

The Clause Four argument: 1959-60 and now

Losing the ideal of equality

CONSIDERING MATTERS in 1994, towards the end of a long and, alas, hitherto pointless, effort to make the Labour Party more "electable", people of a certain age become acutely aware of having heard it all before. It has taken Tony Blair's speech to the Labour Party Conference to drive us back to the archives to look at the musty pages of ancient recrimination, yellowed since 1960, and to realise that almost every word of it has now been on replay. Of course, the tone of those old arguments has not improved with age, but modern technology allows people to turn up the volume when the sense is low. In one respect the older men have the advantage, they normally spoke in sentences, since they lived before the age of sound bites and prepacked television gibberish.

"We are far enough away from the events of the earlier time to be able to see that the advice of pollsters was never very valuable, and sometimes positively harmful."

Then and now, politicians paid a tremendous amount of attention to the polls. Pollsters are normally ready with conventional opinions on a very wide range of matters. There is a developed art of opinion management, which can calculate the precise shape of questions needed to elicit the desired answer. If there is some reason why politicians should be advised to make use of polls, there is even stronger reason to warn that it is more common for polls to make use of politicians. Clearly this has been happening continuously since Labour's defeat in the Election of 1979. But it also happened systematically in the aftermath of the earlier Labour defeat in 1951.

We are far enough away from the events

of the earlier time to be able to see that the advice of pollsters was never very valuable, and sometimes positively harmful.

The war against public ownership began as soon as Mr Churchill strode back into Downing Street. There had been a very strident campaign against the nationalisation of the sugar industry, led by Tate and Lyle, the manufacturers. The press maintained a constant critical watch on the performance of the industries which had already been nationalised, and made sure that no sins of omission or commission were overlooked. Every bureaucratic excess was reported, and some were discussed at length and repetitiously.

All the propaganda culminated in 1959, when a very large survey was commissioned by Colin Hurry Associates to demonstrate in every possible way that public ownership was unpopular, damaging and lethal to the hopes of the Labour Party.¹ This survey was publicised with enthusiasm, and became a part of the political mythology of the times. It is not altogether surprising that it soon found echoes in the Labour Party leadership. They in turn found other pollsters who were willing to provide a great deal of "evidence" to the effect that various Labour policies were unappreciated, unpersuasive, even downright unpopular. *Socialist Commentary*,² the journal of a part of the right-wing establishment, which enjoyed a degree of patronage from the American Central Intelligence Agency,³ commissioned Mark Abrams to survey public opinion, in order to discover the roots of Labour's failure.

Abrams confronted 724 people with a series of sixteen statements, and asked which best expressed the spirit of the Labour Party. The five which were cited as being "outstandingly true" were these:

- "Stands mainly for the working class."
- "Is out to help the underdog."
- "Would extend the welfare services."
- "Is out to raise the standard of living of ordinary people."
- "Would try to abolish class differences."

Each of these statements, Abrams concluded, sees the Labour Party "essentially as a class party." There were many reasons, he concluded, "for believing that this image... is one unlikely to lead to a more successful future."⁴ A more successful future, it seemed, might attend a party which stood



Ken Coates

mainly for the middle order of people, called the underdog strictly to heel, would curtail welfare, depress the standards of the ordinary people, and seek to maintain and reinforce class divisions. Strangely, in 1960, few dared draw such conclusions. But in 1994, they were widely embraced and loudly proclaimed. The only thing that remains persistently elusive is... the more successful future.

The answer to the question "must Labour lose" was "probably yes." As Rita Hinden concluded, "Its class appeal is being undermined because the working class itself... is emerging from its earlier unhappy plight." The ethos of solidarity, she thought, "is beginning to crumble." More "promises to conquer economic distress and crises by planning based on public ownership mean little, now that the terrible economic depressions of the past appear to have been left behind."

Thoughts like this were often voiced in the months after the General Election of 1959. Hugh Gaitskell encouraged them when he convened an informal meeting at his house in Froggnal Gardens on Sunday 23 October.

Paul Johnson, at that time a scion of the left, opened the public hostilities in the *Evening Standard*. He reported that Froggnal Gardens were contemplating an alliance with the Liberal Party, a possible change in

the name of the Labour Party, and the total abandonment of public ownership. A new world had arrived, and the election results had proclaimed the need for these changes to all reasonable people. Socialist fundamentalists might object, but they "were negligible."

