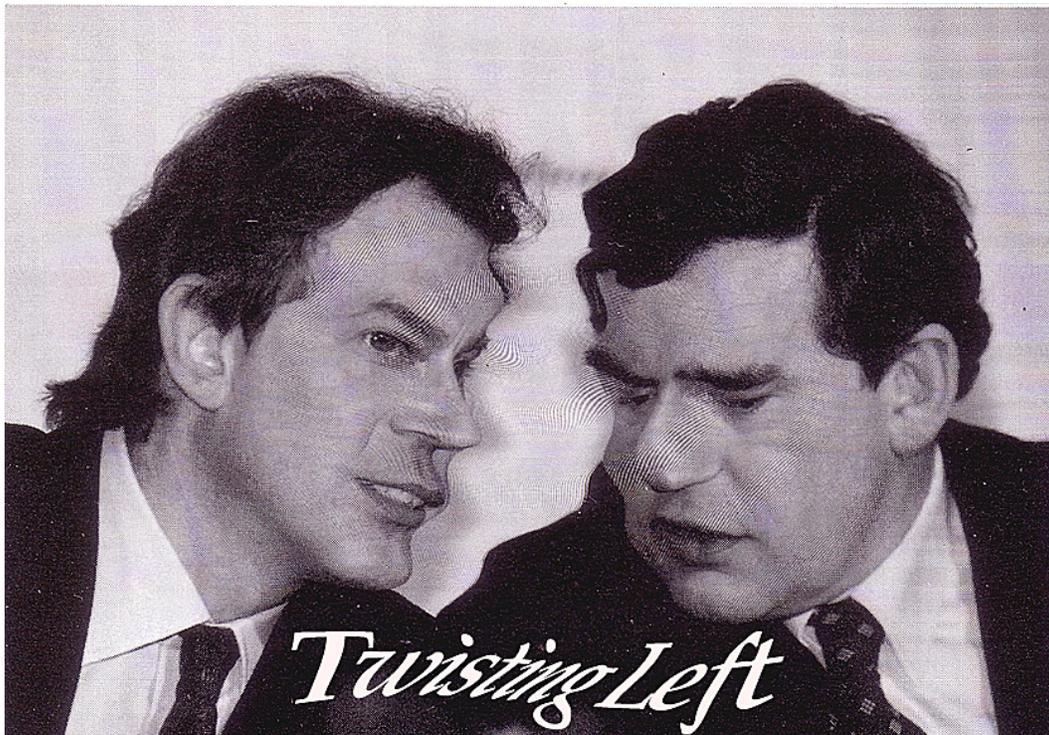


Problems Of Capitalism & Socialism

The Workers' Control Debate: From 1975 To Now

Second Series, Vol. 1. No. 5

October - November 2008



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 FIVE

*Published by: Problems Of Communism
Committee.*

Multi-user subscription rates available from the editor.

Next Issue—Individuals wishing to ensure their copy of the next issue, please send £4; €6 (payable to Athol Books) to 33 Athol Street, Belfast, BT12 4GX, Northern Ireland.

Subscription to this magazine in PDF format is available, price €1.50; £1.00, per issue. See Athol Books website for details

*Edited by: Joe Keenan
33 Athol Street
Belfast
BT12 4GX*

*email: joe@atholbooks.org
website: <http://www.atholbooks.org>*

CONTENTS

<u>ARTICLE</u>	<u>AUTHOR</u>	<u>PAGE</u>
<u>The Rise of The Labour Party (1916)</u>	<u>Will Craik</u>	<u>3</u>
<u>New Labour: Old Liberals. New Unions: No Use.</u>	<u>Editorial</u>	<u>6</u>
<u>Workers Of The World</u>	<u>Jim Connell</u>	<u>18</u>
<u>Evidence To The Bullock Committee of Inquiry</u>	<u>Institute Of Workers' Control</u>	<u>19</u>
<u>IWC Evidence To The Bullock Committee—A Dissenting View</u>	<u>Nina Fishman, Joe Keenan, Richard Jones</u>	<u>27</u>
<u>The Bullock Report On Industrial Democracy</u>	<u>Manus O'Riordan</u>	<u>29</u>

The Rise Of The Labour Party

*Chapter 8 Of "Outlines of the History
Of The Modern Working Class Movement" (First Published 1916)*

BY WILL W. CRAIK

WHAT WERE THE POLITICAL DEVELOPMENTS PRIOR TO THE FORMATION OF THE LABOUR PARTY?

The reconciliation of all sections of the British ruling class continued through the period of Britain's manufacturing monopoly. The Conservatives became more Liberal; or, at least, there was an approximation of the two political creeds, so that the distinction between them, for all practical purposes, became only a nominal one. The working class, during this time, remained in the background as far as actual politics were concerned.

As soon, however, as Britain's economic domination began to be challenged the harmony between the different sections of the capitalist class ceased. Conservatism began to assume a form filled with contents that led away from Liberalism and back to the ideals of the past.* Moreover, this Conservatism, which was then beginning to take root, was no longer merely the rallying point of the landed interests, but also a section of the capitalist class, notably the large iron and steel capitalists. On the other side, the textile manufacturers, and the small capitalists generally, adhered to Liberalism.

It was at this time that the working class began to figure in the political field. The Trade Unions had not only now acquired a greater economic power than that possessed in Chartist days, but, with this power, the need for political recognition. The Liberal manufacturers, on the other hand, had now greater need for working-class support in their fight against the Conservatives; and the Conservatives also came to realise the importance of working-class backing, although they did not meet with the same success. As the economic power of the workers grew, a measure of political recognition inevitably followed. The franchise was extended to working-class householders in the towns—it was conceded later to the same class in the country—and, after a struggle of eight years' duration, the Trade Union demands for legal measures favourable to greater freedom of action, were conceded.

While in the seventies, when the first workingmen candidatures were brought out, and the first two workingmen sent to the House of Commons, it looked as if an independent Labour Party might materialise,

the subsequent industrial inactivity prevented further political progress. The workers were content, in return for the concessions gained, to allow representatives of the two capitalist parties to hold the reins of Government. Politics was still a non-Trade Union question.

* Since then, and particularly at the present time, the retracing of steps in order to regain what has been increasingly evident.

WHAT LED TO THE FORMATION OF THE LABOUR PARTY, AND WHAT WERE ITS FIRST CHARACTERISTICS?

Towards the close of the century, when industrial activity had been to some extent revived under the auspices of the New Unionism, the question of political action again came to the front. Since the collapse of the first International after the fall of the Paris Commune, the Socialist parties, which were the heirs of the International, carried on a propaganda on behalf of independent working-class representation in Parliament. It was among the organisations of the New Unionism that they were, in this respect, most successful. The candidates put forward at the 1895 election, by the Socialist parties, were unsuccessful. In 1899, however, at the Trades Union Congress, where the question had been debated in the years immediately preceding, a resolution was passed in favour of the establishment of a Joint Committee of Trade Union and Socialist bodies, for the purpose of promoting direct representation in Parliament. The defeat of the Liberal party, after Home Rule had been thrown over, contributed to the acceptance of the proposal which evidently, for the majority of its supporters, did not

mean opposition to Liberalism, but merely the sending of workingmen to Parliament who would combine Liberalism with Labour—Lib-Labs. From the point of view of independent Labour representation there was, therefore, no reason for the existence of this committee. Indeed, so unsatisfactory were the policy and outlook of the committee, from the Socialist standpoint, that the Social Democratic Federation soon left it. Probably the Independent Labour Party, even with its less revolutionary outlook, would have also found continued affiliation impossible had not new developments arisen. At the election of 1901, out of 15 candidates put forward, only Keir Hardie and Richard Bell were returned to Parliament.

WHAT CIRCUMSTANCE SERVED TO STIMULATE THE DEVELOPMENT OF THE LABOUR PARTY?

Arising out of an industrial activity, something happened which changed the whole situation, and made the Labour Representation movement secure. In 1900 the Taff Vale strike took place. In 1901 the House of Lords delivered the Taff Vale Judgment. It had been believed that the Act of 1871 afforded absolute protection to the Trade Unions in their collective capacity, on this point. This decision, however, meant that a Trade Union could be sued in its collective capacity for a tortuous act committed by any one of its officials for members.

A feeling of widespread indignation was at once aroused and the Trade Unions were awakened from their political lethargy. Economic power once again translated itself into political power. Trade Unions, in increasing numbers, joined the L.R.C., and the movement, which had shown signs of premature birth, gathered strength and grew in stature. In 1906, 29 representatives were returned to the House of Commons, and, in 1910, with the accession of the Miners to the Labour Party, the number of Labour Members was increased to 10.

HOW FAR DID THE LABOUR PARTY IN PARLIAMENT REALISE EXPECTATIONS?

With the success of the 1906 campaign, great were the expectations and high ran the hopes of what the Labour Party was to accomplish. Although with rather undefined objective and with more or less vaguely defined independence, the Party, in the first session, after the 1906 election, fought and won the battle for

the reversal of the Taff Vale Judgment. Considerable enthusiasm was thereby aroused. It seemed for the moment that the Labour Party in Parliament was to build better than even the founders had planned.

In 1908 a sense of disappointment first began to be felt. It was complained that, instead of achieving some progress inside the House in the direction of solving the unemployed problem, which was manifesting itself acutely outside the House, the Labour Party was giving too much of its time and energies to promoting the passage of the Government's Licensing Bill. In 1909 additional cause of complaint was found, in a still greater devotion of the Party to the Government, e.g., on the Lloyd George Budget and the House of Lords campaign. Since that time dissatisfaction with the attitude of the Party and disappointment with its achievements have grown. Lack of independence, neglect of questions of principle, over-readiness to follow the Liberal Government into the same lobby, e.g., in the fight over the Osborne Judgment* and the Insurance Act, have been the chief notes of criticism.

* According to this judgment, a Trade Union could do nothing outside the purposes of the Statute incorporating them. There was no reference to payment of union funds for political purposes in the Act of 1876. Hence such action was ultra vires. After the House of Lords had so decided against the A.S.R.S. in 1909, injunctions were served upon one Trade Union after another. The Trade Union Act of 1913 did not reverse this judgment, but permitted Trade Unions to include political activity in their objects, conditionally.

HOW ARE THE LIMITED ACHIEVEMENTS OF THE LABOUR PARTY TO BE EXPLAINED?

There can be little dispute that the nominal independence of the Labour Party in Parliament has by no means been one and the same thing as actual independence, or that, within the Labour Party, there have been and yet are men who, to a greater or lesser degree, are still adulterated with Liberalism*. Progress in the direction of a militant political party and policy has been seriously hampered through the retention of the old political faith and creed of Liberalism. This latter, however, is only a reflex of the old "model" policy and outlook which have persisted so stubbornly on the industrial field.

Here, again, do we see how the political result

mirrors the economic power which initiated it, in this case the power of the Trade Unions. The Labour Party arose as a craft union political party. Most of its members have, in fact, been craft union officials, whose ideals have a tendency to be limited by craft union policy. Certain it is that, if Trade Union leaders repudiate a progressive policy in industrial organisation, there is no alchemy that can transform them into political militants.

In the last resort, undoubtedly, the limitations of the Labour Party in Parliament have their source in the limited consciousness of the workers who exercise the franchise. It is they who send to Parliament, as “independent” representatives, men still labouring under confused notions of the part that Parliament plays in the class struggle, and, in some cases, men who repudiate the position that the political struggle is a class struggle at all. If the political fight slackened after the Taff Vale reversal, it was the masses themselves in the first instance who permitted the fight to slacken and, by their apathy and unresponsiveness, allowed the militant policy to subside. It is, therefore, not very informing to be told, as we frequently have been in recent years on the occasion of some set-back, “Labour fakirs betray the workers again”. It would be much more helpful to explain why the workers allowed themselves to be betrayed.

This, of course, does not mean that leaders are not to be criticised for their conduct, or that they are free from personal responsibility in so far as they are leaders. As such, they should be in advance of the masses in their outlook, and, therefore, their first duty should be to foster and develop among those whom they lead a clearer consciousness of their class position and power. The political field certainly offers plenty of appropriate material for the discharge of this duty. For a leader to neglect this duty, or to subordinate it to some other and contrary purpose, is the unpardonable sin. May it not be that the Party in Parliament has by its policy and attitude contributed something to the considerable mass of working-class apathy and indifference to the necessity for political action and political power? Might not a stronger and more determined stand by the Party on the reversal of the Osborne Judgment have left less cause for complaint about the present state of the Trade Union political funds?

