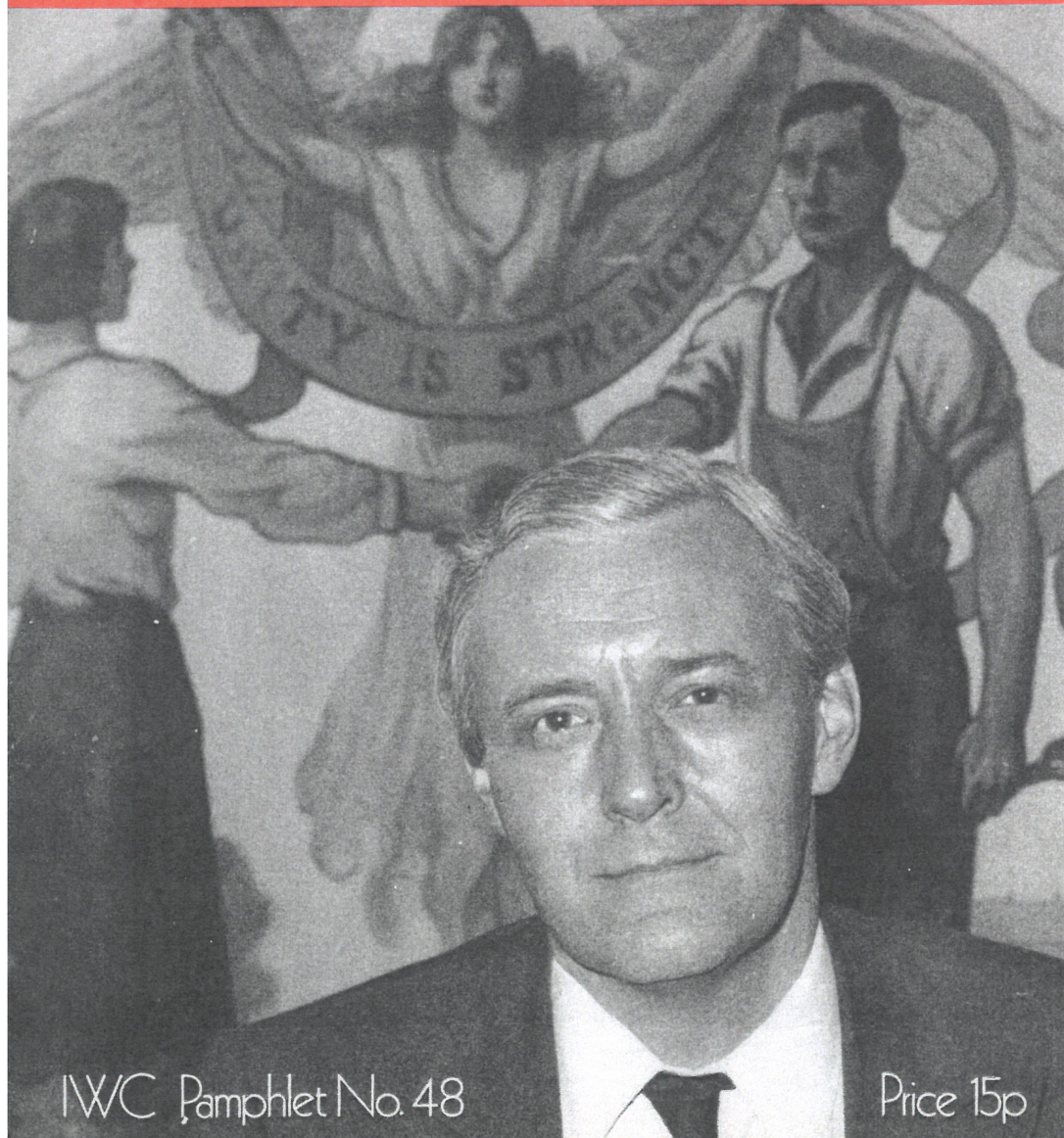


LABOUR AND THE SLUMP

The text of a letter to the Bristol South East Constituency
Labour Party

Tony Benn



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Labour and the Slump

by Tony Benn

September 1975

Dear Members

I am writing to you, at the beginning of the second year of this Labour Government, to discuss with you how the Party should respond to the fact that Britain has again entered a long deep and serious slump.