The next contender was Douglas Jay, MP, and he chose *Forward*, a journal at that time close to Labour Party officialdom, in which to scrawl his version of the writing on the wall. A new name for the Labour Party was necessary. Further nationalisation was not required, and the proposal to reintroduce public ownership of the steel industry must be dropped. The influence of the Parliamentary Labour Party must be enhanced in a more truly federal structure, but the trade unions and the Party Conference should be reined in. The working-class affiliates of the Party were holding it back and it was inappropriate to fight "under a label of a class that no longer exists."

This valediction was a little premature.

Labour Party members did not particularly wish to describe themselves as "radicals" and it was not so easy for them to come home from factories or offices, mines or schools and follow the reasoning of Mr Jay about the disappearing working class. Constituencies began to express concern, mounting to distinct unease.

Paradoxically, the same trade unions which had hitherto regarded him as a moderate man, a safe pair of hands, were shocked by Gaitskell's outbreak of radical iconoclasm. This was formally registered in a speech to the Labour Party Conference in Blackpool in November, an uncanny pre-echo of another Blackpool oration of 1994.

"I do think that we should clear our minds on these fundamental issues and then try to express in the most simple and comprehensive fashion what we stand for in the world today."

The only official document which embodies such an attempt is the Party Constitution written over 40 years ago [1918]. It seems to me that this needs to be brought up to date. For instance, can we really be satisfied today with a statement of fundamentals which makes no mention at all of colonial freedom, race relations, disarmament, full employment or planning? The only specific reference to our objectives at home is the well-known phrase:

'To secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of the common ownership of the means of production, distribution, and exchange...'

I hope, then, that the Executive will during the next few months try to work out and state the fundamental principles of British Democratic Socialism as we see and as we feel it today, in 1959, not 1918, and I hope that in due course another Conference will endorse what they propose."

Most trade unions had then, and still have, rules in their constitutions which

commit them to public ownership and/or workers' control.⁷ A change in the Party's constitution implied a change in their own. It soon became clear that for this and other reasons many unions would be unwilling to support a comprehensive reworking of the Labour Party's constitution. Many unions favoured public ownership in their own industries, and wished to extend it to new sectors. Thus, the miners could see no reason why coal distribution should not be brought under some form of public ownership, as well as the pits themselves. Intermittently calls were to be heard advocating the extension of public ownership to the manufacture of mining machinery. In many other trade unions, the extension of public ownership was at least thinkable.

But in addition, there was a very large group of people who had no desire whatever to extend nationalisation in the immediate future, but who were annoyed by the raising of a question which they regarded as quite irrelevant.

George Brown, soon to be Gaitskell's

*"Seeking to lead his
followers away from
public ownership,
Hugh Gaitskell
wound up inciting
them to demand more
of it."*

deputy, summed up the view of this group.

"Gaitskell, quite reasonably, felt that this bit of old-fashioned dogma was part of Labour's out-of-date image, and that far from attracting adherents to the Party it probably put off many people who would otherwise vote Labour. I didn't think it really mattered a damn, one way or the other. But the proposal to amend Clause Four at once aroused all the hostility of those who were really opposed to Gaitskell on defence and all the other matters on which a practical approach to the problems of government contrasted with a doctrinaire approach."⁸

Considering outright opposition and surrounded by alienation, Gaitskell came, week by week, to seem more and more isolated. His new broom, far from sweeping clean, was soon to be locked back in the cupboard. By February 1960, *The Times* was able to report a remarkable change under the arresting headline: "Mr Gaitskell calls for more public ownership."

At a meeting in Nottingham, the Leader surprised his by now sceptical audience by saying:

"For my part, I have never been satisfied with the present frontiers between public and private enterprise. To me it is absurd to think, in the face of the huge capital gains now being made in the private sec-

tor, that we can achieve the degree of equality we want without an extension of public ownership."

It's absurd to think that we can overcome the present crisis in town and country planning without more public enterprise — we may even have to go back to some of our old ideas about the ownership of urban land."

It's absurd to think that we can solve our housing problem without more municipal ownership, or create an adequate counterweight to big business without an extension of co-operative ownership."