* In the years immediately preceding the European crisis the more “independent” members of the party

acknowledged that the inaction complained of by the critics arose from the dependence of Labour representation upon Liberal support. Writing in the “Labour Leader”, June 26th., 1913, with reference to the Leicester incident, Philip Snowden said: “If the Labour Party Executive had endorsed a second Labour candidate for Leicester it would have jeopardised the seats of four-fifths of the present Labour Members. It is no use putting forward every reason except the true one. The present Labour representation in Parliament is there mainly by the goodwill of the Liberals, and it will disappear when that goodwill is turned into active resentment...It is worth serious consideration whether it would not be for the ultimate good of Socialism that we should be without representatives in Parliament until we can place them there by our own votes in the constituencies, instead of returning them by Liberal votes, for under such conditions no Labour M.P., however honest he may be, can exercise that independence which the Labour Party expects from him”. In the “Labour Leader”, July 10th., 1913, the late Keir Hardie wrote: “We are already heavily overweighted by the Labour alliance. We attract to our ranks the best of the active, rebellious spirits in the working class. These do not expect impossibilities, but they cannot brook being always called upon to defend and explain away the action and inaction of the Parliamentary party”.

WHY WE MUST AVOID DRAWING ONE-SIDED CONCLUSIONS WITH RESPECT TO INDUSTRIAL AND POLITICAL ACTION.

It is easy, if one limits observation to a single phase and time, to conclude in favour of a one-sided policy, e.g., the policy of pure and simple political action. This view did arise in the formative period of the Labour Party, and as a reaction, not only against an inactive trade unionism but also against the limited results of those Trade Unions that did show fight. Because industrial action was unable to surmount certain political obstacles and accomplish substantial progress, what was in reality a relative defect was erroneously taken as an absolute defect, and the conclusion drawn that political action, which meant principally sending workingmen to Parliament, was, for all practical purposes, the only effective way to accomplish anything tangible and enduring for the working class.

Equally one-sided is the policy of pure and simple industrial action, or even the so-called revolutionary

“direct action” of the Syndicalists. The latter have made the mistake of inferring that the defects of one particular and undeveloped form of political action—the Labour Party, so far from being a weakness of working class political action, is rather a consequence of the lack of it.

The fact is that the development of industrial organisation makes both necessary and possible a political party. The latter will be appropriate to the industrial form and policy of the unions which

constitute the party. A political party can never substitute industrial organisation but only serve its development. So soon as this development has reached a stage where it ceases to be served by the hitherto existing political party, then the task of constructing a higher form of political organisation must be taken up. It is with the Labour Party as with the craft unions. The latter are not the highest attainable type of industrial organisation. The Labour Party is not the “last word” in Labour politics. It is rather the last attempt to make capitalist politics serve Labour.

NEW LABOUR: OLD
LIBERALS
NEW UNIONS: NO USE

EDITORIAL

New Labour is only new by way of self-advertisement. Leaving the title to one side it is old, at least as old as, if not older than, the Labour Party it has fastened upon. Even the theory of the many deceits it has practiced is as old as the hills.

September too is a cruel month. For persons of a Labour disposition it is crueller by far than any April.

It is the month when both the TUC and the Labour Party hold their respective conferences; when each of them meets to be all together what it most truly is, each its essential self.

And what the Labour Party all together most truly is today is something decidedly New. The bright young things of the Socialist Societies have at last put the stodgy old trade unionists in their proper, subordinate, position. New Labour is the culmination of a century of left-wing dreaming.

Really, New Labour is only new by way of self-advertisement. Leaving the title to one side it is old, at least as old as, if not older than, the Labour Party it has fastened upon. Even the theory of the many deceits it has practiced is as old as the hills.

In 1965 the New Left Review/Fontana Library published “Towards Socialism”, a volume of essays edited by Perry Anderson and Robin Blackburn.

One of these (reprinted from the New Statesman of April 19th., 1963) was “The Lessons of 1945” by Richard Crossman, Minister of Land and Housing in Wilson’s first government. This sought to teach the lesson dearest to the hearts of bourgeois intellectuals: that the working class can’t manage at all without bourgeois intellectuals. Quoth Brother Crossman...

“The first essential for the election of a Left-Wing government in Britain is the creation of a favourable climate of opinion among non-political voters. And, although the practical politicians hate to admit it, the truth is that this favourable climate can never be created by the Labour Party itself, but only by the ‘disloyal intelligentsia’ - the journalists, writers, playwrights and critics who are able to discredit

the Establishment and to air Left-Wing ideas...

“...before the 1945 election...The psychological landslide to the Left was set in motion not by party organization or party propaganda, but by those who contributed to the New Statesman, joined the Left Book Club, taught evening classes for the W.E.A. and, during the war, lectured for the Army Bureau of Current Affairs.

“There is one other function - the task of self-criticism - which can never be adequately carried out inside a democratic socialist party...In our British democracy...where two big parties are competing against each other, self-criticism of this kind is too electorally damaging to be permissible. Since the introduction of universal suffrage, party loyalty has come to be the prime virtue expected of the M.P. and of the active party worker; and the test by which his loyalty is measured is whether he supports his leaders when he disapproves of what they are doing, and whether he defends the party line when he feels in his bones that it is wrong. That is why the task of self-criticism is usually left to those socialist journalists and academics who are professionally free to undertake the kind of cool analysis or outraged exposure that are likely to get a career politician into trouble.

...

“But in order to fulfil their function - the provision of an intellectual dynamic to a party that instinctively distrusts intellectuals - they have been forced jealously to guard their independence and so have laid themselves open to the accusation of irresponsibility. Whenever he wanted to wither them with his contempt, Earl Attlee used to call them ‘the Newstatesmen’.

“The phrase was coined in irony, but it contains a very large grain of truth. After the collapse of the 1931 Labour Government, the party faced catastrophe with a magnificent display of instinctive solidarity. But its political self-confidence had been shattered by the MacDonaldite betrayal, and the job of creating a programme of action and a structure of doctrine on which their self-confidence could grow again was quite beyond the Trade Union leaders and the professional politicians. The Newstatesmen took it over. It was Tawney, Laski, Cole - and later Durbin - who analysed frankly and

candidly the defects of the 1929 Labour Government and worked out the changes that the party must accept in its doctrine and in its procedures, if the MacDonaldite betrayal was not to be repeated in the future” (Towards Socialism, 1965, pp. 146 - 148).

It is obviously the case that a bourgeois democratic party cannot publicly purge itself and expect the spectators as voters immediately to elect it to form a government. But that only holds necessarily for one election. The essential show of unity which Crossman referred to can be put aside before one election and, with the gory business over and done and that particular contest conceded, be resumed for future elections.

Then, as for Tawney, Laski, Cole and later Durbin “creating a programme of action and a structure of doctrine” to rescue the Labour Party from its post-1931 Slough of Despond, it is just impossible to know what Crossman can have been referring to.

Before and after 1931 Tawney was preaching a Christian Socialist gospel of well meaning good fellowship. All he and his needed was LOVE, but the party needed something more in the way of blood and guts, a life-affirming course of class hatred and struggle. Laski took 1931 as proving that the British state was irreformable this side of violent revolution but advocated trying reform anyway as violent revolution was neither nice nor likely to succeed. “And later” Evan Durbin argued that the Labour Party should end its reliance on the working class and its trade unions and appeal to the fair-minded good sense of the British middle class. And earlier Cole...

When the set-back of the 1926 General Strike appeared to show the Unions as weak G. D. H. Cole abandoned his previous commitment to a form of workers’ control (Guild Socialism) and moved to the classic Left position on the role of trade unions in the Labour Party; that it should be limited to funding his favourite campaigning causes, chief among which by that time was Fabianism. Just before the debacle of August 1931 Cole formed the Society for Socialist Inquiry and Propaganda which had Ernie Bevin as its Chairman. When in the wake of the disaster the ILP decided to disaffiliate from the Labour Party a group of its members who were opposed to disaffiliation joined the SSIP, which changed its name to the Socialist League. Against Cole’s advice Bevin was voted out and replaced as Chairman by Frank Wise

of the ILP. Cole continued on the Executive for a further year before resigning. In 1937 when Sir Stafford Cripps was its leading light the Socialist League attempted to manoeuvre the Labour Party into accepting affiliation from the disaffiliated rest of the ILP (and the CPGB). Labour's NEC, now firmly under Trade Union control, responded by disaffiliating the Socialist League and declaring its members ineligible for membership of the Labour Party. Cripps responded to that by dissolving the League.

Cole was not irrelevant to the extent that Tawney, Laski and later Durbin were to Labour's recovery from 1931; but he wasn't all that effective either.

Henry Pelling, in his Short History of the Labour Party says very precisely just who went about "*creating a programme of action and a structure of doctrine*" to rescue the Labour after 1931:

"On 25th August 1931 the T.U.C. and the extra-parliamentary party took control of the parliamentary party and disavowed the leadership of MacDonald" (3rd Edition, Papermac, p. 71).

Crossman's declaration in 1963 that restoring the Labour Party after 1931 was beyond the Trade Union leaders simply gave unthinking expression to the prejudices of the bourgeois Left; patronising the working class and disparaging its institutions. The Newstatesmen he cites were as incapable as the professional politicians of the Parliamentary Labour Party of 1931 because they were all of them in 1931 either oblivious of or implicated in MacDonald's convoluted manoeuvre to collapse his Labour Government and return at the head of a national coalition.

The details of that episode are too complicated to be gone into here but there is this much which might usefully be said. When MacDonald and Snowden told Labour's National Executive Committee and the TUC General Council (on the afternoon of August 20, 1931) of the plan to cut £56 million of public expenditure the NEC decided to leave all that in the hands of the cabinet. The General Council immediately held a crisis meeting and sent a deputation consisting of Citrine and Bevin to Downing Street that night. Citrine and Bevin told MacDonald that the TUC could never support his proposals. On August 21 the cabinet agreed to cuts of £56 million. Next day the cabinet was brought back and told that a further £25 - £30 million

of cuts would be required, most of which would be taken from unemployment benefit. Over the following days there was discussion and a vote in which eleven cabinet members agreed with the scale and nature of the further cuts and ten disagreed. Among the majority who agreed with MacDonald, Snowden and Thomas were Sidney Webb, Wedgwood Benn and Herbert Morrison.

Throughout that month of August 1931, after more than six months of calls for a national government and speculation that it was at any moment about to emerge, with financial crises and social and economic chaos, the Labour Party, almost every section of the Labour Party, disgraced itself utterly and irredeemably. Only the Unions, with Bevin and Citrine at the head of the TUC, emerged from the fiasco with their integrity and good sense intact. Recovery was going to come via the Trade Union movement or not at all.

Before the event, in the run up to August '31, Bevin warned MacDonald's government, concerning unemployment in particular...

"The attitude of trade unionists throughout the country is that anybody who seeks to bring down this Government or to undermine it in a fractious or egotistical manner before these problems have been dealt with will receive short shrift from the trade unionists. Indeed, they have subscribed their money for the purpose of building up the political party in order that such problems may be dealt with. We do not want the Government undermined. We want it strengthened. On the other hand, it is essential that the Government should pay strict attention to, and consult with, the great movement from which it draws its strength and power" (quoted in Bevin by Trevor Evans, London, 1946, p. 141).

At a Labour Conference a couple of years after the event, having more or less given the titular leader George Lansbury his cards and told Sir Stafford Cripps what then was what, Bevin said:

"Every one of us on the general council of the Trades Union Congress feels he has been let down. Our predecessors formed this party. It was not Keir Hardie. The Labour Party grew out of the bowels of the T.U.C. The great crime of Ramsay MacDonald was that he never called his party together" (ibid, p. 161).

And from the bowels of the T.U.C. it was restored.

Henry Pelling was clear and concise about how Bevin and Citrine undertook what Crossman called “*the job of creating a programme of action and a structure of doctrine*” to bring Labour back from the abyss.