This year most families in Britain will have direct personal experience of what this slump means, and there is no clear end to it in sight.

Inflation is unacceptably high and the Government has agreed its policy for dealing with it with the TUC.

Unemployment is now becoming the most important issue facing the Government.

Our traditional economic and industrial system has failed, against a background of altering world relationships and the Western industrial world faces a similar crisis.

To cure the slump Britain will need nothing less than the major programme of social and industrial reform already set out by the Party.

The Party and the Government should now undertake this campaign for reform even though a privileged and powerful minority are attempting to frighten us into perpetuating the old order against the interests of the British people.

We must build upon the achievements of the Labour Government over the last eighteen months, and maintain the impetus for reform.

Reform movements throughout British history have only succeeded when they were pursued with unremitting vigour. We must do the same.

We must defend our democratic rights to vote, elect and speak freely – and as part of this process work for the reform of the press and television to make them more open and representative.

The Labour movement – if it remains true to itself – has the greatest chance that it has ever had of discharging its historic role. The way is open for significant moves towards a fully democratic socialist society better able to serve the needs of the people by extending their economic and social freedom, without limiting in any way the political free-

dom the British people value so much and are determined, rightly, to maintain.

At Blackpool, in October, the Party will be reviewing the progress made in implementing our Manifesto and will be setting itself a work programme for the coming year.

The Labour Party, including its affiliated Unions, has a very important role to play when Labour is in office.

The Party wants to sustain the Government, while remaining free to criticise its record. The Party has also to develop, agree, and press new policies and intensify its educational and organisation work.

This year the Labour Party has certain key tasks to undertake.

1. Our first task must be to defend the jobs and living standards of working people and their families.

The overwhelming majority of British people look to the Labour movement to defend their jobs and living standards in difficult times.

Prolonged mass unemployment ruins the lives of whole families and regions in our country, damaging the fabric of our society.

Men, women and young people out of work are rightly bitterly resentful of the poverty and waste of their abilities which they are forced to endure. The nation is the poorer too, because the goods they could have produced and the national income they could have earned are lost, forever.

The right to work is a basic human right and has always been defended by the Unions and the Party. In and out of office both in general and in many specific instances the movement has championed those defending their right to work.

Our Manifesto pledged us to full employment and contained policies to help us get it. The British people will probably judge this Government more by our success in cutting back the number of jobless than by any other single issue.

Persistent unemployment at its present levels or higher — just as much as inflation — could spell the destruction of the Labour Government. We must not let this happen.

We have also got to defend essential public expenditure which corrects some at least of the present inequalities in the distribution of wealth. These are the benefits and services — the social wage — which the British people need and must have.

These defensive tasks derive from the origins and very nature of the Labour movement.

3. Our second task must be to develop and strengthen the links between the Unions, the Party and the Government.

The defeat of the Labour Government in 1970 followed the breakdown of relations between that government and the grass roots of the Labour movement – including the trade unions.

The re-establishment of those links, and the adoption of a joint political programme, out of which the Manifesto emerged, was a real Social Contract, to work together to bring about fundamental political and economic reforms designed to benefit the people of Britain and their families.

That contract, and that commitment, is also the source of our political support, and the best hope that the British people have for the future of our country.

The Labour Government without the movement would soon crumble. The Movement without a Labour Party, and a Labour Government, would have to build them up again from scratch.

It is therefore of central importance to us all that every major item of Government economic, industrial and social policy should be fully discussed at its formative stage, with the Movement and that we should then work together to implement the policies on which we have agreed.

When a Tory Government is in office, all its Ministers inter-act easily, naturally and continuously with financiers and industrialists whose interests the Tories have always served.

Some very important centres of power and privilege in Britain have always existed outside Parliament, and have used Tory Governments as instruments to preserve their position. We cannot afford to separate ourselves from our democratic countervailing centres of power created by, and for working people, and represented by the Labour Movement.