Above all we cannot be satisfied with the degree of control over the economy which we now possess. If we are to plan successfully for full employment, more investment and higher productivity, we shall need to extend the public sector, including more public ownership: most obviously, as we said in our election programme, in the fields of steel and road transport; certainly in water supplies, quite probably in the future, as other problems confront us and the case becomes clearer, in other fields as well."

The weight of dissent was gathering and was becoming the more intense with the growth of the campaign for nuclear disarmament, which threatened to isolate the Labour Party leadership from a very large majority of younger people, including those very members of middle classes to whom experiments in revisionism had been intended to appeal. A change was inevitable. It seems that Harold Wilson thought that he was responsible for finding the formula which settled this argument (according to his biographer, Ben Pimlott).⁹ But that was not the perception of George Brown.

"The ostensible dispute over Clause Four ended almost in a farce. I thought I saw a way of patching up the differences over Clause Four. I wrote an addition to the traditional Clause Four which I likened in the arguments then to adding the New Testament to the Old Testament. But no amendment was put formally to the Party and so none was ever written into the Party's constitution. Instead the Executive presented its statement to the next Conference and its statement on Labour's aims was accepted as "a valuable expression of the aims of the Labour Party in the second half of the twentieth century."¹⁰

All this amounted to a rare form of leadership. Seeking to lead his followers away from public ownership, Hugh Gaitskell wound up inciting them to demand more of it. His new text even called for "community power over the commanding heights of the economy," after a judicious amendment by Jennie Lee, using her husband's famous phrase.

George Brown succeeded in one thing: the additional text was frequently referred to as "the new testament", in contradistinction to the old, delivered by Moses in 1918. But in spite of the contemporary perceptions, the old testament has in fact outlived the new. Few today remember ▶

the proclamation of 1960, but all Labour members know that Clause Four is written on their membership cards.

Nonetheless, the 1960 statement was agreed, and might, in 1994, even seem quite advanced. This is how it read:

"The following statement adopted in 1960 reaffirms, amplifies and clarifies Party Objects in the light of post-war development and the historic achievements of the first majority Labour Government.

The British Labour Party is a democratic socialist party. Its central ideal is the brotherhood of man. Its purpose is to make this ideal a reality everywhere.

Accordingly:

a. It rejects discrimination on grounds of race, colour, or creed and holds that men should accord to one another equal consideration and status in recognition of the fundamental dignity of Man.

b. Believing that no nation, whatever its size or power, is justified in dictating to or ruling over other countries against their will, it stands for the right of all peoples to freedom, independence and self-government.

c. Recognising that international anarchy and the struggle for power between nations must lead to universal destruction, it seeks to build a world order within which all will live in peace. To this end is pledged to respect the United Nations Charter, to renounce the use of armed force except in self-defence and to work unceasingly for world disarmament, the abolition of all nuclear weapons, and the peaceful settlement of international disputes.

d. Rejecting the economic exploitation of one country by another it affirms the duty of richer nations to assist poorer nations and to do all in their power to abolish poverty throughout the world.

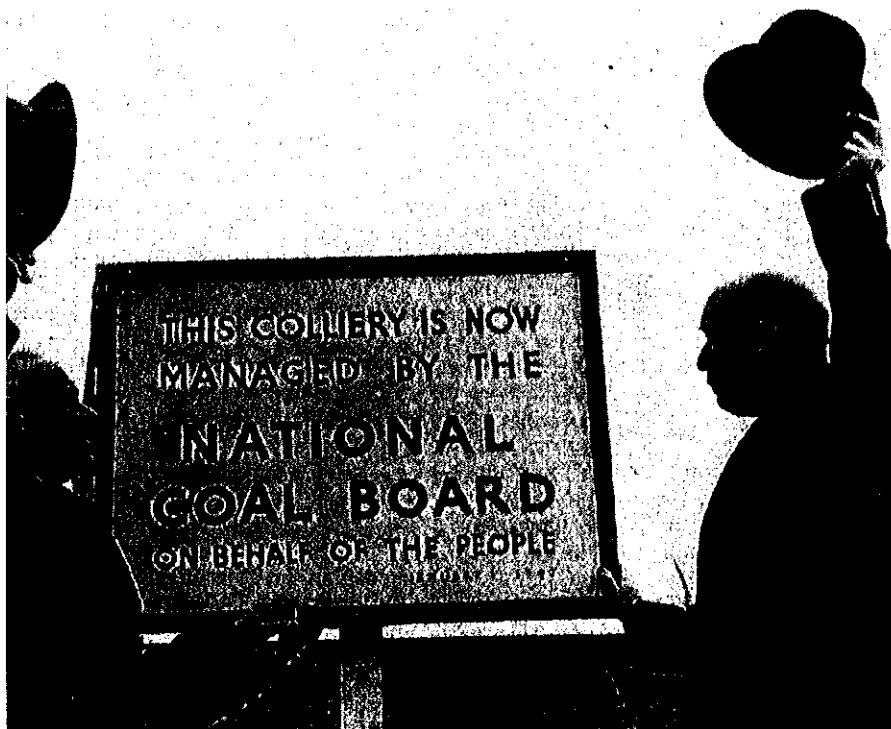
e. It stands for social justice, for a society in which the claims of those in hardship or distress come first; where the wealth produced by all is fairly shared among all; where differences in rewards depend not upon birth or inheritance but on the effort, skill and creative energy contributed to the common good; and where equal opportunities exist for all to live a full and varied life.