“In this period of disorder among the more committed Socialists and intellectuals, the General Council of the T.U.C. under the leadership of Bevin and Citrine abandoned its usual role of being the sheet-anchor of the party and instead moved in to take the helm. Citrine demanded that ‘the General Council should be regarded as having an integral right to initiate and participate in any political matter which it deems to be of direct concern to its constituents’. For this purpose the National Joint Council, which had originally been established in 1921, was reconstituted on a new basis. Instead of the General Council, the parliamentary party, and the National Executive having equal representation on it, it was remodelled so that the General Council alone appointed half of the members. Henceforward it was to meet at least once a month, and also was to be summoned in any emergency requiring prompt action. Although its purpose was theoretically only consultative, in fact its decisions were bound to carry great authority inside the movement, and it would have been highly embarrassing for the parliamentary party or any other body inside the party to have gone counter to it on any major issue.

“The records show that the National Council of Labour was constantly meeting in the 1930’s and constantly issuing statements on policy, and Bevin himself, who served on it from 1931 to 1937, regarded these decisions as binding even upon the parliamentary leader. In 1933, for instance, he wrote to Lansbury to protest against his speaking on the platform of the Socialist League without getting prior permission from the National Council of Labour. On this occasion Lansbury dug in his rather weary toes. ‘I do not think’, he replied, ‘that I am called upon to ask permission from anybody to do this—and certainly have no intention of doing so’. At the same time, he made no attempt to assert his own authority as parliamentary leader. At the 1934 party conference, he even admitted that he did not regard himself as the ‘leader’, but rather as no more than the ‘spokesman’, of the party” (op cit, pp. 76 - 77).

Richard Crossman’s view that after August 1931 the broken in betrayal, disillusioned and demoralised Labour Party was taken in hand by a bunch of bourgeois Left-Wing intellectuals is a straightforward case of wishful thinking. There was no particular malice in it. Crossman was a professional politician who needed a congenial story to buttress the subjectivity of his professing. It’s not likely that he hated and despised the working class in general or trade unionists in particular. He didn’t mean any of it to be taken personally.

The article, essay or whatever which follows Crossman’s in the Towards Socialism volume is entirely a different matter. This is The Nature of the Labour Party by Tom Nairn in which *Labourism*, the character of being a trade union and labour movement, is taken very personally indeed by Perry Anderson’s accomplice in the New Left Review. Nairn breathes malice.

As Nairn would have it, by adopting Henderson and Webb’s Clause Four in 1918 the Labour Party became a socialist party, but not much of a one...

“Transforming itself into a socialist party, the Labour Party remained an organ of trade-unionism, a Trade Union ‘pressure group’. The one was simply grafted on to the other. In theory, as with other political parties, the controlling body of the party is the Annual Conference. Over 80 per cent of the votes which can be cast at this Conference come from the Trade Unions... Through the block vote system this vast mass of inactive members are counted, like Gogol’s dead souls, as so many votes at the Labour Party Conference, far outweighing those of the active members.

...

“Because they are dead souls, and not an active political force, these voices cannot of course really have this power. They are wielded by the men who do have the power, the delegates to the Labour Party Conference. These delegates are in fact representatives of the different Trade Union leaderships...

“In what sense, then, is this great power employed by the Trade Union leaders? ...although a small minority of Unions are traditionally Left Wing, the substantial majority has consistently,

throughout the party's history, supported characteristic Fabian policies of extreme caution...

“...With a few exceptions, notably Ernest Bevin, the Trade Unions did not use their power in the Labour Party to elect trade-unionists to the party leadership in Parliament. Their hegemony did not bring about the active hegemony of trade-unionism over all the other elements in the movement - for the simple reason that British trade-unionism did not contain within itself the capacity needed for political and cultural hegemony, even the minimal hegemony of a Right-Wing social-democratic party. It could only result in the active hegemony of the intellectual group most congenial to the majority of Trade Union leaders, the moderate Labour Right. The permanent alliance between these forces - sometimes called simply the 'labour alliance' - has been the heart of Labourism” (*Towards Socialism*, pp. 179 - 181).

“...by and large, the Trade Unions could not help being what they were; nor could they act other than they did inside the framework provided by the Labour Party. This is the whole tragedy of Labourism. British trade-unionism could not avoid stifling British socialism within one unified body, given the immense strength of the former and the weakness and incoherence of the latter. The price paid by the British Left for 'unity', therefore, was high - half a century of frustration for the most vital and militant forces in the working class, the formation of the permanent Fabian dynasty as their leadership” (*ibid*, p. 188).

“We have seen how trade-unionism, the great historic contribution of the British working class to the rise of the labour movement, constitutes the real basis of Labourism; and how, at the same time, the sclerotic conservatism afflicting it paralyses Labourism and makes it permanently the prey of a palsied moderation. No socialist initiative has ever unlocked this paralysis; neither could the General Strike or the Great Depression. Only the Campaign for Nuclear Disarmament accomplished the feat - ephemerally - in 1960. If this glacier were to melt or move, Labourism would be transformed and British socialism would have a different world before it. Any consideration of the possibility carries us to the innermost conflicts of British society” (*ibid*, p. 208 - 209).

“...one must approach with caution the familiar

dilemma of whether any new left-wing movement must be 'inside' or 'outside' the Labour Party, whether it should try to take over Labourism or replace it with something else. The fact is, that the existence of any forceful Left-Wing tendency, with a mind of its own and some basis in the Trade Unions - a Left capable of hegemony and not only protest - would transform Labourism. Nobody can say how Labourism would react under a new strain of this sort. Would it be possible to preserve the positive side of Labourism - the unity it asserts among working-class organizations - on a higher, socialist level? Would a disintegration of the system be inevitable, as part of the ensuing battle? Only one thing is certain: Labourism, which has survived every internal and external vicissitude since its foundation, which has drifted on immutably through defeat and the disintegration of its ideals, would no longer be able to function in the same way. Hegel first stated the paradox that a party only becomes real when it is divided against itself, when contradictions battle within it. Labourism was what it was because not divided against itself in this vital sense - it centred upon a pathological battle of appearances with no possibility of resolution. What it would become when lifted out of such unreality by an authentic challenge, when lacerated by contradictions which it could not stifle or ignore - nobody can say” (*ibid* p. 216).

Well, we can say now. Hegelian elements have been let rip and Labourism—the Labour & Trade Union Movement—has been disintegrated in the transformation. Nairn's malice has been incarnated in the project taken up by Mandelson, Blair and Brown in the nineties, (or was it the eighties, whatever...). Whatever about the high price paid by the British Left for Labourism's appalling unity, its revenge has been immeasurably more than adequate to the slight, it has been complete and utter.

And so, now then, back to this current phase of the British Left's revenge upon the subjects of its history...

The Labour Party was formed by trade unionists to represent their interests in Parliament. Throughout its history it has been financed by trade unionists to represent their interests in Parliament.

The Labour Party has never found it easy to do that job for which it was formed and for which it has

throughout its history been very well paid.

During its last eleven years in government, despite accepting and spending trade union donations, the Labour Party has not represented the interests of trade unionists. It has not attempted to represent the interests of trade unionists. It has not even pretended to care about the interests of trade unionists. All its behaviour as a Parliamentary Party and a government has been entirely to the contrary.

In 1997, addressing the first Trades Union Congress since Labour's landslide election victory, Prime Minister Blair made it clear that what he and his Iron Chancellor had been telling the party, the unions, the country and the world was not an elaborate hoax. In a glorious overturning of a tired old cliché Tony the Piper told his paymasters not to even think about trying to call the tune. In no uncertain terms he called the tune himself. And not only his tune that they imagined they had paid for. He also called their tune for them:

“By your actions let's make it impossible to dismiss trade unions as old fashioned, defensive, anti-progress, activist dominated. This is the agenda I want to work on with trade unions between now and the new year. An agenda to build unions that are strong and relevant for the 21st century. A democratic, accountable union movement that can be a true partner with government and business.”

John Edmonds, then general secretary of the GMBU, had said at Conference of one of the favourite notions of Blair and Brown, the Flexible Labour Market:

“When I hear the Labour government using Tory phrases, I shiver a little”.

Blair replied:

“We will keep the flexibility of the present labour market. And it may make some shiver, but I tell you in the end it's warmer in the real world”.

Well we're near the end now, the labour market is flexible to be sure and the real world is warm and getting warmer by the hour.

Throughout his speech Blair made it clear that he would not tolerate any return to the seventies, when

politicians had to take account of the power of trade unions. Oh no...

“We will not go back to the days of industrial warfare, strikes without ballots, mass and flying pickets, secondary action and all the rest.”

“Modernise your political structures as we have done in the Labour party. Influence with this government and with me is not determined by anything other than the persuasiveness of your arguments.

“The old ways—resolutions, the committee rooms, the fixing, the small groups trying to run the show—have no future.

“New trade unionism - that is your aim. Partners for progress. That is your slogan.

“Let's build trade unions that are creative, not conservative, that show they can work with management to make better companies.

“Unions that people join not just out of fear of change or exploitation, but because they are committed to success.

“Unions that look forwards, not backwards, that support workers as they are, and foster the adaptability they need to be secure in a competitive and fast changing world.”

And, with a few minor exceptions, the trade union leaders in Congress assembled welcomed being put in their place and told how to order their affairs.

Bill Morris, general secretary of the Transport and General Workers Union, said:

“It was a very measured speech. He has removed any doubts that he wants trade unions to be part of government projects. He wants a transparent relationship built on democratic values.”

That was eleven years ago when the project that began for the Left with its defeat of the Social Contract and smothering of an incipient movement for workers' control finally realised itself as a Socialist Society government that stood for the first time in history on its own feet, completely free from any feelings of obligation to Old Mortality. Its project,

so succinctly announced to the TUC by the chief of its co-founders (New Labour, New trade unionism, Partners for progress), has now succeeded completely.

In the course of New Labour, New trade unionism has been achieved. The TUC at Brighton this month (written September 20th) showed that it has become and will remain, precisely the working class voice any government at all would be delighted to listen to and ignore.

TUC General Secretary Brendan Barber spoke to the Conference theme of fairness and equality which under whatever precise headings is also the theme of the Labour Party Conference (which has just this day begun). The substance of his speech was that the current economic crisis is not the fault of the British Government. This was the substance of speeches on the first day of the Labour Party Conference from Gordon Brown, Alistair Darling and Ed Milliband. Barber went on to blame the crisis on the banks, as did Brown, Darling and Milliband. Barber drew attention to particular scandals which the Labour Party is either in the process of addressing or has, on the first day of its Conference, pledged itself to address: agency workers and notional self-employment. And he called, as the Labour Conference just now is calling, for such equality and fairness as will *“inspire again the imagination of ordinary people, showing what a Labour government is for”*.

The Blair-Brown Project which has succeeded in modernising New Labour and New Trade unionism in a Partnership for Progress has succeeded also in leaving the British working class without any form of organisational expression.

Ed Miliband has just told the Labour Party in Conference at the renamed Free Trade Hall in Manchester that it has four Big Causes in a campaigning agenda centred on making this country *“more fair and equal”*. Those Big Causes are further education, child care, long-term care for the elderly and, *“biggest challenge of all”*, Climate Change. The core political and economic interests of the working class do not appear anywhere in Miliband’s little list; they are of as little interest to New Labour now as ever they have been in the long years of the Project.

The Labour Party is at most one more Conference away from electoral meltdown. Its destruction cannot come quickly enough or completely enough for us.

New Labour is a virus that must be eradicated before a party politics of the working class interest can be rebuilt in Britain.

Something similar had to be undertaken when last the Labour Party was taken over by the fads and fantasies of Left-wing enthusiasts. And at that time it could be achieved within the structures of the Labour Party. But, as we have seen, in 1931 Ernie Bevin was at the head of the Transport and General Workers’ Union and Walter Citrine was General Secretary of the TUC. In 2008 everything is in its own terms New and New Trade Unionism is in no fit shape to rescue its Partner in the Progress Project. New Labour is taking New Trade Unionism with it down the tubes.

New Trade Unionism as outlined by Brendan Barber at the Trades Union Congress in Brighton in September 2008.

“Congress, I believe the case for fairness is as relevant now as it ever has been.

“And I’m convinced that argument—for fair employment, fair tax and a fair distribution of wealth and opportunity—is not just morally compelling, it is also the way to electoral success.

