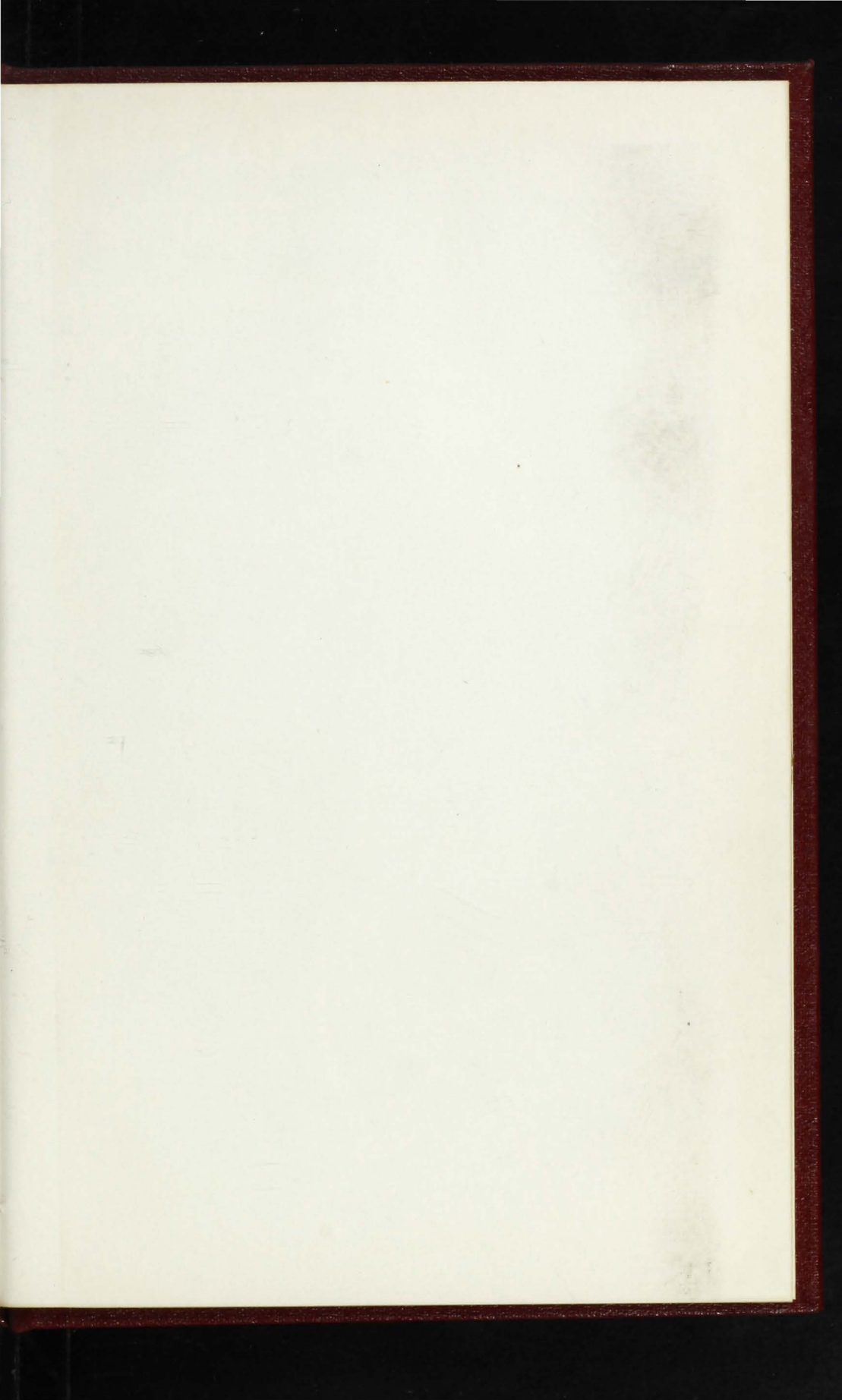


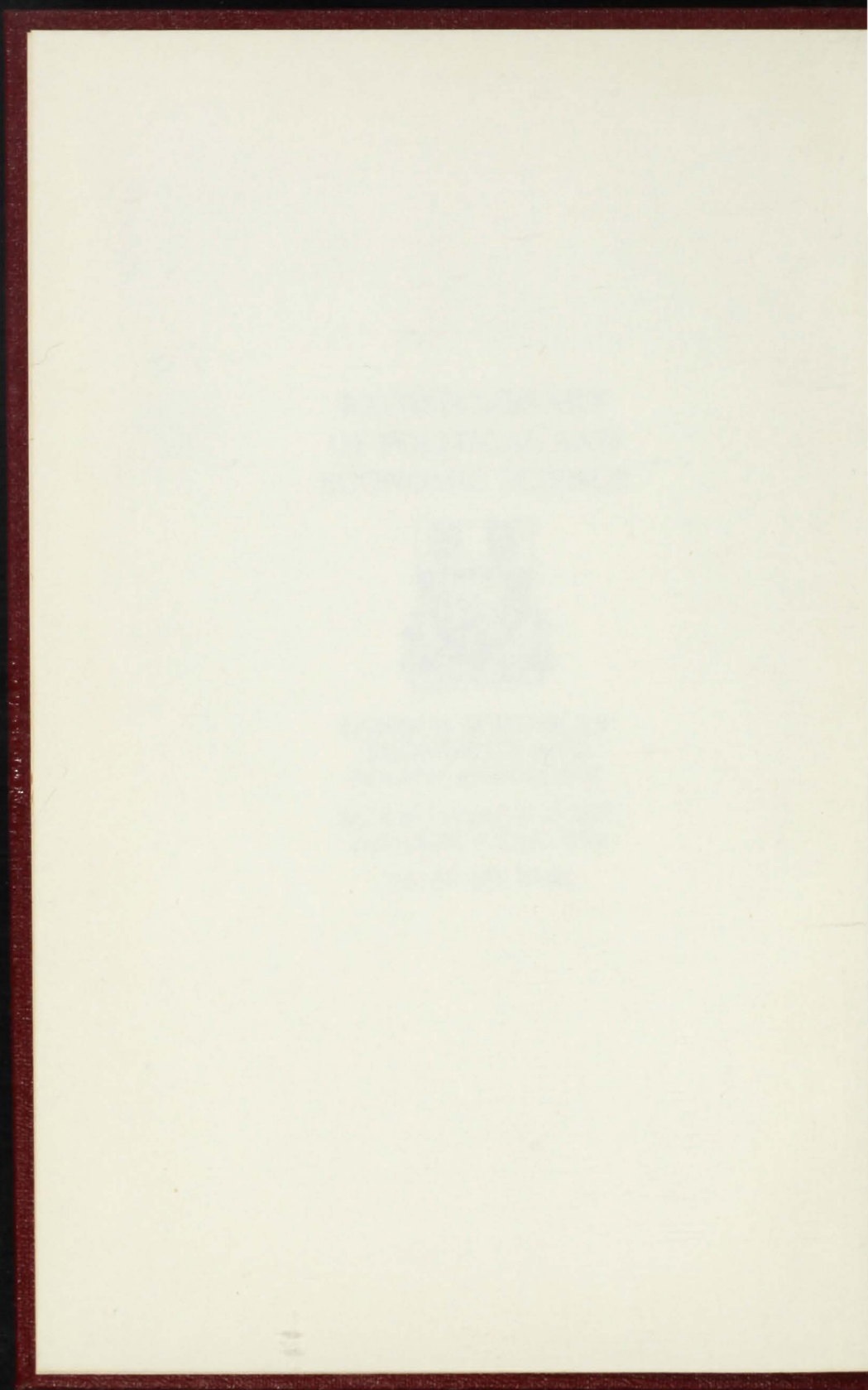
