

# Blair's Initiative

## Revising socialism or rejecting it?

*Ken Coates*

*Sixty years on, in 1995, Tony Blair's promise to the Labour Party of a discussion on new objectives was not to be honoured in the way members originally expected. A very one-sided presentation was circulated throughout the Party.*

Introducing their new statement on 'Labour's Objects: Socialist Values in the Modern World', the Blair leadership team offer us a preliminary statement which tells us that 'the Labour Party is a democratic socialist party'. This goes on to offer a menu which could be presented by almost any Liberal:

'It is founded on the simple belief that individuals prosper when supported by a strong and active society, and that people owe a duty to each other as well as themselves. It is from this central belief that our core values are derived: social justice, freedom, opportunity, equality, democracy and solidarity. Democratic socialism sees economic efficiency and social justice as complementary to one another, not opposites; and links together action to establish a prosperous and strong economy with action to attack poverty, increase employment, counter discrimination, curb unaccountable power, and protect the environment.'

What is wrong with such a liberal prospectus? Certainly most of the objects appeal to elementary commonsense. Why is that insufficient?

If democratic socialism 'sees economic efficiency and social justice as complementary to one another, not opposites', what measures does it propose to ensure that its vision begins to correspond to reality? Left alone, economic efficiency as it is conventionally understood stands in no relation whatever to social justice because it is not driven by either law or compassion, but by competition for growth and survival. Aneurin Bevan once summed it up with admirable economy:

'What are the most worthy objects on which to spend surplus productive capacity? ...

After providing for the kind of life we have been leading as a social aggregate, there is an increment left over that we can use as we wish. What would we like to do with it?

Now the first thing to notice is that in a competitive society this question is never asked. It is not a Public question at all. It cannot be publicly asked with any advantage because it is not capable of a public decision which can be carried out. Therefore in this most vital sphere, the shaping of the kind of future we would like to lead, we are disfranchised at the very outset. We are unable to discuss it because the disposal of the economic surplus is not ours to command ... The surplus is merely a figure of speech. Its reality consists of a million and one surpluses in the possession of as many individuals ... If we reduce the question to the realm where we have brought it, that is to say, to the individual possessor of the surplus, the economist will provide us with a ready answer. He will tell us that the surplus owner will invest it in the goods for which he thinks there will be a profitable sale. The choice will lie with those able to buy the goods the owner of the surplus will proceed to produce. This means that those who have been most successful for the time being, the money owners, will in the sum of their individual decisions determine the character of the economy of the future ... But ... the kind of society which emerges from the sum of individual choices is not one which commends itself to the generality of men and women. It must be borne in mind that the successful were not choosing a type of society. They were only deciding what they thought could be bought and sold profitably.' (*In Place of Fear*)

That is to say, social priorities, including social justice, cannot be assured simply by reliance on the market. This possesses no self-corrective mechanism for transferring individual surpluses 'to attack poverty, increase employment, counter discrimination, curb unaccountable power, and protect the environment'.

'Justice' has to be *outside* the market, and presupposes a capacity by the public authority to override it. But the market has been systematically eroding and dissolving all external pressures to regulate or control its operations for many years. In this respect it has enjoyed very considerable success.

In the past, action for correction could be taken, not by the market, but by Government. In pursuit of these social goals, Government might, by taxing profits and high incomes, transfer the revenue so garnered to good redistributive effect. But the Labour Party's present front bench insists that it proposes no structural shift in taxation other than the blocking of 'loopholes' ...

The new leadership statement has achieved on paper something that generations of supporters of Clause IV have never dreamt of. It has abolished capitalism. Nowhere can this dread concept be found in the new text. 'The process of constitutional revision', say the authors, 'is intended to set out our identity as a Party in our own terms for our own age'. But has capitalism really disappeared in this age of comforting and empty froth? It is true that

capital has become more fluid, more mobile. At the touch of a button, millions can travel along the wires, or along the optical fibres, to disappear here and materialise in another place. Along the wires, routine tasks are transferred to low-paid Indian women, who programme the bookings for European airlines, and flash the resultant effort back in seconds. Then the prosperous stockholders can board their planes. Reality has not disappeared, but it has been beautifully concealed. Has Tony Blair got access to some of these computer buttons? Will the wires transmit his commands? And will they deliver social justice on all the screens that matter?

Alas, no. The present Labour leadership resembles nothing more than the inhabitants of those South Sea Islands which initiated the cargo cults. Observing that the missionaries who came among them lived very happy lives, the indigenous peoples made a close study of the causes of this happiness. They perceived that the missionaries wanted for nothing, and that the secret of their prosperity lay in the cargoes which were ferried to them in small aeroplanes, at regular intervals. In the cargo, there was nourishment and uplift. Commentaries on scripture and crates of gin brought consolation to the foreign teachers.

Having scientific minds, the natives were quick to agree that the benefits of cargoes might with profit be more widely shared among the excluded. They gathered their forces, and cleared space in the forests, where the planes could land. They lit beacons, to guide them in. And they waited. But no cargoes came.