The closer we can knit our industrial and political work together, the stronger will be our ability to win, and hold, the majority support we need to bring about that shift of power towards working people to which we are committed.

We need that unity at factory and local level as we as nationally. The Labour Party should expand its factory and office membership, encourage more local Union branches to affiliate to constituency parties, and either re-establish the old Trades and Labour Councils, or achieve as close a liaison in other ways.

If the Labour Movement can learn to use its strength as intelligently as the Tories and their allies have always used their strength to rule Britain we shall be quite capable of transforming our society peacefully and democratically on the basis of continuing public confidence. And it

is that public confidence that can, alone, make our policies irreversible.

3. Our third task must be to understand and explain the true nature of the crisis which is taking place.

Britain is a great manufacturing nation and our future standard of living depends on our ability to make and sell our products to earn the money we need for food and raw materials we do not have.

For a generation and more our industrial system in Britain has failed to give us the new plant and equipment we needed to modernise and expand our factories.

At the same time the growing concentration of power in British industry has been used to extend the life-span of an outdated type of industrial relationships. Working people still have no real control over the decisions that affect their working lives – even in the nationalised industries.

These factors have progressively weakened Britain to the point where it is especially vulnerable to the present strains in the international economic order.

The oil price increases of 1973 brought about by an organised group of producer countries, began the process of change in that system and imposed serious strains upon it. Now primary producers of other commodities are beginning to organise to defend themselves. The poorer nations of the world are demanding that the world economic order should be changed to meet their needs.

These national and international developments combined, explain many of the causes of our present problems, and point towards a solution.

But the Tory Party and their business allies and the Mass Media in Britain do not want people to demand changes in the economic system. So they tell us day after day that all unemployment, inflation and the slump are all caused by working people in Britain making unreasonable demands.

The Labour movement has a duty to explain what is really happening. If we fail to do so, working people may be bulldozed into accepting that the full burden of paying for those crises must be borne by them.

If such an interpretation was accepted all that would happen would be that a temporary recovery and respite might be achieved for an economic system that has failed before and would certainly fail again.

4. Our fourth task must be defend democracy at every level against the mounting attacks now being made upon it.

One reason why British capitalism is faltering and especially why it has failed to invest, lies in the growth of democracy in all its many forms in our society.

Free trade unions, democratically organised to defend the living standards and working conditions of their members are now able, where they exist, to bring effective pressure to bear on their employers for that purpose.

Labour Councillors, democratically elected, acting on behalf of their constituents, are able to commend financial resources, raised by rates and taxes, to meet some at least of the needs of those who look to local government to provide housing, education and services that once only the well-to-do could afford.

Labour MPs, and a Labour Government, democratically elected, can similarly be used by the electors with access to the ballot box to incur public expenditure and to pass through Parliament changes in the law which can shift the national balance of wealth and power in favour of those who are not rich or powerful.

Thus Trade Union democracy, local democracy and Parliamentary democracy can, if used together, make real social, political and economic changes and bring about a fairer society.

Democracy, used in that way, has some important achievements to its credit which have raised the quality of life in Britain. Much more remains to be done but even these relatively modest changes have already weakened the traditional system upon which Britain has relied in the past, to give us industrial investment.

For this system needs a high and sustained degree of social and economic inequality which is becoming more and more unacceptable in a democratic society.

Working people who have the ballot box to hand can, and do, reject as immoral the degree of inequality and the exercise of unaccountable power which traditional economics require to produce investment.

Free trade unions, local and national democracy incurring the necessary public expenditure, and paying for it by redistributive taxation, all combine to put a pressure on profit margins and ownership prerogatives to such a degree as to make democracy increasingly incompatible with an uncontrolled market economy.

These conflicts and tensions were to some degree concealed or submerged during the post-war boom period. Annual economic growth, however fitful, gave the false impression that conflicts between a mar-

ket economy and a ballot box democracy did not exist.

But they do exist. We are now seeing the nature of that conflict more clearly.