“So this week we will keep pressing for change; asserting what for us is a core value.

“And make no mistake: throughout our history, fairness has been the lifeblood of the labour movement.

“Fairness is what inspired trade unionists, socialists and progressive reformers to campaign for a universal old age pension a century ago.

“Fairness is what drove Aneurin Bevan to create our NHS 60 years ago, delivering free healthcare for all despite bitter opposition from the conservative establishment.

“And fairness is what motivated ordinary people the world over to march together, campaign together and stand together to help defeat the obscenity of apartheid.

“Now, in the first decade of the twenty-first century, it is our duty to write

the next chapter in that story.

“Only by being fairer can Britain be stronger; and only by being stronger can Britain make the world fairer.

“And if we can win that argument—if we can win the hearts and minds of politicians and public alike—then I believe we can win a better future for all our people.

“Thanks for listening.”

New Labour and its creature, New Unionism, have brought the Labour and Trade Union Movement to an inevitable, irrevocable, conclusion. The Party's Over.

Further to this exercise of ours (our own Project, so unlike that of the Newstatesmen of New Labour), having uncovered the negative side of Blairism in its Left-Wing anti-Labourism we really should, for completeness' sake, have a run around its positive side, the Liberalism of it all, what Bevin was getting at when he thundered that the Labour Party was not Keir Hardie's but was out of the bowels of the T.U.C.

Hardie set out his political programme when standing as an Independent Labour candidate (not an ILP candidate, the ILP was not founded until 1893) at Mid-Lanark in 1888. He had first offered himself as a candidate for selection by the Mid-Lanark Liberal Association but withdrew his name from the official list because the Executive of the Association had pre-empted the members' decision.

His original letter to the Liberal Association...

“...claimed that he had all his life been a Radical of a somewhat advanced type, and from the first he had supported Mr. Gladstone's Home Rule proposals” (J. Keir Hardie, by William Stewart, London, 1921, p. 37).

In his election address he said:

“I adopt in its entirety the Liberal programme agreed to at Nottingham, which includes Adult Suffrage; Reform of Registration Laws; Allotments for Labourers; County Government; London Municipal Government; Free Education; Disestablishment. On questions of general politics

I would vote with the Liberal Party, to which I have all my life belonged” (quoted, ibid, p. 37 - 38).

That said, he declared that, in the event of a difference between the Liberal Party and the Irish Party, he would vote with the Irish, and added *“I am also strongly in favour of Home Rule for Scotland...”* (ibid).

The substantial distinction he made between himself and the Liberal Party was on class grounds of a sort:

“...What help can you expect from those who believe they can only be kept rich in proportion as you are kept poor? ...I ask you therefore to return to Parliament a man of yourselves, who being poor, can feel for the poor, and whose whole interest lies in the direction of securing for you a better and happier lot?” (quoted ibid, p. 39).

Ramsay MacDonald, who at that time was Honorary Secretary (living in London's Kentish Town) of the Scottish Home Rule Association, and a Liberal, wrote to Hardie, saying:

“...let the consequences be what they may, do not withdraw. The cause of Labour and of Scottish Nationality will suffer much thereby. Your defeat will awaken Scotland, and your victory will reconstruct Scottish Liberalism” (quoted ibid, p. 40).

Hardie lost that election and formed the Independent Labour Party in 1893. In 1894 he contributed an essay to a book, The New Party edited by Andrew Reid.

In 1885 Reid had edited a book entitled Why I Am A Liberal: Being Definitions and Personal Confessions of Faith by the Best Minds of the Liberal Party. In 1894 he was part of a progressive movement of disillusion with the Liberal Party which was looking for something New that was recognisably something of a chip off the old block.

In his Preface to The New Party he wrote:

“The New Party must necessarily include in its form and policy something more than the labour idea. It must not be confounded with the Independent Labour Party. Its body is being grown—it cannot be made. It will become the most comprehensive, picturesque, historical, ideal, ethical, political party which has ever stepped foot upon God's earth. Universal as well as National, its commanding and baptizing objects are SOCIAL. IT IS THE PARTY

OF THE INSPIRED PEOPLES” (The New Party, edited by Andrew Reid, London, 1894, p. XIV).

This was not a frivolous thing. It involved serious people who were making serious efforts to position themselves in what was seen, since the failure of Gladstone’s Home Rule Bill, as the last days of His Party.

In his piece *The New Party In The North*, Clarion editor and leading member of the ILP, Robert Blatchford, author in 1893 of the immensely influential *Merrie England*, who knew the mood of the people whereof he spoke, wrote:

“There is now, in the North of England, a party of progress; and, which is of more value and significance than the existence of any party, there is, blazing or smouldering amongst our densely populated districts, a new enthusiasm; almost a new religion.

“The party, indeed, can hardly claim the name of party yet. It is scattered, it is badly organised, it consists of many and somewhat incongruous elements; resembling more a number of isolated clans in revolt than a unanimous people banded for revolution. I will speak of this body or party first...

“The New Party, somewhat inaccurately called “The Labour Party,” is largely Socialistic. Broadly speaking, its component parts are five. There are the Social Democrats, the Fabians, the Labour Church, the Independent Labour Party, and the unattached supporters of “The Cause.” Of these constituent bodies the oldest is the Social Democratic Federation; the youngest, and, perhaps, the most progressive, is the Independent Labour Party. But the largest, and, speaking generally, the most intelligent, earnest, and unselfish, is the great mass of new converts, who, for various reasons, have not joined any organisation” (ibid, pp. 12 - 13).

In the 1890’s the political ground that the Whigs of the great Liberal Party had occupied for 200 years was falling vacant. And a New Liberal Party, for the moment calling itself the Independent Labour Party, was laying claim to the title deeds of that Bleak House. Keir Hardie was squatter-in-chief:

“What was good fifty years ago is to-day the stumbling-block in the cause of progress.

For Liberalism remains what it was, whilst the issues have changed. There is no need now to fight the battle of the franchise. Our fathers did that, and to-day only the details remain to be adjusted” (The Independent Labour Party, by Keir Hardie, in The New Party, p. 375).

”For a time the Lancashire factory hand and miner voted largely Tory as a dumb protest against the growing oppression of his Radical employer. Now he finds himself as a Tory mostly in the same camp with his employer at election times, and he is casting about in his mind for an explanation. If he votes Liberal, it is for an employer; if he votes Tory, it is for an employer. And so, the fulness of time having come, the idea of a New Party which will not be an employers’ party, has taken hold, and has been baptized as the Independent Labour Party” (ibid, p. 376).

“The business of the New Party is to do battle with Toryism. Before it can get to close quarters with the forces of reaction it must first clear from the path the impediment behind which Toryism shelters itself. The chief impediment is the Liberal Party” (ibid, p. 377).

“If the Liberal Party were the rank and file, or even some of the members of the party in Parliament, the advice to trust that party would be all right. But these are not the party. These are the crutches on which the real party lean for support. The policy of the party is not shaped to suit the wants of the rank and file, but to catch their votes. It is the interests of the landlords and the capitalists who are in the party which decide its policy. So long as the workers can be kept divided over Disestablishment and the like, the landlord and the capitalist are safe in the enjoyment of their ill-gotten gains” (ibid pp. 380 - 381).

“From the ruins of Liberalism will rise the New Party with a nation behind it, and the final battle of the workers for their own emancipation will be entered upon. It is not my province to forecast the future, but it does not require the gift of a seer to tell that those will be troublous times. Liberalism has gone on shedding section after section of those whose interests were being endangered by the policy which in self-defence it has been from time to time compelled to adopt. The last great final change will come when the I. L. P. brings Liberalism face to face with Socialism as the only

alternative to extinction” (ibid, pp. 382 - 383).

But, despite the best efforts of the ILP and dissident Liberals their New Liberal Party did not fall neatly from the mix to neatly replace its senile parent. One of the causes of Radicalism, Old and New, was Trade Unionism. So Trade Unionism was added to the mix and, great lumbering bulk of a hulking real world thing as it was, it spoiled the dream.

In hindsight Hardie’s Independent Labour Party which loomed so large at that time was only the largest of the Socialist Societies which came together in February 1900 on the basis of a resolution adopted by the Trades Union Congress in 1899 to hold a conference to find “*a better representation of the interests of Labour in the House of Commons*” (from the text of the resolution moved by the Amalgamated Society of Railway Servants and the National Union of Dock Labourers—The NUR, successor to the ASRS published Will Craik’s book, an extract from which precedes this editorial.). The T.U.C. took the immediate initiative and then allowed the Socialist Societies to make the conference arrangements and determine its agenda.

At the outset the Labour Representation Committee was dominated by the Socialist Societies. It was all talk and the ILP talked loudest of all. So, at the outset the LRC was dominated by the Independent Labour Party.

The first resolution at the LRC’s founding conference (by R. W. Jones of the Upholsterers and Paul Vogel of the Waiters) moved that “*...this Conference is in favour of the working-classes being represented in the House of Commons by members of the working class as being the most likely to be sympathetic with the aims and demands of the Labour Movement*” (quoted in A History of Labour Representation by A. W. Humphrey, London, 1912, p.144).

Maverick Liberal M.P. John Burns and the ILP’s George Barnes (who was secretary of the Amalgamated Society of Engineers) moved an amendment favouring “*...working-class opinion being represented in the House of Commons by men sympathetic with the aims and demands of the Labour Movement and whose candidatures are promoted by one or other of the organised movements represented at this Conference*” (quoted, *ibid* p. 144). Burns stood

to declare he was “*getting tired of working class boots, working-class trains, working-class houses, and working-class margarine*”. The LRC should not be “*prisoners to class prejudice, but should consider parties and policies apart from class organisation*” (*ibid*, p. 145). Having been further amended (to include the co-operative movement) Burns and Barnes’ amendment was carried overwhelmingly (102 votes to 3, there were 129 delegates attending).

One up for the Socialist Societies. Hurrah the ILP!! But the Trades Unions were there, thinking “*working-class boots, working-class trains, working-class houses, and working-class margarine*”. Then in July 1901 the Taff Vale judgment by the House of Lords changed everything:

“This case arose from a strike in August 1900 on the Taff Vale railway in South Wales... The decision of the House of Lords was of great importance, because it determined that the funds of a trade union were liable for damages inflicted by its officials...

“It did not take union leaders in general very long to realize the crippling effects of this decision on their own prospects of successful strike action in the future. It is true that there were a few who thought that some good might come from the recognition of trade unions as legal corporations, for they would presumably be able to enter into legally enforceable agreements with their employers. But the great majority at once concluded that the disadvantages outweighed the advantages...

“The reaction of the great bulk of union leaders to this state of affairs was naturally very hostile. One result was that they gave a much warmer support to the Labour Representation Committee than had appeared likely upon its foundation in 1900...” (A History of British Trade Unionism, by Henry Pelling, 3rd. edition, pp. 123 - 124).

Warmer support was grand and increased affiliations even grander. Warmer still though was the money. But that threw a grand big spoke in the wheels of the ILP’s wagon.

In 1903 the fees paid to the LRC by affiliated unions and Socialist Societies were increased from 10s (50p) per thousand members to nearly £5. Trade union dues were going to fund the payment of Labour MPs and there had to be some means to ensure

value for money. The mechanism was simply found. Unions funded the Labour Party to whatever extent they wished by affiliating as many members as they felt they could afford. Obviously those affiliated members had to have a say, a vote, in Labour Party affairs, which could only be made effective at Party conferences by being wielded as a collective property by the responsible union officials.

Trade Union block voting was the end of the ILP's dream of New Liberalism. Cheated of their dream the Socialist Societies became a long suffering Left-Wing which seethed for a century and then under Mandelson, Brown and Blair finally achieved power. What we have seen since is chickens coming home to roost, puffed up with power and plans for revenge.

After becoming leader of the Labour Party in 1994, Tony Blair immediately began courting the Liberal Democrats, then led by Paddy Ashdown. There was an electoral imperative for this at the time – no one could have predicted the landslide of 1997. Blair feared that a Lib Dem Party, not under his control, could hold the balance of power in Parliament. He managed to subvert any such ambition by subverting Ashdown. Ashdown is well known for his status as an ex- Royal Marine. But Menzies Campbell, in December 2007, exposed him also as an agent of MI6.