f. Regarding the pursuit of material wealth by and for itself as empty and barren, it rejects the selfish, acquisitive doctrines of capitalism, and strives to create instead a socialist community based on fellowship, co-operation and service in which all can share fully in our cultural heritage.

g. Its aim is a classless society from which all class barriers and false social values have been eliminated.

h. It holds that to ensure full employment, rising production, stable prices and steadily advancing living standards the nation's economy should be planned and all concentrations of power subordinated to the interests of the community as a whole.

i. It stands for democracy in industry and for the right of the workers both in the public and private sectors to full consultation in all the vital decisions of management, especially those affecting con-



What does common ownership mean?

ditions of work.

j. It is convinced that these social and economic objectives can be achieved only through an expansion of common ownership substantial enough to give the community power over the commanding heights of the economy. Common ownership takes varying forms, including state-owned industries and firms, producer and consumer co-operation, municipal ownership and public participation in private concerns. Recognising that both public and private enterprise have a place in the economy it believes that further extension of common ownership should be decided from time to time in the light of these objectives and according to circumstances with due regard for the views of the workers and consumers concerned.

k. It stands for the happiness and freedom of the individual against the glorification of the state — for the protection of workers, consumers and all citizens against any exercise of arbitrary power, whether by the state, by private or public authorities, and it will resist all forms of collective prejudice and intolerance.

l. As a democratic Party believing that there is no true Socialism without political freedom, it seeks to obtain and so hold power only through free democratic institutions whose existence it has resolved always to strengthen and defend against all threats from any quarter.¹²

As a commonsense statement of the prevailing consensus within the Labour Party, in 1960, this declaration is interesting. It tells us where people were at. Indeed, many Labour supporters in 1994 would find it quire remarkably advanced, and certainly less constrictive than subsequent leadership statements have commonly become.

But all the arguments about "full employ-

ment", welcome though they are in the desert which has spread across large areas of the British economy since 1979, also reveal the immense gap between the entire Labour Party of 1960 and its socialist forebears. When Webb wrote of "common ownership" this quite explicitly implied the abolition of "employment." If all of us shared in the ownership of our enterprise, thought the pioneers, then there would be no "employers" and no employees either.

The Webbs had a special reason to be familiar with this kind of thinking. When they had been writing their famous *History of Trade Unionism* in 1894, they began with an attempted definition.

"A trade union, as we understand the term, is a continuous association of wage earners for the purpose of maintaining or improving the conditions of their employment."¹³

When they re-edited this classic work for students of the Workers' Educational Association, in 1920, they deleted the word "employment" and substituted the term "working lives". They made this change, they said, because they had been accused of assuming that unions had "always contemplated a perpetual continuance of the capitalist or wage-system". No such implication, they insisted, was intended.

It became unfashionable to speak or think of wage-slavery, or what the Guild Socialists called "the bondage of wavery". But this criticism, of the very nature of the employment contract, is a recurrent and insistent strand of the socialist commitment.

We have learnt that there are many perils which attend experiments in social ownership and democratic self-management. Bureaucracy has haunted the socialist movement since its earliest beginnings.

That is why it has become necessary to develop a whole panoply of democratic control mechanisms in order to establish and maintain the principle of democratic accountability.