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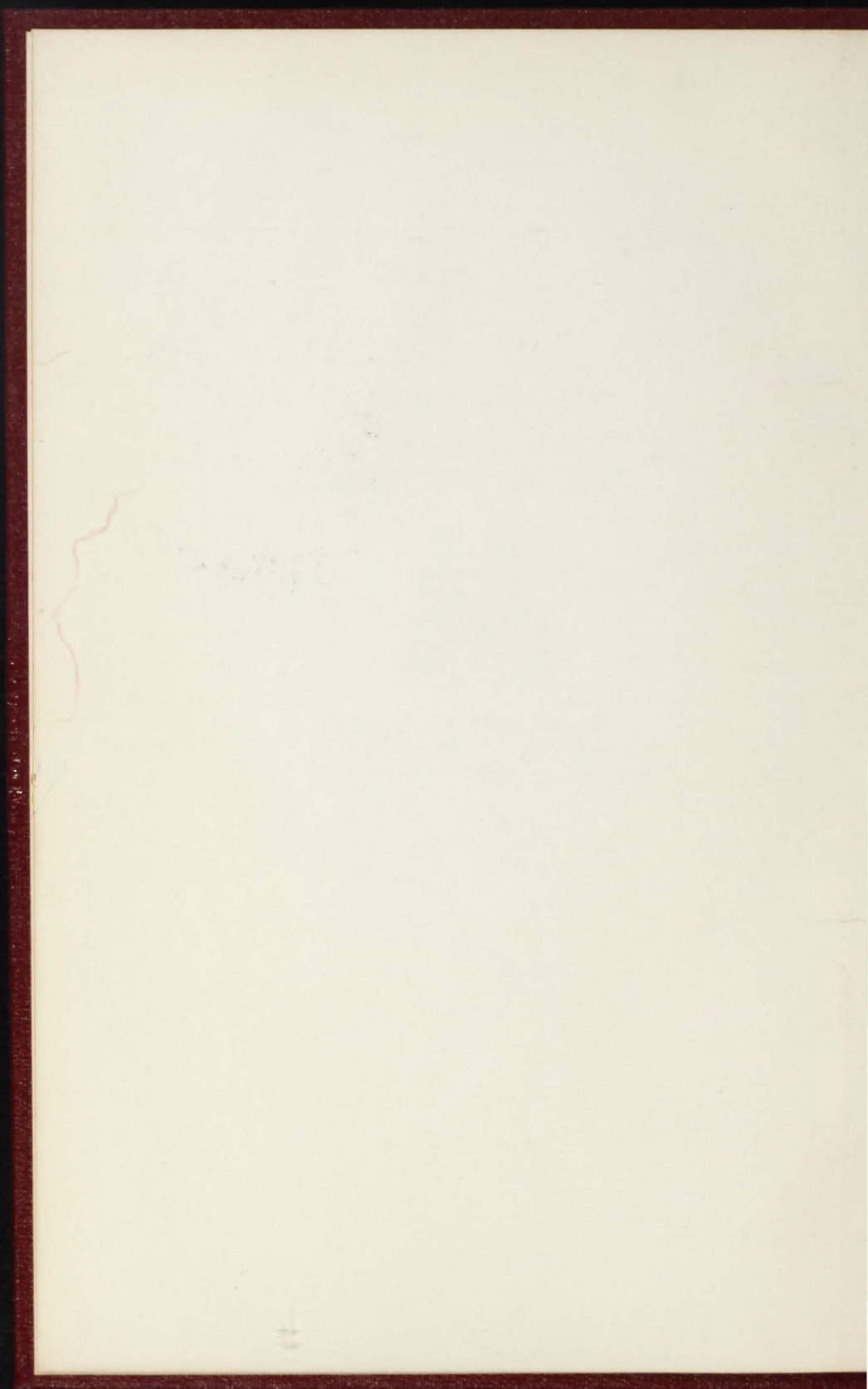


