

Wanted: A Planned Economy

Gordon Brown

These excerpts are taken from Gordon Brown's introduction to The Red Paper on Scotland, which he edited for publication in 1975. The full text of this introduction is available from Spokesman as a Socialist Renewal pamphlet under the title Lost, Stolen or Strayed?: Gordon Brown as Socialist Pretender (£3 including postage).

... Two themes are integral and complementary in the [Red Paper]. The first is that the social and economic problems confronting Scotland arise not from national suppression nor from London mismanagement (although we have had our share of both) but from the uneven and uncontrolled development of capitalism, and the failure of successive governments to challenge and transform it. Thus we cannot hope to resolve such problems merely by recovering a lost independence or through inserting another tier of government: what is required is planned control of our economy and a transformation of democracy at all levels. The second theme is more basic than that. We suggest the real resources of Scotland are not the reserves of oil beneath the sea (nor the ingenuity of native entrepreneurs) but the collective energies and potential of our people whose abilities and capacities have been stultified by a social system which has for centuries sacrificed social aspirations to private ambitions. It is argued that what appear to be contradictory features of Scottish life today – militancy and apathy, cynicism and a thirst for change – can best be understood as working people's frustration with and refusal to accept powerlessness and lack of control over blind social forces which determine their lives. It is a disenchantment which underlines an untapped potential for co-operative action upon which we must build.

The vision of the early socialists was of a society which had abolished for ever the dichotomy – the split personality caused by people's unequal control over their social development – between man's personal and collective existence, by substituting communal co-operation for the divisive forces of competition. Today the logic of present economic development, in inflation and stagnation, and at the same time the demand for the fullest use of material resources, makes it increasingly impossible to manage the economy both for private profit and the needs of society

as a whole. Yet the long-standing paradox of Scottish politics has been the surging forward of working class industrial and political pressure (and in particular the loyal support given to Labour) and its containment through the accumulative failures of successive Labour Governments. More than fifty years ago socialism was a qualitative concept, an urgently felt moral imperative, about social control (and not merely state control or more or less equality). Today for many it means little more than a scheme for compensating the least fortunate in an unequal society. We suggest that the rise of modern Scottish nationalism is less an assertion of Scotland's permanence as a nation than a response to Scotland's uneven development – in particular to the gap between people's experiences as part of an increasingly demoralised Great Britain and their (oil-fired) expectations at a Scottish level. Thus, the discontent is a measure of both Scottish and British socialists to advance far and fast enough in shifting the balance of wealth and power to working people and in raising people's awareness – especially outside the central belt of Scotland in areas where inequalities are greater – about the co-operative possibilities for modern society ...

Social Needs

Any study of Scotland today must start from where people are, the realities of day-to-day living, extremes of wealth and poverty, unequal opportunities at work, in housing, health, education and community living generally. The gross inequalities which disfigure Scottish social life (and British society as a whole) have been obscured by a debate which merely poses the choice between separatism and unionism. For there are rich Scots, very rich Scots – and very poor Scots ... Ian Levitt draws attention to the marked inequalities in income which do not arise from differing skills, contributions to community life or needs. The top two per cent earn seven per cent of total income (more than half of that coming from unearned income in investments and profits), the top five per cent earn fifteen per cent of income and the top twelve per cent of Scottish people earn as much as the bottom fifty per cent ...

There are three distinguishing marks of the new structure of inequality in Scotland – the failure of taxation to erode the power of private property (those earning below £2,000 in 1971 paid half income tax), the dramatic growth of private occupational and pensions schemes to create a new structure of privilege within our social security system, and the sheer extent of poverty itself ...