But no such principle obtains in capitalist industry, even when it remains small in scale and restricted in influence. In the age when multinational corporations extend their reach around the globe, this lack of responsibility becomes a profound social malaise.

WE HAVE SEEN that there are many similarities between the patterns of argument which developed in 1959 and afterwards, and those of 1994.

But there are also very important differences.

What underpinned the effort to revise the Labour Party's programme, after the 1959 electoral defeat? The most consistent statement of the "revisionist" view was that of C.A.R. Crosland, in *The Future of Socialism*. Crosland argued that the postwar Labour Government had achieved a major redistribution of personal incomes; a transfer of economic power following the nationalisation of the basic industries; and a transfer of power from management to labour.

The first of these three effects was the best understood, although the statistical evidence was not quite as clear as Crosland thought. His second effort concerned the shift of power occasioned by nationalisation. Here, he was realistic about the fact that the management of nationalised industries might even be less accountable than many private managements. But, he thought, the power of the state had increased, which, for him, was an undoubted plus.

The truth is that the power shift was in fact more complicated than Crosland believed. The nationalisation measures all involved substantial compensation for the original private owners. Since most of the industries concerned were unprofitable, and some were on the brink of actual bankruptcy, their compulsory purchase represented a veritable renewal of the dynamism of capital. Phoenix-like, capital was liberated to seek more profitable areas in which to grow, leaving behind the husks of the derelict industries upon which it had already preyed.

Crosland's third effect was concerned with the beneficial results of full employment.

*"...there has been a decisive movement of power within industry itself from management to labour. This is mainly a consequence of the seller's market for labour created by full employment."*¹⁵

Basing himself on the changes which had been registered in these three areas of social life, Crosland reached the opinion that the initial socialist project had been largely completed. Upon the foundations laid in the years after 1945, he thought, equality could now be established.

Throughout the early postwar years, there had been a barrage of propaganda

against equalitarian policies. A mythology arose, claiming that new social provision was redistributing resources to the poor, that full employment was eroding differentials and that the rentier was indeed withering away, as had been foreseen by J.M. Keynes.

If it is often dangerous to believe your own propaganda, it is even more perilous to believe your opponents'. In these sad later days, however, Crosland might not be blamed for doing so. It was only after the publication of his own work that Richard Titmuss published, in 1962, a magisterial dissection of the official statistics on inequality. He showed how the Inland Revenue had influenced the reporting of incomes, by persuading those who could to subdivide their own large incomes into several smaller ones in favour of all their dependents in order to minimise eligibility for higher rates of tax. He also traced the ploy of splitting large amounts payable in one year into smaller ones dispersed over longer times: this device was also economical of tax liability. Titmuss cast a sharp spotlight on fringe benefits, and showed how far the fashionable talk of a disappearing middle class was based on the uninquisitive interpretation of very imperfect statistics.¹⁶

The least that we can say about Crosland's evidence on this matter is that

"Crosland and some of his colleagues were desperately trying to remain loyal to what they saw as their most binding promise: the pursuit of equality. But effective control over the economy was slipping away, as the power of transnational capital grew and grew."

it looked better than it really was. There had been a beneficial but far from swinging change in the distribution of incomes which would in fact require persistent governmental action to maintain it. But most subsequent governmental action was intended to reverse it.

His second major change concerned the impact of nationalisation on overall economic policy. We have already commented on this argument. It is obvious that the lack of accountability in nationalised industries implied a need for their democratisation, partly by improving their responsiveness to

consumers, and partly by the institution of direct worker involvement in the decision-making processes. Of course, there was also a case for improving the degree of Parliamentary accountability.

All of these actions would have been consonant with the strict spirit of Clause Four, but none of them were ever effectively proposed, leave alone implemented. It is true that there were some attempts to democratise the administration of the nationalised industries, more than a decade later on. These met with little enthusiasm among the Labour Party establishment.

We are left with the third major issue: full employment. It is perfectly clear today that the celebrations of this final defeat of unemployment were somewhat premature.

Almost twenty years after his classic statement, Crosland wrote a postscript, called *Socialism Now*.¹⁷ In it, he drew the balance sheet of the six years of Labour Government in which he participated, between 1964 and 1970. "Nobody disputes the central failure of economic policy," he said.