Can Labour win again?

Austin Mitchell
Edrian Thomas

75p

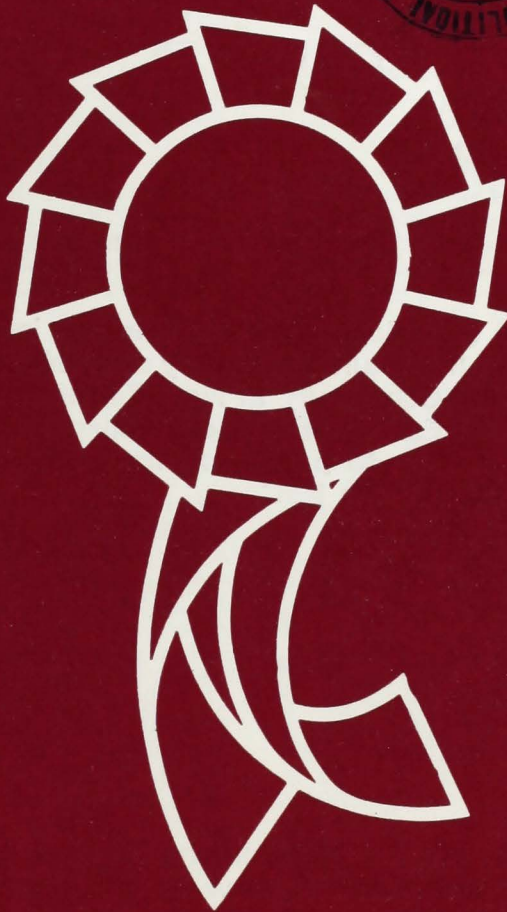




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the author :