Community Democracy

Scotland desperately needs a widely articulated and sufficiently popular concept of welfare and need grounded in equality and reciprocity in framing social policies and social priorities. Bryant, Cameron, Grant, Cook and Levitt all point to what is urgently required merely to meet people's elemental needs – a massive expansion in housing and community amenities, a regeneration of the public sector, and improvement of public health facilities especially in the community and industrial health fields, greater concentration of educational resources among those with the

least opportunities, and a phasing out of means-tested benefits by adequate provision by right for the old, the single parent family, the unemployed, the disabled, and the low paid. But from community action groups – tenants associations, organisations of the unemployed, the old, the homeless, and the sick, movements to fight oil-related developments, anti-social planning decisions and so on – to the activities of specialised pressure groups and professional social workers, teachers and health workers themselves, the demand is increasingly that society be organised in a manner to cater for people's needs, that community goals be set to meet people's requirements as they express them. If the prospects for the least fortunate are to be as great as they can be, then they must have the final say – and that requires a massive and irreversible shift of power to working people, a framework of free universal welfare services controlled by the people who use them ... A first step could be compiling on a nation-wide basis an inventory of social needs, 'a social audit' prepared by community groups themselves. But socialism will have to be won also at the point of production – the production of needs, ideas and particularly of goods and services. And that demands ending the power of a minority through ownership and control to direct the energies of all other members of our society ...

A Planned Economy

Niven argues that the public sector which employs 30 per cent of Scottish workers can be expanded in a manner which would dominate rather than respond to market requirements. Clearly the logic of present economic developments point in this direction. It is not just the demand of working people for a fuller share of the social product of their labour (and their collective power to resist the old formulas of unemployment and low wages in recession) – but also the cleft stick of labour-displacing technology. The more automation there is, the greater is the need to deal with the social consequences by increased public expenditure; yet the more the government raises taxation, the more urgent is the need for more automation. Thus, increasingly, the private control of industry has become a hindrance to the further unfolding of the social forces of production. Consequently, Michael Barratt Brown has convincingly argued that increased state intervention in social and economic affairs implies that it is no longer realistic to envisage a socialist commodity exchange market in a transition from capitalism to socialism, and as a corollary, that an ever advancing technologically-based economy is not the only way forward for underdeveloped regions or countries. Whether through investment in state owned industry in the central belt or through the application of intermediate technology, as Carter proposes, to the rural areas of Scotland, it is the erosion of the power of the market – and of the multinationals who now manipulate the market – to determine social priorities that is the forging ground for socialist progress.

The question of what socialist policies are required to meet the demands, skills and needs of Scottish working people raises the question of how the Scottish Labour Movement can force the pace of the advance towards socialism in Britain.

Certain definite points of advance are obvious at a British level, although this does not rule out socialists pressing for an economic control co-extensive with economic devolution under a Scottish Assembly: the public control of industries essential to the provision of social needs and services, the priorities being building and construction, food and food processing, insurance and pensions; the industries essential to the planning services vital to the economy – the priorities being energy as a whole, land, banking and foreign trade; industries whose monopolistic position threatens the ability of society to plan its own future – the priorities being the taking over of the assets of the major British and American multinationals in Scotland; and industries essential to regional development – in Scotland's case shipbuilding and textiles being the obvious cases.

Smith details what is required for the planned control of energy – the nationalisation of all offshore oil and gas industry, the private sector of BP, the British sector of Shell and the Burmah-Castrol Group, to become part of a National Hydrocarbons Authority, and of GEC to form the basis of a national nuclear corporation. But he also shows that if the benefits from oil are to be such that long term economic growth is possible then ICI should be taken over to form a public chemical corporation. The proceeds from oil could themselves be transferred into a regional development fund. A second basic area is land, vital to the future of Scotland, in providing food, timber and other services. Jim Sillars suggests a concrete plan for taking land into public ownership, John McEwen and Ian Carter in particular show what a socialist land strategy could involve and how industry suitable to the skills and needs of the local population and available resources could allow substantial local control over Highland development. Ray Burnett suggests that one obvious step could be an elected Highlands and Islands Development Board. A third area, investigated by Scott and Hughes, is the necessity for social control of the institutional investors who wield enormous financial power both in fostering privilege in our social security system and in controlling the economy. Two recent Labour Party pamphlets, 'Capital and Equality' and 'Banking and Insurance', propose how public control of banks, insurances and pensions companies could have a two-sided effect: creating greater social justice in the social services and providing substantial resources for industrial investment. Such a policy could be enacted without compensation and would in itself constitute a major erosion of the power of the British upper class. Public control to end the manipulative stranglehold of the monopolies would require a strategy to end the power of the British, American and European multinationals over the Scottish and British economies and in the event would require controls over foreign investment and trade, accepting a disengagement from a commitment to the free movement of capital in Europe. It would, as recent studies have indicated, require the forging of a new international economic framework based on long-term bilateral trading agreements for exchanges of goods and services and in the long run a payments union, possibly under the United Nations organisation, for clearing and extending such trade exchanges between nations, in particular, providing credit to underdeveloped countries.