"In 1970, unemployment was higher, inflation more rapid and economic growth slower, than when the Conservatives left office in 1964. The growth performance in particular was lamentable. GDP in real terms rose by an average of only 2.3 per cent a year compared with 3.8 per cent in the previous six years. Growth was consistently sacrificed to the balance of payments, notably to the defence of a fixed and unrealistic rate of exchange."

*This central failure bedevilled all the efforts and good intentions of the Labour Government. It constrained public expenditure. It antagonized the Trade Unions and alienated huge groups of workers. It killed the National Plan and frustrated policies for improving the industrial structure (though too much was expected both of indicative planning and industrial policy, which are rather marginal influences on economic performance). And it has made it hard for Labour to claim in future — or, rather, it would have done but for the far worse mess which the Tories are making of the economy — that we can manage things more efficiently than they can."*¹⁸

It is not at all clear that the zealous application of Clause Four was responsible for any of these shortcomings. On the contrary, Crosland goes on to list a number of countervailing gains, all of which showed certain improvements in income distribution, and in equality of access to education and other services.

What was really going on during this painful experience was that Crosland and some of his colleagues were desperately trying to remain loyal to what they saw as their most binding promise: the pursuit of equality. But effective control over the economy was slipping away, as the power of transnational capital grew and grew. The old modes of economic control no longer functioned adequately. Changes in fiscal



Hugh Gaitskell

policies commonly did not bite where they were supposed to bite, and even if they did, they failed to create the effects intended.

We shall return to this matter a little later.

At this point in our argument it seems reasonable to conclude that the effort to revise Clause Four of the Labour Party's Constitution in 1959 and 1960 rested on three main assumptions about the extent and success of post-war social reform, each of which was largely mistaken.

Of course, some of those who joined the "revisionist" lobby were not motivated by the high principles which animated C.A.R. Crosland. He sought a combination of liberty and equality. Some of the other lobbyists might have settled for something less, such as office or a pension. However, we must take the argument at its strongest, and there is a very great deal of evidence to attest to the sincerity of Crosland and an important group of his co-authors. Unfortunately, the price of equality is eternal vigilance.

What is the difference between this historical discussion, and the present argument? We have seen that inequalities in almost every social dimension have been rapidly increasing, and that unemployment has fundamentally undermined the power of trade unions and the choices of employees in a buyers' market for labour. To consult Richard Titmuss or his pupils in order to frame an effectively redistributive tax policy must, in today's Britain, appear to be a slightly unrealistic, indeed, Utopian effort. There are no good Samaritans on Labour's Front Bench. Public ownership could be restored in a number of services and industries. But the Front Bench is not only making no new promises, but actively rescinding all the old ones.

How, then, can anyone involved in this surrealist orgy of "realism", speak of "equality"? True, the Labour leadership has circulated a document in which it says it is not speaking of "arithmetic equality."

Amen to that. In every field we are being asked to adjust to discriminatory forms of treatment. We are told that trade unions should seek no special favours. That is to say, that employers are to retain the special favours which they have enjoyed since the beginning of the Thatcher regime. Heavy hints are given to the newspapers that Labour will pursue every possibility of cutting taxes, rather than deploy them to help the poor. The resultant equality will certainly not be arithmetic. It will be comprehensively Orwellian. All animals will be equal, but some will be considerably more equal than others. The animals will look "from pig to man, and from man to pig, and from pig to man again." But already it will be impossible, or at any rate, politically incorrect, to say which is which.

Respect for C.A.R. Crosland demands that we recognise that this kind of equality is nothing whatever to do with that which motivated his political life. There is a real chasm between the two ideals of equality, and between the two constitutional debates.

How has it come about that a national Labour movement could be so comprehensively emptied of spirit and commitment?

One should not be tempted to recriminate about the low cultural level of some of the leading participants in this discussion. The question is not how did certain not very resonant arguments come to be advanced: it is, how did they come to the front in a Party representing a vast population suffering hardships and indeed miseries, and yet consisting of millions of people with high levels of education, skill and ability?

There is a very simple answer. Multinational capital has largely annulled national democracy. National parliaments may still squabble about the fruits of office, and they may still legislate on second order questions. But the vast macro-economic decisions cannot be taken in national chancelleries or monitored in

state parliaments, and indeed are normally not taken at all. Multinational capital has succeeded in establishing a free range over which it marauds with impunity. Much of this range is comprehensively deregulated. The Keynesian levers which enabled Crosland to aspire to the control of social policy through the British Government's machinery of redistribution will not be reconnected until we create levels of transnational democracy which can match and contend with the economic power centres.