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this pamphlet, like all publications of the Fabian Society, represents not the collective view of the Society but only the views of the individual who prepared it. The responsibility of the Society is limited to approving publications it issues as worthy of consideration within the Labour movement. Fabian Society, 11 Dartmouth Street, London SW1H 9BN. September 1979 ISSN 0307 7535 ISBN 7163 0463 5

1. the defeat and after: what the polls said

Some election defeats are traumatic. 1945 shook the Conservatives into agonising reappraisal. 1959 produced our counterpart: more agony less appraisal. Others are so mild, or so long expected, that they are treated as stumbles on the long march. Superficially 1979 falls into the second category. Becoming accustomed to skating on thin ice, we carried on after the ice had melted. It was not entirely, even largely, our fault that power slipped from our hands. Having done our best we were badly served by allies and misjudged by an electorate which hadn't reconciled itself to economic realities.

Yet sulky self-righteousness is a bad electoral stance. It can't obscure an electoral failure which was more disaster than defeat. Winning our lowest share of the vote since 1931, we handed to an unregenerate Conservative Party the prospect for which both parties had calculated, dallied and manoeuvred: power in the oil rich decade. A Tory Party with policies totally irrelevant to the troubled and difficult world of the 1980s won the right to guide Britain back down the same dead end street from which it had escaped in 1974. A country with all too little time left was forced to waste more.

Defeat was also a party disaster. Having achieved power almost by accident in 1974, we had the prospect of using it to check our long term decline and show that we are the party of government. We had gone some way towards the second. Grappling with the worst economic crisis since 1931, our government had learned to manage the system, had won union cooperation and had got both inflation and unemployment down. We were adjusting to the straightened circumstances of a nation in comparative and near absolute decline. Prospect and reality were both lost in an election which reduced us to the role of a Greek Chorus, commenting on action, unable to determine it, though the analogy is not exact. The audience listens to Greek choruses. We now have to reconstruct, prey to that perennial conflict between left and right, idealogue and pragmatist, which is more divisive in opposition than in power.

Reconstruction involves reform of a party organisation which has now become more of an obstacle to achieving power than a machine to win it. It means reassessment of policies, images and associations which have become an electoral handicap, because we haven't adjusted them with the aspirations of the people whose support we depend on. It means a reappraisal of our policies for Britain so that we are not caught in the same trap and can offer hope instead of misery more fairly shared.

The changes are fundamental. No respray is sufficient when the chassis is collapsing, the trim has fallen off and the steering doesn't work. The objective is to get and hold power and use it to improve the lot and advance the well being of our people and our country. A political party has no responsibility to keep the torch of ideological purity burning with a flame which can't be taken into the real world for fear of wind, wet and competing illuminations. Nor are we in business to win power at any price, going in empty headed and leaving our people empty handed. Our policies must be popular and attractive to win support. They must also be right and relevant to ensure that our basic objectives are adjusted to the circumstances of a richer, much riskier, situation. The two poles are not as far apart as the left and the right often assume. Realisation of the nature of the disaster and the magnitude of Labour's problem are the first necessary steps.

from '74 to '79

In one sense the defeat was predestined. We hadn't won the 1974 election. We'd simply proved better at not losing it than an incompetent Tory government. Our inheritance was blighted. With no real majority, we faced a world crisis to which Britain was more exposed than other industrial countries.

Incomes policy and public spending kept activity and jobs up. Support for the Government remained at a reasonable level. Tough measures don't always lose support. Yet the appearance of a loss of control is crippling. That came with the

GALLUP POLLS

	'75 Jan	'75 Apr	'75 Jly	'75 Oct	'76 Jan	'76 Apr	'76 Jly	'76 Oct	'77 Jan	'77 Apr	'77 Jly	'77 Oct
Labour	48	45	41	41	42	46	41	36	34	33	34	45
Conservative	34	43	43	42	40	41	41	48	47	49	49	45
Labour lead	+14	+2	-2	-2	+2	+5	0	-12	-13	-16	-15	0

collapse of sterling and the IMF ordained cuts. Government popularity duly collapsed.

The 1964-70 Labour Government had plumbed lower, to an opposition lead of 28 per cent. Ted Heath's Government had sunk to a gap of 21 per cent, near to our maximum of 22 per cent. No government which had fallen to these depths had been re-elected. They had recovered, however, as we did, with the Lib-Lab pact. By 1978 the policies appeared to be paying off. Jim Callaghan emerged more popular than any leader since Harold Wilson's bubble burst in 1967. He easily outdistanced Margaret Thatcher. The party itself drew level. The session ended in an atmosphere of near euphoria.

the campaign and its timing

The party expected an October election. Two thirds of those polled by MORI wanted it. Postponement was Jim Callaghan's personal decision. Cabinet was told, not consulted. The arguments against October were that the outcome was uncertain; the economic situation could deteriorate in the campaign. October trade figures are frequently bad. The Conservatives could claim that the government was dodging a winter of industrial problems. Then there was the unspoken reason: a desire to see the country through its difficulties. Jim Callaghan had all along inclined to 1979 and was supported by some in the

Cabinet, though not by the younger members nor his backbenchers.