Clearly, such a strategy is far more possible in Britain as a whole, given the substantial (and often underrated) industrial and financial assets of private companies. Britain has 140 of Europe's top 400 companies and the private sector has twice as much invested abroad as foreign companies and financiers hold in Britain.

Workers' Power

But the demand for the economy to be directed according to people's needs requires that the need for meaningful work be prioritised. That involves a new and creative relationship between work, education and leisure, which breaks down the existing division of mental and manual labour and the extension of self-management at the work place. What has often been cited as an irresolvable clash in socialist theory between regulating material production according to human needs and the principle of eliminating the exploitative domination of man over man can only be met through producers controlling the organisation of the production process. Thus it is precisely the surging forwards of demands by trade unionists for real control over the decisions affecting their livelihood that will be the point of departure for socialists. In his study of industrial democracy, Alex Ferry shows that the greater the influence workers have over their working lives locally, the greater will be the demand to reduce managerial prerogatives. Workers' control is impossible, he suggests, in a society which is not socialist – but controls developed in our present society which deny the logic of the market are the embryo of a future society. Clearly the proposals for workers' shareholdings (which would, at 1 per cent in all of shares yearly, take at least fifty years to mean anything) and for worker directorships, are inadequate. But the most outspoken proponent of workers' control in Britain, Ken Coates, has seen the recent TUC proposals for industrial democracy – a supervisory board with 50 per cent workers representation having the final say in major investment decisions, closures, redeployment, location of plant and so on – as 'a cautious step in the right direction'. The Labour MP for Motherwell has suggested that much more could be achieved if 'these representatives could by law be able to call for a ballot of employees as to whether they wish a scheme to be prepared for the conversion of the enterprise to workers' control'.

Co-ordination is clearly required of workers' activity in different industries and unions. The trade unions themselves, as Ferry suggests, must take increased steps to link the demand for better conditions of work and pay with the pressure for increased control. If they do not, they will be left behind by rank and file action, such as we saw in Scotland in the last three months of 1974. Co-ordination, to be effective, must clearly be coherent around certain demands which allow a systematic advance in industry and society. The proposals of the Institute for Workers' Control at the time of the Upper Clyde Shipbuilders (UCS) occupations have more relevance than ever in today's recession. A first condition set by trade unions in face of threatened unemployment would be that if the existing market is inadequate to support continuous production of ships, steel, textiles and so on,

then the government should be bound to investigate the possibility of raising the whole level of international trade through state-guaranteed or negotiated trade exchanges. A second condition would be that if redundancies are inevitable, then government, locally or nationally, should organise alternative production to meet social needs – such as housing and community facilities – which private enterprise is failing to produce. An overriding condition would be that workers in such situations have the right to elect for control over their enterprises. Workers' control on an international scale is clearly an alternative to nationalism ...

This requires from the Labour Movement in Scotland today a positive commitment to creating a socialist society, a coherent strategy with rhythm and modality to each reform to cancel the logic of capitalism and a programme of immediate aims which leads out of one social order into another. Such a social reorganization, a phased extension of public control under workers' self-management and the prioritising of social needs set by the communities themselves – if sustained and enlarged, would, in E. P. Thompson's words, lead to 'a crisis not of despair and disintegration, but a crisis in which the necessity for a peaceful revolutionary transition to an alternative socialist logic became daily more evident ...'

The question is not how men and women can be fitted to the needs of the system – but how the system can be fitted to the needs of men and women ...

Matt Wrack
General Secretary

Mick Shaw
President



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