Geological shifts in the real power structures were largely unremarked by Labour's policy makers throughout the 60s and most of the 70s. The result was increasing frustration, as the political machine began to malfunction in more and more tiresome and unpredictable ways.

The most important lessons of these experiences were drawn by Stuart Holland, who had been a personal assistant to Harold Wilson in the traumatic years of his first administration. In an important book, *The Socialist Challenge*, Holland developed the fundamental analysis which lay at the base of the alternative economic strategy, which was to be embraced by the whole of the left, throughout the 1970s, and even later.

Holland showed that the failure of Keynesian management techniques to deliver controlled growth in Britain was part of a wider change which resulted from the

radical chains

£1.90

No.6

TROTSKY & THE POLITICAL
ECONOMY OF TRANSITION

THE BOLSHEVIKS AGAINST
THE WORKING CLASS?

THE SITUATIONISTS

Albert
Parsons

Otto
Ruhle

reviews:
Class
War,
Kelman,
Lebowitz,
Bonefeld

RADICAL

CHAINS

is a journal which aims to contribute to the retrieval of the revolutionary core of Marxist theory, the critique of political economy. Our starting point must be the need to understand the *prevention of communism* in all its forms, e.g. social democracy, Stalinism, fascism or national liberationism. Whatever their differences, these forms constitute real changes within bourgeois political economy by which the self-formation of the working class has been hindered. Serious theoretical work is necessary if all inherited ideologies are to be discarded and the communist perspective rediscovered as a practical need.

RADICAL CHAINS No.1: The Prevention of Communism; **No.2:** Commodity Fetishism, Pannekoek; **No.3:** Lenin, Carl Schmitt; **No.4:** Cleaver/Ticktin debate, The Leopard. One issue £1.90 inc p&p, 2 for £3.70, 4 for £7.30 (overseas add 25%). Cheques payable to Project Publications. Send to **BM Radical Chains, London WC1N 3XX.**

growth of multinational corporations, able individually to circumvent and together to block national governmental policies over a wide range of matters. Between the macro and micro levels of economic analyses, Holland argued, we needed to see that there had arisen a meso-level represented by the giant corporations, which could subvert or nullify many of the decisions taken by macro-economic planners. Since giant companies accounted for a greater and greater proportion of world trade, and since much of that trade was now internal to specific corporations, devices like that of transfer pricing enabled corporations to avoid national taxation rules at will. The prices of transferred components could be charged at wholly fictional levels, in order to remove company resources from one area to another, without hindrance. Transnational subsidiaries would be favoured for straight-forward company reasons, even when national trade balances were running adversely.

What was then left of the democratic socialist project? With great skill and imagination, parts of it could still be recuperated at the national level, provided the new conditions were understood. However, the main weight of economic decision-making had evaded direct national controls, and could only be met and matched at an appropriate transnational level. At the same time, of course, transnational political powers were far too weak to afford a readymade framework to a modern Crosland, seeking to manage the world of giant multinationals on broad Keynesian principles. National powers were eroding, and national institutions were crumbling with them.

True, a beginning of recuperation could be envisaged with the developing institutions of the European Community, and as those institutions evolved towards full-fledged European Union, it became at least thinkable that a co-ordinated policy of redistribution and social intervention might once again render renewed welfare policies viable for the medium term. But the new economy is increasingly global, so that even the European Union cannot match the economic institutions point by point, and evolve all the counterpart mechanisms of macro-economic control which had

become so indispensable to the Crosland generation.

The evolution of a single currency might in time put European institutions at the fulcrum in negotiations to recreate a new international economic and monetary order. Social considerations might then recover some of their older priority.

But in the meantime, socialists in different countries would need greatly improved forms of co-operation among themselves. Without these, there would be no valid long-term national strategies, no honest joint actions, and no realisable combined and convergent policies to advance the interests of our constituency: the working population, the unemployed, the poor, and the forgotten people of Europe. Separately, the national roads diverged in one direction into sterile dogmas, and in the other to a sickeningly conformist opportunism.