Blair, more importantly was also attracted, not to the Lib Dems as such, but to what had been the old Liberal Party in its heyday at the end of the 19th century. He stated publicly that it was a matter for regret that Liberalism and Labourism had gone their separate ways in those early days. In that context the notion of the “*progressive consensus*” was reborn. Elements in the wider Labour Movement, especially those who had come from a Marxist background, began weaving a Lib-Lab political fabric, with the direct and the indirect encouragement of New Labour.

Tactical voting was one such campaign – to stop the Tories. The Institute for Public Policy Research was the main think tank. Some, like Martin Jacques, seemed to believe in a consensus between social liberalism and social democracy. But that was not at all what the new consensus was about. It was about economic liberalism being reconnected with social liberalism. Social democracy, never mind socialism, was what was to be replaced.

In the event, Labour won by a massive landslide

in 1997 and Blair had no need to deal with “*wishy-washy*” liberals. Ashdown was seen alright and was made Colonial Governor of Bosnia. In January last, Gordon Brown suggested that Ashdown join the Labour cabinet. But Ashdown was then in line to become Colonial Governor of Afghanistan and turned down the offer. In the event he was vetoed by President Karzai. (It would seem that the puppets are beginning to cut some strings both in Afghanistan and in Iraq.

Blair decided that he could remake the Labour Party alone in the image of the old Liberal Party. The party of imperialism, war, and English individual liberties. Gordon Brown was the co-architect of these policies. And his speech to the 2008 Labour Party Conference emphasised this:

“New Labour has always been at its best when we have applied our values to changing times. In the 1990s Tony and I asked you to change policy to meet new challenges. We are and will always be a pro-enterprise, pro-business and pro-competition government. And we believe the dynamism of our five million businesses large and small is vital to the success of our country. But the continuing market turbulence shows why we now need a new settlement for these times - a settlement that we as a pro-market party must pursue. A settlement where the rewards are for what really matters - hard work, effort and enterprise. A settlement where both markets and government are seen to be the servants of the people, and never their masters, Where what counts is not the pursuit of any sectional interest but the advancement of the public interest - and where at all times we put people first. Let us be clear the modern role of government is not to provide everything, but it must be to enable everyone.

“With Britain’s great assets - our stability, our openness, our scientific genius, our creative industries, and yes our English language - I know that this can be a British century and I’m determined it will be... And why do we always strive for fairness? Not because it makes good soundbites. Not because it gives good photo opportunities. Not because it makes for good P.R. No. We do it because fairness is in our DNA. It’s who we are - and what we’re for. It’s why Labour exists.

“I don’t believe Britain is broken - I think it’s the best country in the world. I believe in Britain. And stronger together as England, Wales, Scotland and

Northern Ireland we can make our United Kingdom even better. And ours is a country full of heroes. And we pay special tribute to the heroism of our armed forces, as Des Browne said yesterday - to their service and sacrifice in Iraq and in Afghanistan and in peacekeeping missions around the globe. Quite simply the best armed forces in the world. And David Miliband, Douglas Alexander and I will do everything in our power to bring justice and democracy, to Burma, to Zimbabwe and to Darfur.”

At the moment of one of its deepest crises, Gordon pledges his commitment to the market system. His patriotism, echoing Blair’s farewell speech, is based on genetics. The English, since the Scots seem to have other ideas, can once again feel that they are nature’s, or God’s, gift to the world and go about re-ordering it as their manifest destiny.

Ed Milliband had the following bit of nostalgia to transmit to the Labour Conference:

“And you know its a hundred years since a progressive government brought in a new system of old age pensions in this country. A hundred years since they decided that the risk of being poor in old age was a risk that was too big for people to bear on their own. We need a government of equal radicalism. A manifesto of equal radicalism when it comes to the system of long-term care in this country, and it will be the next Labour manifesto. And then the biggest challenge of all, the challenge of climate change...”

Clearly reading from the same hymn sheet the General Secretary of the TUC, Brendan Barber, could not speak about pensions without looking back to the Liberal Government of 1906...

“We’ve won major pensions’ reform so that in the future every employer will have to contribute to their workers’ pensions—and what better way for us to mark the one hundredth anniversary of the Old Age Pensions Act won through the campaigning of previous generations of trade unionists?”

Nye Bevan got one favourable mention in relation to the NHS at the Labour Conference but the great Labour – trade union revolution of 1945-51, as usual, was like it had never happened.

Earlier in this editorial we have quoted at some

length from TUC General Secretary Brendan Barber. Barber showed that he was also on message as to why there should be good living conditions in Britain:

“Only by being fairer can Britain be stronger; and only by being stronger can Britain make the world fairer”

Brown’s possible stumbling block in the trade unions on his road to 1906 (or 1914) is clearly taken care of. Reforms will now be all for the “right” reasons. In its “bite page” history series, the BBC explains the reasons for the Liberal reforms of the Asquith – Lloyd George period. The Boer War had shown that there was a chronic shortage of men fit enough for military service. Germany was becoming too competitive because of the development of “progressive social development” pushed by the Social Democrats. There was a need for greater state regulation and interference to stem Britain’s decline as a world power. The British working class was taking to socialism and socialism was international.

Socialism is not likely to be on the cards any time soon, but the rest of the reasons apply in Brown’s Britain. Socialism has in any case been utterly subverted. The middle class liberals who have dominated the Labour Party since well before Blair took over have equated socialism with liberal reform. Reforms, in such areas as housing policy, gender, homosexuality, race, etc., may or may not be good things in themselves. But they have always been things in themselves without regard for social consequences, and certainly without regard for the working class interest – which is primarily about cutting back the system of wage labour and trying to abolish it.

But anyone with an interest in that is denounced as a right wing trade unionist, old fashioned and a lot else. There was even a worry expressed on one the Labour blogs about the appointment of ultra-Blairite, Ray Collins, as Party General Secretary, because he had previously worked for the union Unite.

Brown, of course, has electoral problems, and probably cannot go it alone as Blair did. So once again feelers are being put out to the Lib Dems. This time the project is more manageable as the “sandal wearers” have mostly been displaced by Nick Clegg’s yuppies.

All of this may make depressing reading for

British Socialists – especially those in England. But nothing at all can be done unless they know where they are starting from. The Labour Party is wedded to economic liberalism and foreign adventurism and the sooner it is destroyed the better. The bulk of the left is just as keen on foreign adventures except for arguments about who should most be interfered with and when. The trade unions are useless as long as they are attached to the Labour Party and helping it to pay off its £17.5 million debt – let alone pay for the next election. Support for the destruction of the Labour Party and unconditional support for anyone who opposes Britain’s foreign adventures – that should be as good a starting point as any.

“A political party can never substitute industrial organisation but only serve its development. So soon as this development has reached a stage where it ceases to be served by the hitherto existing political

party, then the task of constructing a higher form of political organisation must be taken up. It is with the Labour Party as with the craft unions. The latter are not the highest attainable type of industrial organisation. The Labour Party is not the ‘last word’ in Labour politics. It is rather the last attempt to make capitalist politics serve Labour.”
(Will Craik, *National Union of Railwaymen*, 1916)

Will Craik had it right. The Labour Party never was the last word in Labour politics. It was a last attempt to make capitalist politics serve Labour and it has finally, after a great deal of success along the way, come crashing to an inglorious and complete full stop.

There is as yet no saying what form of organisation will be built by the working class to replace the Labour Party. For our part we’ll be working to ensure that whatever it is has room for *Bolshevik* in the title.

Workers Of The World

*A Song by Jim Connell, who also wrote
The Red Flag. The tune is Lillibulero*

Stand up, ye toilers, why crouch ye like cravens?
Why clutch an existence of insult and want?
Why stand to be plucked by an army of ravens,
Or hoodwink’d forever by twaddle and cant?
Think of the wrongs ye bear,
Think on the rags ye wear,
Think on the insults endur’d from your birth;
Toiling in snow and rain,
Rearing up heaps of grain,
All for the tyrants who grind you to earth.

Your brains are as keen as the brains of your
masters,
In swiftness and strength ye surpass them by far;
Ye’ve brave hearts to teach you to laugh at disasters,
Ye vastly outnumber your tyrants in war.
Why, then, like cowards stand,

Using not brain or hand,
Thankful like dogs when they throw you a bone?
What right have they to take
Things that ye toil to make?
Know ye not, workers, that all is your own?

Rise in your might, brothers, bear it no longer;
Assemble in masses throughout the whole land;
Show these incapables who are the stronger
When workers and idlers confronted shall stand.
Thro’ Castle, Court and Hall,
Over their acres all,
Onwards we’ll press like waves of the sea,
Claiming the wealth we’ve made,
Ending the spoiler’s trade;
Labor shall triumph and mankind be free.

INSTITUTE OF WORKERS' CONTROL

ACCOUNTABILITY AND INDUSTRIAL DEMOCRACY

(EVIDENCE TO THE BULLOCK COMMITTEE OF INQUIRY)

EXPLANATORY NOTE

The Institute for Workers' Control considers that the TUC's proposals for the establishment of supervisory boards in large firms (50 per cent of whose members should be elected by the rank and file organizations of trade unionists) needs strengthening in a number of ways. Of course, the key question about this scheme concerns the actual powers that would be placed in the hands of the worker directors/representatives. Trade unionists would be ill-advised to accept participation on terms which were in any way weaker than those to be put forward by the TUC. A diluted scheme would not represent 'partial' industrial democracy, but a retreat from democratic principles.

These are the main conclusions drawn in the memorandum of evidence presented by the IWC to the Bullock Committee, (which was established in order to consider the TUC's proposals on the need for an extension of industrial democracy). The memorandum, which follows, was drafted by Michael Barratt Brown and Ken Coates, following on an extended discussion within the Institute.

Foreword

Some years ago, around 35 to be precise, it was suggested to me by a well-known Marxist scholar of that time, that I should take on the job of editing a trade union rank-and-file paper. At that stage of my life the idea frightened the wits out of me, so I returned the compliment by suggesting that my knowledge did not exactly fit me for the job and that he should undertake it. His reply was one that I have never forgotten. "I was educated at Cambridge, taking economics among other things, but I am no more fitted to edit a trade union paper than you would be to edit an academic paper for Oxford and Cambridge dons."

I took on the job. Whether or not I was successful is neither here nor there. I know that none of my workmates ever offered to replace me.

Some years later I happened to be a member of a negotiating team which was discussing with the management a plan to increase efficiency in the operation of our services to the travelling public.

After a number of meetings listening to the ideas and propositions of the management, I told them that I was tired of hearing their ideas, which sounded to me more like efforts to increase their profit margins rather than service efficiency, and went on to suggest that the trade union side should begin to put forward some ideas by doing some thinking on their own account.

The lads then agreed to a meeting among themselves and came armed with their own ideas: what a cock-up some of them made of their first challenge of having to think for themselves! Had we gone to the management with some of their ideas, the lads on the job would have murdered them. But, no matter. It was a new experience for some of them, and I like to think that they gained from it.

I believe that these two stories bear some relationship to the decision of the IWC to submit evidence to the Committee on Industrial Democracy and to the danger of separating theory and practice.

It is one thing to pose—as the TUC rightly does—such questions as the number of directors and

shareholders, details of ownership, sales turnover, home and export sales, production material and machinery costs. All highly technical questions which will have to be grappled with and resolved: but of equal importance is the role, purpose and policy of trade union activists, shop stewards and convenors within Industrial Democracy.

Just as some of our active rank-and-file unionists may have difficulty in following or understanding some of the theoretical and academic arguments and submissions which have been made to the Committee, so, equally, many of our political academics may well fail to appreciate and understand the problems which will face trade union methods and organisation in industry.

In my view some of our academic experts are becoming unduly optimistic about the results that Industrial Democracy may bring. For example, Roy Lewis in an article in *Tribune* on the proposals, quotes Tony Benn as once saying “*Nationalisation plus Lord Robens does not add up to socialism.*”

Many of us, like myself, who worked within a nationalised industry for many years, will give a hearty “*Hear, hear*” to that view, apart from the fact that we could retort “*Industrial Democracy plus the TUC is not a short cut to socialism.*”

It happens to be my view that the conversion to and interest in Industrial Democracy on the part of some of the politicians and national trade union leaders has come a trifle too suddenly. Some of them have allowed themselves to become divorced from the ideas and struggles of the shop floor, partly because of their dependence upon the machine and the establishment. While I will keep an open mind and am prepared to be persuaded that the Government and the TUC mean business, my experience stretching over fifty years in the trade union and labour movement compels me to say that if I were an active factory convenor at this stage in the game, I would prefer to play with a stick of dynamite than to play with the idea of becoming a member of a management board.

