

Thus it is in the CBI's interest, in furthering its "management by consent" strategy, to insist on the role of collective bargaining and the trade unions' part in that process. It leaves them the option of devising, through participation agreements, ways of bypassing trade union machinery to gain the consent of the workers for their industrial policies.

Such a strategy is ultimately doomed to failure but it should be pointed out that but for the CPGB and conservative unions' concern for habit and tradition the possibility of employers using the opportunity for an extension of industrial democracy to involve workers in diversionary participation and consultation machinery would never have arisen.

CONCLUSION

Workers' control, in the last analysis, means simply the right of workers to hire and fire management. Under workers' control management will be subordinate to and forced to operate in the interests of its workforce. At present management is responsible only to dithering shareholders (parliamentarians and civil servants in the public sector) who have no idea how to fulfill their social obligations. Already the

only outside influence which forces management to act at all responsibly is the working class's collective bargaining power. But collective bargaining only modifies the form in which management decisions are finally implemented. It has no bearing on what decisions are made or in whose interest.

Under workers' control management will be forced to reassess its priorities in the light of workers' sovereignty in the firm; real sovereignty with power to back it up and strength to enforce it. Existing management will have to satisfy the workers or be replaced.

Beyond the economic reality of capitalism in crisis there is only workers' control. Now that the working class has fulfilled its primary tasks of economic and political organisation and has destroyed the power of capital to mount any serious offensive or sustain class war against it there is nowhere else for it to go unless it is to deny its position as a potential ruling class.

The TUC's proposals for using legislation on industrial democracy as a lever to extend working class power in the boardroom are an important step on that road. But the TUC, acting in accordance with what has been standard socialist practice since the war, chose not to involve the working class as a whole in its debate on industrial democracy. Its ideas have not been developed, have not even been discussed, in the context of a fundamental reassessment of the working class's position in society. The ideas in its Report on Industrial Democracy do not, therefore, define the attitude of the working class; they are the ideas of a progressive majority on the General Council, no more. Consequently the TUC's proposals are more open to negotiation and compromise than they should be. Already conservative opposition from within the trade union movement has caused the TUC to cool its legislative ardour.

There is nothing unacceptable in making legislation dependent on the willingness of the unions concerned to operate the machinery (in the form of an enabling act) provided the system they can choose to opt for has provision for nothing less than parity of representation with employers representatives and requires that all elections for worker directors are through existing trade union channels. There can be no question of compromise on those vital elements in the TUC's Report. If there were, legislation on industrial democracy could prove as much a hindrance as an aid to the development of workers' control.

The CBI's proposals for legislation along the lines of their participation agreements are explicitly aimed to frustrate the development of workers' control. They are a product of rampant senility and have no progressive content whatsoever.

Only real movement towards workers' control will ultimately prove acceptable to the working class. But we do not expect the Committee of Inquiry to initiate such moves unless faced with substantial social pressure to do so. It is now up to the progressives in the TUC to rectify past mistakes and take their ideas to the Labour Movement in the country. The proceedings of the Bullock Commission must become the focal point for the long overdue debate on the future aims and strategy of the British Labour Movement. Socialists must begin now to build up popular support in the working class for workers' control and the TUC's proposals.

If we succeed in that then, whatever the opinions of individual members of the Committee, its report will have to recommend substantial and progressive change or go by the board. We have the opportunity now to wipe out the memory of past failures from Sankey to the Industry Bill and ensure that British society moves substantially towards workers' control and socialism.