It was that very conflict which forced the 1970 Tory Government, when in power, to launch attacks on the unions and on the autonomy on local authorities with their Industrial Relations and Housing Finance Acts. It was a hopeless attempt to revitalise a decaying system.

If this was the reaction of the Tories in better times, we must expect sharper attacks on democratic activities as the slump deepens.

Already normal democratic trade unionism is denounced as "militancy". Normal democratic Socialist arguments are now being attacked as "extremism".

Democratic local government services are still inadequate, when set against housing, educational and social needs — as the urban crisis demonstrates.

The main target for the opponents of democracy are those who advocate greater democracy in the Labour movement.

Many of those who argue that the trade union or political leadership should be more accountable to the grass roots membership at shop-floor or constituency Party level, or through developing a greater role for Labour or trade union Conferences are singled out for personal attack and misrepresentation by the media.

The defence of democracy against all these growing threats to it will mean a real political argument at least as hard-fought as were the arguments that took place over the establishment of trade unions and the expansion of the franchise in the 19th century.

5. Our fifth task must be to campaign actively for democratic socialist policies to overcome the present crisis.

The slump in Britain cannot be resolved on the basis of the present distribution of power and wealth.

That is why, in our Manifesto, we set as our first objective "a fundamental and irreversible shift in the balance of wealth and power in favour of working people and their families".

We analysed the growth of monopolies amongst British industrial firms, many of them multinational, and called for a major extension of public ownership, public accountability and real industrial democracy or workers' control.

This policy offers Britain its best chance of breaking the deadlock which now has our industry in its grip. It would provide greater public

investment and ownership to fill the dangerous investment gap that is now threatening jobs and our future manufacturing strength. In addition through disclosure, planning agreements and industrial democracy — in the public as well as the private sector — it could release the creative potential of working people who produce the nation's wealth.

The manifesto policies are the surest way to secure full employment.

This programme of industrial reform has great potential public appeal to workers at every level. Working managers, technicians and supervisory staffs as well as skilled, semi-skilled and unskilled workers and small businessmen and the self-employed all suffer in some way under the present industrial system of low investment and authoritarian control by big monopolies.

These reforms are long overdue and offer a constructive alternative to the present vicious circle of economic stalemate and the rising social tensions that accompany it.

The Labour movement was founded to reform our society. We must use the crisis we have inherited as the occasion for fundamental change, and not the excuse for postponing it.

The cost of past failures is in any case going to have to be borne by the nation over the next few years. There is no point in asking for those sacrifices to be made — nor much prospect of getting a response — unless such sacrifices can be clearly seen to be leading towards a fairer and better society.

6. Our sixth task must be to follow up the issues raised during the Common Market Referendum campaign and think out where it will lead us.

The Common Market debate and the Referendum campaign were of historic significance.

The verdict on the renegotiations given on June 5th had to be accepted just as a general election result has to be accepted — as a fact.

But the issues raised in each election campaign continue to be debated for long afterwards.

In the years of slump that lie ahead the British people will have many opportunities to judge for themselves whether what they were told by advocates of Common Market membership is borne out by experience, or whether the grave warnings given by the Labour movement about the effects of our membership were correct.

Meanwhile the vote for continuing membership requires Labour Ministers to work constructively within the EEC whilst defending our national interests as best they can.

If further proposals for economic or political integration come forward they will have to be examined on their merits. The Referendum vote itself provided no popular mandate for the acceptance by Britain of new supra-national Common Market institutions that might weaken the democratic control the British people can exert over their own elected Parliament.

The Referendum campaign also focussed attention on the need for real internationalism between Labour movements here and abroad.

We must strengthen our direct links with the Trade Unions overseas — not only within the EEC — so as to develop countervailing industrial power on an international scale, and use it to prevent multinational corporations from playing workers in one country off against those in another. This type of international Labour solidarity is likely to be much more effective than the Common Market in protecting working people and their families in Europe or elsewhere, all of whom will be affected by the slump.

7. Our seventh task must be to find effective ways of getting our views across to the British people without misrepresentation by the mass media.

The bias against working people and the representation of these interests in the press and on radio and television has reached such proportions as to make the matter a major political issue.