Perhaps I am being too pessimistic, perhaps we can hope that the experiences and knowledge gained over recent years by trade unionists as a result of Upper Clyde, Meriden, Scottish Daily News, Vickers Combine Committees, Lucas (socially useful products), Imperial Typewriters, and the numerous sit-

ins of one kind and another, will make them approach any proposals emanating from the Committee with a good deal of cautionary questioning.

The questions that come to my mind if Industrial Democracy is to be taken as a serious intention are:

Should the so-called workers’ representatives of management or supervisory boards be elected from the existing members of works committees? If not, why not?

If they are to be elected from the factory floor what relationship and contact, if any, will be proposed between them and the elected shop stewards and/or works committees?

In any case, how is any conflict of views or policies between the workpeople and their management representatives to be resolved, and what follow-up will there be if they fail to agree?

What liaison is likely to be catered for as between work-people’s management representatives in individual firms within the same industry, say, Leylands, Fords, and Vauxhall?

How will Industrial Democracy and workers’ representatives operate within the multi-national firms?

What provisions will be made to ensure that the representatives of the workers are present at all levels of management and not just at the top level, with the danger of the lower levels reneging on an agreed top level decision?

What demands will be made in order to make certain that the workpeople’s elected representatives will be provided with the same information and facts as their management opposites, and even more important what support will be given for their training in the technical and economic knowledge necessary to understand big business management?

These are but a few of the questions to which trade unionists should demand answers, so that their practical knowledge can be married to the theoretical knowledge.

As a retired trade unionist, I—like Asquith—“*have to wait and see*”, hoping at the same time that rank-and-file trade unionists throughout industry will continue to struggle for their members and for real Industrial Democracy through Socialism.

BILL JONES.

Introduction

The first purpose of this paper is to suggest to the committee that in any proposals to allow for workers' representatives on Boards of Directors that it may consider making, it should recognize three essential prerequisites, if such proposals are to have any chance of acceptance among the more active trade unionists. It scarcely needs to be emphasised that these men and women have been responsible for the recent extension of workplace controls, which provide the main existing element of industrial democracy and the main base for its development. The essential prerequisites suggested in this paper are the following:

- a. Worker directors would have to be elected through the trade union machinery, and subject to report and recall to their constituents;***
- b. Any scheme for worker directors would need to be part of a total structure of worker representation at different levels of a company;***
- c. Worker director schemes would have to be associated with long-term planning agreements between government, company and trade union representatives from the company;***
- d. Information-flows opened up by the extension of Industrial Democracy within the firm must be available for wider social-democratic purposes.***

Evidence to The Bullock Committee

A. Trade Union Single-Channel Representation

The concept of a 'single channel of representation' generally relates to a situation in which trade union representatives negotiate on matters that were previously or elsewhere the subject of "consultation" with a different group of workers representatives, often elected outside the trade union machinery. The latter is likely to be unacceptable to the unions and to foul up industrial relations by exacerbating the rivalries of official and unofficial trade union power groups. This is not necessarily an argument against the trade unions themselves running two sets of representatives—one for their negotiating team, one for their "management" team—both subject to direct election. Team members could and would switch around.

If it is agreed that two-tier boards are to be introduced, then there still remain various options within which they might be constructed. Assuming that the device of the supervisory board is accepted, it need

not necessarily be a body in regular session. It might be given a charter to meet at certain fixed intervals, punctuated by such special sessions as might be required under due procedures previously established. For example, it might be summoned to consider the Annual Report before it could be approved, and otherwise recalled upon the request of a specified number of member signatories. Or it might be given particular powers which would require meetings on particular (and specified) clusters of issues. Or it might meet frequently in a formal manner similar to that adopted by most existing Boards of Directors.

In the same way, the nomenclature of the new system need not necessarily follow that of continental counterparts. Since the TUC has proposed parity of representation with a workers' veto over certain key appointments as well as certain types of policy matters, it is clear that they have in mind a new company structure which is far more consistently democratic than is that of, say, German co-determination. Such a structure might be well-described if the governing body were called an "Executive Council", and if its members were given the name "representatives", which would accurately reflect their function. Whatever the nomenclature, however, it is clear that the TUC anticipates a real encroachment of powers, which would give trade union representatives certain carefully determined rights of veto, and very wide new rights of prior consultation, together with access to information.

We feel it necessary to add some additional recommendations concerning the appointment of trade union directors/representatives. Between drafts, the TUC policy substantially augmented its proposals to ensure the accountability of worker-delegates. The crucial question at issue is that there should be a right of recall, not only at periodic elections, but, under duly precise constitutional formulae, between such elections. If it fails to guarantee this right, any new legislation will necessarily find that the confidence of workpeople in the new arrangements will be undermined, and that there will be a certain reluctance on the part of some of the key workers concerned to offer themselves for election. Recall for shop-stewards already exists, in most cases as a theoretically instant procedure. That is to say, when a steward loses the confidence of his workmates, he can theoretically be replaced the moment they so decide. Numerous studies of shop-floor practice show that, in fact, such recall is an infrequent occurrence. Yet it remains very important

to maintain the tradition, partly because of the need to win that confidence in the new arrangements of which we have already spoken.

At the same time, the TUC make no recommendations about the pay of the proposed worker director/representatives. We think that they should be recompensed by the unions themselves, at the prevailing rate for absence from work on union business, with approved union expenses. At the same time, it seems clear that the unions should have the right to collective recompense, from firms, for the work put in by union representatives. Such a stipulation is clearly important if we are to avoid the mistrust and suspicion which would certainly arise if workers' representatives were to be remunerated on directorial scales.

In the first instance, worker directors would all be likely to be experienced trade union workplace representatives. There might reasonably be some holding dual office, but whether all worker directors should hold office as leading negotiators *and* worker directors is not something that can be decided as a matter of principle. This might work in some cases, but not in others. It does not seem to be simply a matter of logic, as some have suggested (the Plowden Report for example) that "*representing trade union members interests...could not be reconciled with even a share in responsibility for managing...*" or (also from the Plowden Report) that "*turning the Board from a decision and policy making body to a negotiating body...good management would be impossible.*"

Boards do not make policy; they ratify policies, or refuse to do so; these policies are originated at a lower level, in the sense that the Board only receives already prepared proposals, which have been the result of a long process of choice and decision making. Refusal to ratify means that the proposals go back for rethinking. The Board is very much a negotiating body, in that it is frequently the Chairman and the managing director's task to reconcile the different views and aspirations of different parts of management. Why should not the views and aspirations of workers be represented at this level?

The thinking of the Plowden Report in this matter is similar to that which informed the British Steel Corporation worker director scheme. The worker directors were in the first instance required to give up all union office and even to serve on divisional

boards that were not their own. These two restrictions have since been withdrawn; but the small number of such directors—one or two on each divisional board and one on the national board—reflects the fear that the board might be unable to make decisions if there were more. The fact is that one or two are not enough to ensure that the workers' view is fully taken into account in the evaluation of proposals that come up to the Board for ratification.

The crucial point for any trade union representatives on Company boards must be that they retain their own power base in the union. Other directors do not give up their power bases when they join the Board—they represent departments or divisions, areas or plants in the company. The analogy is not exact, but it is significant. Full-time board membership without a power base is only meaningful for the chairman, vice-chairman and managing director, who have overall power in the company. The implication of this is that the trade union representative must feel duty bound to report back to and consult his members. While this need not mean reporting to all members on all matters, there is at the moment far too much so-called secret and confidential restriction placed upon discussions and papers in industry and government, which cannot be justified on any grounds except the limitation of industrial democracy; but there is in any case no evidence that trade union committees are less able to keep necessary secrets than managerial committees.

The eminent Belgian Socialist statesman, Louis de Brouckere, outlined a classic approach to this question for the Belgian Trade Union Congress (FGTB) of February 1924. After specifying a wide ranging programme of demands for enhanced accountability, he said:

"But I ought to frankly admit that, rare as they are, trade secrets can exist. I freely recognise that certain documents, e.g. a list of the firm's customers, cannot always be made public without commercial risk. But, then, the publication of this sort of thing would be of no real advantage to the workers."

In the light of recent experience, even De Brouckere's concession to the principle of commercial secrecy appears to be too sweeping. At the recent "*work on*" at the River Don plant in Sheffield, one of the main assets of the work people in their dispute with the British Steel Corporation was their access to a full list of the firm's customers for very heavy

castings. Once they were able to approach these customers, the British Steel Corporation received strong representations from many firms, who, as a result of the steel-workers' initiatives, had been made aware of the imminent loss of a major resource.

It can be argued that the trade unionists will be continuously at odds with the rest of the Board because of the requirements of capital accumulation in a competitive market economy. This, of course, is *the* main argument of most trade unionists against worker director schemes, and the reason for the third prerequisite examined below.

B. The Structure of Trade Union Representation

It has already been suggested that trade union representatives at Company Board level will not be able to exercise the power that their members will expect of them unless they are not only made subject to report and recall to their constituency, but are connected with a structure of trade union representation at different levels of the company. A structure that is suited to all companies cannot be laid down as a matter of principle any more than can the relationship (or identity) of trade union negotiators and worker directors. This must vary greatly from company to company, according to its own operating structure.

It is a matter of fact, to which the attention of the Committee is drawn, that a number of Combine Committees, representing different unions convenors in big companies, have drawn up worker director schemes. A number of these are summarised in the chart which is attached to this paper, as originally published in the *Institute for Workers' Control Bulletin* No. 30, of December 1975.

Another model for extending workers' control at different levels of a nationalised industry is examined in the Institute for Workers' Control Pamphlet No. 38, on *Public Ownership and Democracy*, which is also attached to this paper. Although this last model relates to the public sector of industry, which is outside the Committee's remit, the principles and problems raised apply also to the Private Sector, with the important proviso: that an effective substitute has to be found for the parliamentary control over the operations of nationalised industries, if worker directors are to be protected from the anti-social decisions pressed upon them by the forces of the competitive market in which

capital accumulation through profitability is the key to survival.

Long term planning agreements between the government, the unions and the larger private sector companies offer a possible alternative to the obligations placed upon industries in the public sector; and it is with exploring of worker director schemes that most of this paper is concerned.

C. Planning Agreements and Industrial Democracy

The terms of reference of the committee include the sentence:

"Having regard to the interests of the national economy, employees, investors and consumers, to analyse the implications of such representations (i.e. of workers on boards) for the efficient management of companies and for company law."

No definition is offered of the word '*efficient*', but given the earlier reference to '*the interests of the national economy*' it may be supposed that the social costs and benefits of companies' activities as well as their private accounts will be included in the criteria for assessing '*efficiency*'. The interests of the national economy provided the main grounds for the introduction of Planning Agreements into the Industry Act of 1975; and the relevance of this for the Committee's recommendations is recognised in the eighth of the '*Areas for comment*' singled out by the committee as those on which it is seeking guidance from those offering evidence.

"8. Democratic Boards and national planning, i.e. links with consumers and with planning agreements."

Experience of worker directors in the British Steel Corporation and in German companies has suggested that the matters on which trade union representatives acting at company level have their greatest interest are not limited to the day-to-day management of company affairs, many of which are already subject to trade union negotiating procedures, but extend to the relation of the company's activities to the total economic activity of society, national and international. Theoretically, the allocation of national resources in a market economy, even one subject to massive government intervention, is left to the tests of profit expectations in a competitive world. In practice, this all too often means that resources are attracted to

firms having monopolistic positions and are subject to large companies' trans-national movements effected by transfer pricing and investment policies, which are not revealed by company managements and are exceedingly difficult for even governments to monitor and control.