The long suffering people of Britain do not have so long to wait. No cargoes are coming. Unless remedial action is taken to redistribute wealth, the poor will decline into even deeper misery. And unless a strong public force generates local enterprise, stimulates co-operation, and encourages common effort, capitalism will assiduously ensure the continuation of present trends. More polarisation, richer rich, poorer poor. These processes will continue with a Queen or without one, with hereditary Peers, or without them, and throughout whatever cosmetic changes might be made to keep hidden the realities of economic power. Is that the modern age, or isn't it?

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The history presented in the draft document is, to say the least of it, eccentric. It correctly informs us that the first draft of Clause IV appeared in October 1917, the very month of the Bolshevik Revolution. But it goes on to tell us that central planning 'had after all helped Britain to win the war'. Not in October 1917 it hadn't. Neither in 1917 had the Russian Soviets established public ownership and central planning. Their first task, under a variety of

forms of workers' control, was to re-establish any kind of production, with or without the help of experienced managers. In 1917 and early 1918, the current of thought that constituted a perceived threat to the Labour leadership was syndicalist, and it seemed threatening because it advocated workers' control in British factories and industries, not in those of Russia or elsewhere.

The preliminary draft for the Clause had been written by Arthur Henderson. It spoke about taking into public ownership 'the monopolies'. This was a long-standing commitment of Henderson's, and it was based, not on socialist doctrine, but on impeccable Victorian liberal teaching. In the philosophical writings of T.H. Green, it had been pointed out that the Hegelian justification of property as 'the first reality of freedom' could no longer be invoked if property was monopolised. This is an old argument, which goes back a long way in political theory. Certainly Marx had identified the same problem that Green treated decades later. Locke had insisted, by contrast, that property was justified where men had 'mixed their labour' with the gifts of nature. But this, too, hit a problem with monopoly. What could happen when all the land was occupied, and none was left vacant to be mixed with the labour of any newcomer? This was the great fascination of America, as a seemingly inexhaustible source of virgin land, in which work would generate property, and thus in Hegelian terms, freedom. But monopoly closed out newcomers, bolted the door against them. From guaranteeing freedom, such property had become inimical to it. Thus, Henderson's formula was a direct echo of more than one important strand of liberal thinking. But Webb's amended version of Clause IV cut that link.

Webb was drawing on the experience of trade unionism during the First World War, and the growth of collectivist responses.

For many workers, the years of the war marked their first experience of something approaching humane working conditions. Employers became more than willing to strike reasonable bargains with their workpeople, because many of them were now remunerated on a 'cost-plus' system which guaranteed all munitions manufacturers a fixed rate of profit over and above the costs they incurred in production. Higher wages were simply higher costs, and offered no detriment to the 'plus' which would be allocated to profits.

Of course the founding fathers lived always in an ambivalent relationship to Liberalism. They were deeply engaged in the commitment to individual freedom, and to the need to create scope for all to become whatever each had it in himself or herself to be. But personal advance, for most, already depended on collective betterment.

Why did Webb's wording prevail? I was precisely attuned to the trade union experience of collective advance in this kind of planned war

economy, and it was finely calculated to separate trade union voters from any residual allegiance they might feel to the Liberals as a Party. Since the working class electorate was considerably enlarged in 1918, this was a crucial strategic move.

If Clause IV served to demarcate Labour from the Liberal Party in 1918, what would its removal signify in 1995? Evidently it would mean realignment, in which Liberals of either the Liberal or Conservative Parties might feel free to participate.\* How participate? By voting? By supporting? By joining in a common Party? By forming a common Government? And what might the programme of such a Government be? Who would represent the unemployed, the excluded, the poor, in such an enterprise? What mechanisms would exist to aid these groups of people? And who could represent the other employees? How many of them should be nudged downwards below the poverty barrier?

Capitalism may have become invisible behind its apparatus of wires and high-tech communication. It may no longer have its national roots. It has certainly disappeared from the programme of 'New Labour', which never comes near to mentioning it. But until it is displaced from its authority over our economic life, it will still call all the tunes.

The historical section of the leadership statement tells us that Clause IV was agreed because 'there was genuine revulsion at the sheer anarchy and exploitation associated with the free-market of Victorian capitalism'. And the anarchy of modern global capitalism? The destruction of large parts of the world economy, mass starvation and civil war in former colonies across Africa, and here at home seven and a half million *long-term* unemployed in the territories of the European Community alone: is there no anarchy and exploitation there? Large tracts of Britain are crumbling into physical and moral ruins. Do we need to do sums to explain this?

Nobody, but nobody, in the Labour movement, will seek to hamper any Labour leadership, if it will tell us how it will restore hope to the forgotten people of Britain, and join forces with others to help the destitute in Africa and elsewhere. A programme for this kind of action could conceivably be an 'adequate expression of what the Labour Party stands for'. But such an expression will not only mention the word capitalism. It will try to analyse what has happened to capital, and seek to find appropriate ways to curtail the immense concentrations of power which it has secreted.

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\* All this has been justified in the name of Antonio Gramsci as a recipe for the creation of what is unappealingly described as a 'hegemonic bloc'. Poor Gramsci is revolving in his grave. It is strange to see this most principled and democratic of all Western Communists pressed into service by the most unprincipled and manipulative of all opportunists.