The bias of the media reached its climax before and during the Referendum campaign. Every single commercially owned national newspaper and most radio and television comment became instruments of political propaganda in favour of the Common Market.

We cannot claim to have a free press in Britain while the present commercial censorship over news and comment continues.

The BBC is just as biased in its handling of public affairs as are commercial radio and TV. Neither of them live up to their responsibilities as public service organisations.

No-one wishes to see Government or political party control imposed on the mass media, either directly or indirectly. I am resolutely opposed to this, and always have been.

Let me repeat that sentence to give it emphasis: No one wishes to see Government or political party control imposed on the mass media either directly or indirectly.

But we have got to find another way of correcting the present bias if democracy is not to fall into disrepute.

Last year the Labour Party published a very important document entitled "The People and the Media" which outlined certain key principles that should guide the necessary reforms. Included in these principles we advocated the development of much greater industrial democracy amongst those who work in the media, and the opening up of access to those who now cannot get their views across. These recommendations are now more urgent than ever.

Meanwhile the need for Labour newspapers is very evident, since at present the media appear to be more or less united at least in one respect – in an active campaign to erode the vitality of the Labour Party.

The media are supporting those Tories and Liberals who are seeking to drive the Labour Government towards coalition policies – if not towards a real coalition government. These same forces then hope to entrench that coalition government by a new electoral system that would shut out from the electors any effective choice between true alternatives.

The campaign, if successful, would endanger parliamentary democracy as we know it. We need a strong Labour voice to warn against it.

8. Our eighth task is to sustain the Labour Government and to work within the Party if it is to realise its historic purpose.

It goes without saying that the Labour Movement which worked so hard to secure the election of the Labour Government last year passionately wants to see it survive to implement the Manifestos and to prevent the return of a Tory or Tory/Liberal or Coalition Government which would be a national disaster.

Loyalty to the Government does not mean that it should be deprived of comment and debate about its record and its policies.

Although, like every elected Government, it has to face the electors as a whole at the next general election and is accountable to Parliament and to those electors, the Government has also a clear responsibility to its own membership, in whose name it speaks and without whose support it could never be elected at all.

This membership in constituency parties and affiliated unions and other organisations has the right under our constitution to make policy at Conference and, jointly with the Parliamentary leadership, to have that policy embodied in the Manifestos at election time.

Any Labour Government is therefore responsible for executing the terms of a contract entered into between the Party as a whole, and the nation as a whole, both of whom are entitled to see that the manifesto is carried out.

The Labour Party was established to be an instrument through which working people could directly influence policy which, if endorsed by the electors, would be implemented in Parliament to meet their needs.

The Tory and Liberal parties do not even pay lip service to these concepts of party democracy or pretend to apply them to their own rank and file.

Other socialist groupings in Britain are too sectarian in outlook to be more than fragmented centres of criticism within the Labour movement. Those who reject the role of Parliamentary democracy have isolated themselves from the main body of opinion and commitment within our movement.

There is complete freedom of thought and expression within the Labour Party. No-one should doubt its deep-rooted attachment to democratic methods which go back over the centuries to the very origins of our faith and work.

The Labour Party is a party of serious reform.

The most important political debates in Britain today are the debates about policy that have been going on within the Labour Party, Labour movement and Labour Government itself.

These debates must remain free and open.

Neither criticism, nor new policy initiatives, should be interpreted as meaning that the Party is about to split. It will not split. These debates will have strengthened it.

We must combine loyalty with the maintenance of a continuing pressure for socialism within the Party or the Government.

To do that the movement needs to have confidence in its capacity to succeed, which capacity is far greater than we may realise.

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I hope that some of these issues will be discussed in the Movement at Conference and throughout the coming year without any reference however veiled, to personalities and with mutual respect and tolerance.

It may well be that we should consider a further, special one-day Conference in the Spring of 1976 to review the political and economic situation again and to ensure that the movement plays its full part in developing policies to deal with it.

Meanwhile I look forward to a continuation of the regular political discussions we have held together in Bristol South East over the last twenty five years.

Yours fraternally,
signed

Tony Benn.