It is well-known that the major matters that go up to board level in British companies, or Supervisory Board level on the continent, for decision, or at least for ratification, concern just such policies of pricing and investment. The adoption by the TUC of the proposal to place trade union representatives on supervisory boards for British companies, on the continental European model, recognises the importance of this area of decision-making at 'Board level'. The wide range of information on company forward planning that the TUC believes to be necessary "*if participation in management decision-making is to become a reality*" confirms the importance attached (see para. 78, p33 of the TUC statement of Policy on *Industrial Democracy*, May 1975):

"Details of new enterprises and locations, prospective close-downs, mergers and take-overs; Trading and sales plans, production plans, investment plans, including research and development; Manpower plans, plans for recruitment, selection and training, promotion and redeployment; short-time and redundancy provisions."

One trade union's attempt to set out a 'model planning agreement' ("*The Crisis in British Economic Planning*": ASTMS 1975) made it clear that all such information would have to be made available, not only for the whole group of companies, but for each Product division, for each plant, for subsidiaries, wholly or partly controlled, and for investment overseas. The *Industry Act*, 1975, refers to the '*relevant undertakings*' of companies for which information can be required by the government. The breakdown of this information by plants, divisions and geographical locations will be of crucial importance for government control over the transfer pricing and investment policies of companies. But the further requirement that such information shall be furnished under the Act to "*the authorised representative of each relevant trade union*" is of crucial importance equally for the safeguarding of the position of trade union representatives elected to the position of worker directors.

The fear of all trade union representatives acting as worker directors of companies in the private sector, and the fear equally of active trade unionists and their colleagues becoming thus involved in company decisions, is that they will be put into the position of having responsibility without power—responsibility for decisions which may be harmful as well as beneficial for their members' interests, without the power to influence those decisions. The power of government under the *Industry Act* to require disclosure of information on forward planning both to the Department of Industry and to the Unions offers to worker directors the only effective guarantee that they will have effective power to influence decisions. (It offers at the same time the only sure check for the government that it is being told the truth; only the workers themselves will know, for example, whether a product, the price of which has been changed, is in fact a different product and not the object of a purely arbitrary transfer pricing change.) The strength of the links that exist between different levels of the trade union structure in companies, and particularly between the shop-floor representative at the bottom and the worker director at the top, will alone ensure that the worker director has a firm base of power from which to represent his members' interests (and also to correct any misinformation that is supplied to government). The strength of the links that exist between the worker directors and their national union officials involved in drawing up planning agreements between the government and individual companies will alone ensure that the worker directors' representation of the members' interests is effective.

It could be an important aspect of planning agreements that the Minister should invite workers in companies through their trade union representatives and their worker directors to submit plans for new developments, including new locations and new products, for their companies; and to join in some parts of the process of negotiation on planning agreements. Once again the structure for such involvements would vary from company to company. Dr. Stuart Holland in his book, *Strategy for Socialism* has made a number of valuable suggestions, which the Committee might wish to consider. He argues *inter alia* (p.72ff) that the problem of corporate secrecy, which is heavily safeguarded in the *Industry Act* is greatly exaggerated. The actual designs, formulas and specifications of products and the know-how involved in their production are not likely to be matters for discussion. The point has already been

made that much information, which is now marked as 'confidential' is given this category not because of any real commercial necessity, but because an authoritarian system of company management has prevailed, which it is precisely the purpose of industrial democracy to replace.

The Committee's terms of reference include links with consumers under the eighth 'Area for Comment': *Democratic Boards and National Planning*. This is an important question, and it is an important part of the lessons that may be drawn from recent Yugoslav experience of self-management in industry that worker-owned and worker-controlled companies are just as capable as private capitalist owned companies are of using monopolistic positions to exploit the public. The emergence in Britain of a number of large companies, in which workers and management colluded in exploiting monopoly questions, could not be a desirable outcome of measures for establishing industrial democracy. One corrective for such a development is again the system of planning agreements, involving the government and national trade unions as well as the companies and trade union representatives in them. A major argument in the Plowden Report for rejecting the bipartite proposals of the TUC (50:50 management-union Boards) for the Public Sector is that a "*monopoly supplier of an essential product particularly needs the injection of consumer views and experience gained outside the industry.*" What goes for electricity supply could be applied to firms with monopolistic positions in the private sector. It seems a somewhat implausible argument, however, that the presence of directors on Boards injecting "*experience gained outside the industry*" into the decision making processes of these Boards would have much effect in moderating monopolistic powers. They might even collude in their perpetuation, if their experience outside industry was in supplying plant and machinery to the Boards, as it often is. The activities of Consumer Councils and the enquiries of Select Committees of Parliament have probably a much greater effect.

It should not, however, be assumed that trade union representatives on Boards of large companies would be so inclined to forget that they are consumers as well as producers. The financial gains to them from the exercise of monopolistic positions will not be likely to be on the same scale as those accruing to other directors and to shareholders. There remains a problem to which the Committee will have to give thought;

and this is that the proposals both for planning agreements and for worker directors tend to be related to the situation of very large, often transnationally operating companies. One of the main advantages of having worker directors on boards of these companies might be that investment in British plant for the British market would tend to get a higher priority than heretofore. These companies are, nevertheless, those where productivity is highest and wages are highest. Workers in other firms with lower productivity and those in non-productive industries look for wages equal to those available in the high productivity plants; and the tendency is for average wages over the whole country to rise above the average level of productivity. Government incomes policies and taxation policies are designed to transfer surplus from the capital intensive high productivity sector to sustain employment elsewhere. A strengthening of the unity of workers and management in the high productivity sector could, even under a regime of planning agreements with government, result in making the transfer of their surplus an even more difficult measure for governments to effect. Owners of capital may be restrained from transferring capital overseas by their worker directors. Those earning high wages may have to be encouraged to accept high rates of taxation by government decentralising the collection of taxes and the control over its expenditure.

D. Information Flows Must Be Available for Wider Planning Purposes

It is necessary to ask what would be the overall macroeconomic effect of the full implementation of the TUC's proposals. In a nutshell, the private sector would, unless it were affected by other measures besides those proposed by the TUC, become a diluted syndicalist sector, in which joint determination replaced the traditional syndicalist model of sole trade union industrial government. The weakness of syndicalism as a model social structure was that it remained subject to the established industrial division of labour as determined in the market-place. Yet the social inadequacies of a market-dominated society were themselves a major cause of the discontent which gave rise to syndicalism itself as a protest movement. Whilst some syndicalists were aware of the problems involved in this difficulty, the syndicalist movement as a whole never propounded any convincing solution to them. Almost all historians agree that this is one of the main reasons why syndicalism was eclipsed after the communist revolution in Russia, although no-one

can doubt, in the light of history, that on the plane of libertarian considerations, which must always be significant for any truly vital trade union movement, this represented a real regression. In what became the predominant communist model, the democratic baby was put out with the market bathwater.

Today, in the light of the growth of State intervention in capitalist economies, it is eminently conceivable, at least in theory, that democratic planning mechanisms could evolve, combining a large measure of workplace organizational autonomy with a high degree of effective assertion of agreed social priorities. There is today no reason why blind market criteria should continually circumscribe whatever areas of industrial democracy may be developed. Actively deployed, such mechanisms as the National Enterprise Board, employing such tools as planning agreements, in the form in which these were originally conceived by the architects of the Labour Party's Industrial Policy, could provide a powerful countervailing authority in which harmful market powers could be dissolved in popular choices.

But a precondition for such a positive development would be that the principle of accountability were sufficiently broadly defined. Information which is needed by workpeople for bargaining purposes is even more needed for planning purposes. For example, if productivity negotiations in a series of key plants in a given area result in labour economies this creates a restriction of future job opportunities, which is often far more painful for the local community than any readjustments which are internal to the existing labour forces. If disclosure is restricted to employees on the basis solely of their rights in employment, then it cannot possibly become the basis of the necessary information input for democratic regional planning. But if trade unions are able to correlate the reports on likely future labour demand in various key plants within a particular region, then they are in a position to raise demands for alternative investment in time to avoid harmful downturns in employment prospects in that area.

Disclosure, of course, must be a personal right for workers, to be exercised through their appropriate organizations. But it will be a sadly restricted right if it cannot be collectively agglomerated at the local, industrial and national levels to permit trade unions to act with insight and foreknowledge. If disclosure is hedged about with negative restriction, then a major

opportunity for democratic innovation in the process of social and economic planning will have been wasted.

The problem was clearly understood by the Belgian trade unions, organized in the FGTB, in their 1971 programme on *Workers' Control*.

"The question of liaison between the factory councils of various companies (exchange of information, inter-company comparisons, etc...) must be brought up. This problem of liaison arises in the economic sphere on the following different levels:

—groups of companies manufacturing similar goods and situated in the same area...

—groups of companies dominated by a holding or a parent company...

—groups of companies of the same industrial sector (e.g. Metallurgy):

—groups of companies of the same region (e.g. the case of companies in a depressed area).

"When economic decisions are taken at a level higher than that of the company (e.g. the case of companies run by a holding) the usefulness of links which enable economic problems to be raised at the level where decisions are really taken is obvious.

"It would also be very convenient to forge links at the level where decisions should be taken and where this does not yet happen. Such a possibility is particularly urgent as regards the regional labour market.

"In other words, a simple vertical liaison with the Trades Council (which in any case has never been established) is not enough considering the present complexity of the network of economic relations." (A Trade Union Strategy in the Common Market: Spokesman Books, 1971.)

Industrial democracy, in other words, cannot be seen in isolation from either the effectiveness of social controls over private capital or the extension of political democracy to local units of government, which seem to be meaningful for local citizens. Such a proposal goes far beyond the terms of reference of the Committee; but the possibility might be considered that trade union representation at different levels of company structures could be combined with representation of local populations living in the neighbourhood of plants and enterprises. This would not only provide some check on the exploitation of monopolistic positions; it would certainly help to control pollution and damage to the environment in that neighbourhood.

IWC EVIDENCE TO THE BULLOCK

COMMITTEE

A DISSENTING VIEW

JOE KEENAN
NINA FISHMAN
RICHARD JONES

We have three main objections to the IWC's evidence to the Bullock Committee. They are:

- 1. That the effect of 'strengthening' the TUC's proposals would in fact be to undermine them.*
- 2. That the current controversy within the trade union movement, on which we would have expected the IWC to take a position, has been ignored. The attitude of unions opposed to TUC policy is in fact misrepresented.*
- 3. That the bulk of the evidence, rather than an argument for workers' control, is an argument for tripartite, corporate, control of the economy through planning agreements.*

1. 'Strengthening' the TUC Proposals

The core of TUC policy on industrial democracy is its proposal that half the membership of supervisory boards should be elected through trade union channels. In our view this is the only *essential prerequisite* for a worker-director system. As long as parity of representation and election through trade union channels are clearly established the structures of industrial democracy can facilitate the constructive use of working class power and give impetus to development within the class of self confidence and the habit and reflexes of ruling which can only come from experience of policy-making and decision-taking.

The IWC's evidence treats parity as an accomplished fact and concentrates on side issues. In fact, as the main thrust of the employers' argument is directed against this central TUC proposal, it must be continually asserted or quite possibly fall.

The IWC's insistence on the *formal* right of recall can only strengthen the idea that industrial democracy is fraught with dangers and is to be feared. Such insistence militates against the development of a vigorous self confident class which knows its own

mind and bends its representatives to its will as a matter of course.

In our view a formal right of recall is useless unless workers on the shop floor are vitally interested in the workings of industrial democracy. Given such interest a *formal* right of recall is unnecessary. We feel that the IWC should concentrate on ensuring that worker directors exercise enough power to justify shop floor interest.

The IWC's proposal that the '*supervisory board... need not be a body in regular session*' would tend to establish the board as a rubber stamping irrelevance on which worker directors would be mere ornaments. Who needs to recall ornaments? Who cares what they do or more likely don't do?

The IWC's suggestion that worker directors must be '*protected*' against the consequences of decision-making and its proposal that community representatives should join worker representatives on the board also tend to reduce the potential effectiveness of worker directors as representatives of the working class exercising power for, and taking decisions in the interests of, the class.

Essentially, it is the positive progressive potential of TUC policy which must be asserted and strengthened. The IWC has chosen instead to stress and strengthen negative fears.

2. The Trade Unions

There is currently controversy (albeit quiet and underplayed) within the trade union movement as to whether industrial democracy can best be extended through collective bargaining or requires an extension of the role of trade unions and the establishment of worker directors.