But the real choice, which is to work together, to transcend frontiers and barriers, leads to new possibilities of advance, towards that long-delayed world in which "the free development of each is the condition of the free development of all." ■

● *This is an abridged excerpt from Ken Coates's new book, **Clause Four, Common Ownership, and the Labour Party**.*

Notes

- 1 Colin Hurry Associates: *Nationalisation: That Surrey*, London, 1959. Polling was organised in 129 marginal constituencies, and 41.7 per cent of Labour voters were reported to want "no more nationalisation".
- 2 Originally a journal of the leftist emigration from Germany, *Socialist Commentary* was reorganised in 1947 by C.A.R. Crosland, Allan Flanders, and Rita Hinden of the Fabian Society
- 3 See Richard Fletcher: *Who Were they Travelling With? in CIA and the Labour Movement*, Spokesman, 1977.
- 4 *Ibid.*
- 5 Michael Foot: *Aneurin Bevan, 1945-1960*, Davis Poynter, 1973, p.630 *et seq.*
- 6 Labour Party: *Annual Conference Report*, 1959
- 7 Thus, the TGWU rules include as a main membership commitment the need "to endeavour by all means in their power to control the industries in which their members are engaged," whilst the first aim of the AEEU is "the control of industry in the interests of the community". The Foundryworkers' constitution speaks of "developing and extending the co-operative system until a co-operative commonwealth is established which shall labour and produce for the good of all." The NUR sees these perspectives more doctrinally as requiring "the supersession of the capitalist system by a socialist order of society".
- 8 George Brown: *In My Way*, Gollancz, 1970.
- 9 Cited in *Tribune*, 19th February, 1960, p.1
- 10 Ben Pimlott, *Harold Wilson*, Harper Collins, 1992, p.238
- 11 *Op cit.*, p.82
- 12 Labour Party: *Annual Conference Report*, 1960.
- 13 Longman, 1920, Chapter One.
- 14 C.A.R. Crosland *The Future of Socialism*. Jonathan Cape, 1956.
- 15 *Op cit.*, p.30, *et seq.*
- 16 Richard M. Titmuss *Income Distribution and Social Change: A Study in Criticism*. Allen and Unwin, 1962
- 17 Anthony Crosland *Socialism Now*. Jonathan Cape, 1974.
- 18 *Op cit.*, p.18.
- 19 *Quartet*, 1975.

Clause Four, Common Ownership and the Labour Party

By Ken Coates

£5.99

Published by Spokesman
and available from *Tribune*,
308 Gray's Inn Rd,
London, WC1X 8DY
post and packing free

Workers' Liberty publications

How to save the Welfare State

..... 95p

New problems, new struggles:
a handbook for trade unionists

..... 90p

We stand for Workers' Liberty

..... £1.50

A workers' guide to Ireland 95p

The lies against socialism answered

..... 50p

How to beat the racists 95p

Socialism and democracy £1.95

1917: how the workers

made a revolution 60p

Israel/Palestine:

two nations, two states! 30p

Magnificent miners: the 1984-5 strike

..... 75p

The case for socialist feminism

..... £1.50

Socialists answer the New Right

..... £1.50

Issues for socialists

Socialists and the Labour Party: the
case of the Walton by-election

..... £1

Why Labour lost 80p

Arabs, Jews and socialism £3

Ireland: the socialist answer £2

Why Yugoslavia collapsed 75p

East Europe: towards capitalism

or workers' liberty? 60p

Solidarity with the South

African socialists £1

The AWL and the left

Is the SWP an alternative? 75p

Open letter to a supporter

of *Militant* 20p

Why the SWP beats up

its socialist critics 80p

A tragedy of the left: *Socialist*

Worker and its splits £2

Seedbed of the left: the origins

of today's far-left groups £1.50

Their polemics and ours:

excerpts from *Socialist Organiser*

and *Socialist Outlook* 90p

Education bulletins

Marxism and black nationalism

..... £1.50

Study notes on *Capital* £2.50

Cheques payable to "WL Publications" to:
Workers' Liberty, PO Box 823, London
SE15 4NA. Please add 20% to cover
postage and packing. Orders over £10
post free.

Overseas prices on request, or in Australia,
from WL, PO Box 313, Leichhardt 2040; in USA,
from Barry Finger, 153 Henderson Place, East
Windsor, NJ 08520.