We fail to see why the IWC takes a neutral position on (and effectively ignores) this question which goes right to the heart of any strategy for workers' control. It is, in our view, the most fundamental issue to have been raised within the trade union movement since nationalisation was debated in the thirties.

It is not true that *the main argument of most trade unionists against worker director schemes' is 'that the trade unionists will be continuously at odds with the rest of the board because of the requirements of capital allocation in a competitive market'*.

The statement *'Representing trade union members interests...could not be reconciled with even a share in managing...'* which is attributed by the IWC to the Plowden Committee was in fact made by unions concerned in the electricity industry. The GMWU, EPEA and NALGO have based their opposition to TUC policy on this statement which asserts the traditional bargaining role of trade unions and endorses management's *'right'* to manage. This is also the AUEW's position regarding the private sector

which was so stated by Hugh Scanlon and quoted in the *Financial Times*, 18.2.76.

Clearly the public position of these unions owes nothing to the doctrinaire socialist considerations attributed to them by the IWC.

We cannot see any sense in which industrial democracy can be taken as endorsing management's *'right'* to manage and feel that this should be spelt out.

We also regret that the IWC is effectively helping keep this vital issue under wraps and so discouraging the development of thorough-going debate within the movement. In our view the IWC's job is precisely to encourage such a debate and bring it as far as possible into the open.

3. Planning Agreements

In its evidence the IWC appears to suggest that workers' control is only worthwhile and can only be effective to the extent that it is really state control.

In our view that is completely wrong. The effectiveness of worker directors depends entirely on their willingness to appeal to the shop floor for support and on the willingness of the shop floor to use its ultimate sanctions in support of decisions taken by its representatives. We see the state playing a purely subsidiary (legislative) role and do not believe it need be allowed executive powers to overrule decisions taken by worker controlled companies. The danger of these *'using monopolistic positions'* to hold the country to ransom is just not great enough to justify such a fundamental dilution of workers' control.

The discussion around the Report of the Bullock Committee will be continued in the next issue with the contributions to the IWC Bulletin by Arthur Scargill, Ken Coates and Jack Dunn, President of the Kent miners.

THE BULLOCK REPORT ON INDUSTRIAL DEMOCRACY

by Manus O’Riordan

Originally published in *Liberty*, journal of the Irish Transport and General Workers Union, in June 1977

In a series of articles last year we detailed the debate within the British trade union movement as to whether or not it should pursue a policy of demanding equality of representation on company boards in both the public and private sectors. The Trade Union Congress decided that it should press for these demands. The British Government accordingly appointed a Committee of Inquiry on Industrial Democracy, chaired by Lord Bullock, whose purpose was to investigate the reform of company law to take account of the TUC proposals.

The Bullock Committee, subsequently issued its Report earlier this year and called for legislation in the private sector which would permit workers to have an equal number of representatives with shareholders on a single-tier board in companies employing over 2,000, while a third outside element would be jointly co-opted on to the board by both sets of representatives. Such a system of worker directors would, moreover, be firmly based on trade union machinery.

Democratic Change

The Bullock Report presents the need for industrial democracy as a fact of life which must be faced in the interests of technological change as much as in the interests of any concepts of democracy itself. It argues:

“During recent decades the directors and senior executives of large companies have as a result of the speed of technological change and rapid fluctuations in the economic climate become increasingly aware of the need to be more responsive to change, if they are to remain profitable... Often their decisions closely affect the lives of thousands of employees, and in such cases it becomes increasingly difficult for employers to deny the right of these employees, not only to have their interests taken into account by management, but also to have an opportunity for active involvement in the decision-making process... Trade Union involvement is seen as fundamental, not simply because such involvement is necessary to forestall negative resistance to change, but also because employees through their trade unions have a positive role to play in combatting industrial stagnation and in stimulating

much needed changes in industrial structure and performance... It is only since World War II that we have seen the end of the deferential society, in which working people rarely aspired to positions of power or authority in local or national life. The coming of age of democracy in our society is a process that inevitably affects the whole of people’s lives; it cannot be excluded from the work-place...”

The Report accordingly makes it crystal clear that the whole issue of industrial democracy centres around the right of involvement in decision making. An increased willingness on the part of companies to provide their employees with greater information while a desirable development in itself, goes nowhere near meeting the democratic requirement. As the Bullock Committee points out:—

“These attitudes and initiatives on the part of management often fail to face an important issue of principle about access to information: whether it should be granted by management ex gratia, or alternatively claimed by employees as a right. In our view, full provision of information, important though it is, cannot by itself ensure real involvement, any more than ‘open government’

can guarantee political democracy.”

Works Councils

Because the Bullock Committee is so concerned with worker involvement in real decision-making at board-level, it does not mince its words when dealing with those who argue that board representation is ‘premature’ and that it would be better to develop joint consultation through works councils or job enrichment schemes at the level of the shop-floor itself. The Report in fact expresses considerable surprise that so many people have placed so much emphasis on works councils and similar consultative committees and goes on to quote Johannes Schregle of the International Labour Office as stating:—

“A rapid survey of the role played by works councils around the world shows that there is often disenchantment with their functioning... One of the reasons for this seems to be the lack of real decision-making powers possessed by most councils. Experience has shown that a purely advisory arrangement under which workers are given information and may express an opinion, but have no influence on whether this opinion is taken into account or not, is not likely to create much enthusiasm or even interest.”

The Bullock Report further quotes the Donovan Commission on Trade Unions as concluding in 1968 that consultative committees:—

“...cannot survive the development of effective shopfloor organisation. Either they must change their character and become essentially negotiating committees carrying out functions which are indistinguishable from the processes of shop-floor bargaining, or they are boycotted by shop stewards and, as the influence of the latter grows, fall into disuse.”

The Bullock Committee while finding many job enrichment experiments meritorious in their own right, also feels that these do not get to grips with the question of industrial democracy. It comments:—

“Such forms of direct participation as job rotation, job enlargement, job enrichment, autonomous work groups, work restructuring, and participative management styles, aim to increase job satisfaction and labour productivity by giving

employees greater discretion in defining the scope of their jobs and deciding how these will be performed. Their potential for increasing employee participation and decision-making, however, is extremely limited. At worst, they are merely techniques for persuading employees to accept decisions which have already been made. At best, they give employees some control over job content and task performance. But they do nothing to enable employees to participate in decision-making which occurs at organisational levels above the shop-floor or to democratise the overall authority structure of a firm. In short, the area of decision-making in which they allow employee participation is extremely narrow.”

Two-Tier Boards

Because the Bullock Committee is concerned with democratising the strategic decision-making process of the firm, therefore, it recommends workers representation on company boards. The Committee, however, rejects the view that a two-tier legal division between the supervisory and management boards, such as exists in West Germany, should be introduced into Britain and that worker representation on such a supervisory board would meet the stated objectives of industrial democracy. In practice, as the Report points out, British company boards do delegate day-by-day decision-making to senior management while, however, retaining the power to question, to check, to approve. to monitor and even to initiate policy:—

“...The top boards of large companies often play a mainly supervisory role, with overall responsibility for strategic policy, allocating resources and monitoring performances, and delegate authority for the detailed formulation and implementation of policy to a lower level: to specified senior executives, to a formal management committee, to a group of managers sitting as a divisional board or committee, or even to the board of a separately incorporated subsidiary. But such boards, of course, retain a power of initiative over decision-making which the German-style supervisory board does not possess... The advantage of the British system is that it cannot be easily categorised within the framework of law; companies may mould their organisations to suit their individual needs and a one-tier, two-tier or many-tiered system only operates when a company decides that such is the best form of structure for its efficient operation and management...”

“...It seems to us that one of the major problems with a statutory two-tier system is that in its zeal to leave management free to manage, it sometimes severely limits the ability of the supervisory or top board to have an influence on company policy and to retain overall control of the company’s affairs...In West Germany we were told that the supervisory board had the power to intervene effectively in major questions of policy and had given employees the opportunity to influence decisions about the company’s future. But we also heard of the tendency in some companies for the supervisory board, on all but the really major issues, to become a reactive and passive body, meeting three or four times a year to hear reports from management.

“We fear that such a tendency would be increased if a two-tier board structure, with a supervisory board on the German model, was introduced into the U.K., especially if the sole reason for introducing it was to restrict the ability of employee representatives to influence the management...We hope that employees through their representatives on the board will have the opportunity to join in setting the framework of policy within which management operates and to influence decisions on major questions concerning investments, rationalisation, expansion and the like (but) we are not convinced that they will have this opportunity if their right to representation is on a board which is limited in the extent to which it can intervene in company policy or supervise the activities of management.”

To sum up, therefore, the Bullock Committee is opposed to the introduction of a statutory two-tier board system because it fears that any attempt to draw a legal distinction between supervisory and management functions would so restrict the powers of a supervisory board that worker representation on it would contribute very little to industrial democracy.

Equal Representation

The Bullock Committee is just as hostile to the view that it is not necessary for workers and shareholders to have equal representation on company boards. The Report points out:—

“A study of European experience shows the difficulties employee representatives encounter in influencing policy if they can always be outvoted by the shareholder representatives. It is not

simply that if shareholder representatives are in a majority they can decide the extent to which they wish to ignore, take note of, or act upon the views expressed by employee representatives. They can also devise and control the framework of policy-making: the appointment of senior management; delegation of authority to management; the procedures of the board and the arrangement for provision of information to board members.

“In both West Germany and Sweden we found for example that where they were in a minority vis-a-vis the shareholder representatives employee representatives had little influence on the appointments of senior management...(In Sweden) employee representatives had little control over the composition of committees of the board, particularly the powerful drafting committees where much of the detailed work of the board was prepared: on 70% of such committees employees were not represented. Employee representatives also found it difficult to gain access to the information they needed to take informed decisions at board meetings. There was evidence that in some companies information was not available to board members until the day of the meeting. Professor Fogarty in his analysis of German experience with unequal representation found similar trends to those in Sweden: ‘It is common to find that employee representatives are once again kept away from sources of information, that the old technique of assigning important decisions to sub-committees from which employee representatives are excluded is again in use.’”

The Bullock Report accordingly insists on an equal number of workers and shareholder representatives, with each having an equal voice in co-opting the remaining members of the board.

Reporting Back

The Bullock Committee also believes that firm foundations for the development of industrial democracy can only be established if worker directors are in a position to regularly report back to those who have elected them. The Report argues:—

“It is essential to the success of board level representation that employee representatives should be in close touch with their constituents. They must make it their regular job to report on what the board is doing or proposing to do and why. They must be

able to take soundings before a matter comes up to the board so that they can accurately reflect the views and feelings of the employees to their fellow directors. If they are prevented from doing so, then they will become isolated from those they represent and may even be regarded with suspicion as the agents of management...An employee representative cut off from his constituents is able neither to reflect the views of the employees, nor to provide a channel of communication to the work force, nor to ensure that board decisions are acceptable to the employees. We think it essential, therefore, that employee representatives and the recognised trade unions within each company should develop a system of reporting back by which the representatives on the board can keep in touch with those they represent..."

It is by basing its proposals firmly on the foundations laid by trade unionism that the Bullock Report also feels that the credibility of a system of board membership by workers can be most clearly established. The Committee argues:—

"...We have built into our proposals a ballot in which all employees will have the right to show whether they wish to be represented on the board of their company through trade union machinery. If the ballot is favourable, we do not see how or why we

should make special provision for those who have chosen not to join a trade union and who are thus unable to speak with a collective voice. We believe that if employees wish to be represented on the board, they must be prepared to organise at lower levels to make representation on the board effective."

Whether or not legislation is introduced into the UK Parliament along the lines of the Bullock Report's recommendations depends very much on the willingness of the British trade union movement to strongly campaign for such legislation. Either way, a debate has been opened up that will not easily go away. As the Bullock Report itself concluded:—

"The fears expressed in the nineteenth century in face of proposals to give more people the right to vote did not stop short of the subversion of the constitution and the dissolution of society. Once the franchise was extended, however, the fears were forgotten and the Reform Acts were seen as essential to the country's stability and prosperity. We believe that over 100 years later an extension of industrial democracy can produce comparable benefits and that our descendants will look back with as much surprise to the controversy which surrounded it as we do to that which surrounded the extension of the political suffrage in the nineteenth century."

***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.