Cabinets unfortunately do not include a statutory strategist. Formally this is the Prime Minister's role but if he is more concerned with statesmanship than party interest the strategic voice can go unheard. The decision was taken on the basis of hearsay, hopes and hunch. Labour had just financed two major marginal seat surveys with interviews in April/May and recall in August. The first had been sent to the party and the Prime Minister. The initial findings of the second had been relayed to his aides. They told a less cheerful story than published polls. Labour was 4 per cent behind in all the marginals and 7 per cent behind in its 1974 gains, a verdict Gallup concurred in. The Labour vote was "softer" than the Tory, giving rise to fears that Labour's improvement was founded on an unstable political base which could collapse if tested. The pollster, Bob Worcester of MORI, had always made clear his own view that the best time for an election was with Labour 2 per cent behind to get the underdog effect, and being pushed not jumping. He now told the Prime Minister's aides that Labour would "squeak home" but with no overall majority.

Later evidence bears this out. In the 1979 campaign, three polls showed a swing to Labour of between 2 and 2.5 per cent respectively, one showed a Labour loss of 0.5 per cent. Averaging the figures for August and early September (Labour

GALLUP POLLS

	'78 Jan	'78 Feb	'78 Mar	'78 Apr	'78 May	'78 Jne	'78 Jly	'78 Aug	'78 Spt	'78 Oct	'78 Nov	'78 Dec
Labour	43	39	41	43	43	45	43	47	42	47	48	42
Conservative	43	48	48	45	43	45	45	43	49	42	43	48
Labour lead	0	+9	-7	-2	0	0	-2	+4	-7	+5	+5	-6

45.0 per cent; Conservatives 46.5 per cent) gives a final Labour lead allowing for the favourable average swing of around 1 per cent—enough for a majority of more than a dozen over the Conservatives. In any case Labour would have found it easier to make up ground in a 1978 campaign when the background was one of a successful government. The unfavourable survey trends in the Labour marginals never emerged in the actual election. Then Labour did better, overall, in its own marginals.

Hindsight is the consolation prize for those excluded from decisions. It indicates that the failure to fight in October 1978 was a mistake but more in the light of what was to come. Primarily it was a risk. Paradoxically the only man to draw attention to the odds was the Prime Minister who warned Cabinet how drastically their view could change if a winter of discontent ensued. No one could have foreseen the disasters of 1979. Yet taking a risk should have dictated certain precautions. Survival became the first priority and the major threat to it was a hard and fast 5 per cent rather than the vaguer incomes target of "an out-turn better than last year". Since the aim of staying on was to pick a time with better electoral prospects than October 1978, if prospects in fact deteriorated it would become imperative to hang on at all costs. Neither of these consequences seems to have been understood fully, or at all.

Within a week there was a 2 per cent swing to the Conservatives. Over half the public thought the delay wrong. It created the impression that Labour was hanging on. The buoyancy on which it was based was already coming to an end. Gallup

Poll expectations turned down as the proportion expecting the economic situation to get worse rose from 25 per cent in September to 42 per cent in December and 52 per cent in February. More important was the effect on events. The economic improvement of 1978 had been achieved by incomes policy combined with tax cuts. Cabinet was determined to repeat it with the lower pay limit. In discussions with the TUC Neddy Six this paved the way for two sets of misunderstandings. Ministers were unconvinced when the union leaders pointed out that their members would neither accept nor understand the arithmetic. Union leaders had opposed the previous year's pay policy. Yet it had worked. The leaders may also have failed to clarify the position. Some assumed that the 5 per cent was a piece of pre-election window dressing.

The gamble misfired. In December, sanctions on companies breaking the pay guidelines fell and the prospect of an election on incomes policy, still a popular issue, vanished. Then came January and February and the house of cards came tumbling down.

After the strikes came the unforeseen fiasco of the Scottish referendum and the perversity of the SNP turkeys voting for Christmas. The Prime Minister declined to use bargaining counters such as the gas pipeline to Northern Ireland, even though there was a strong case for this on other grounds. He also declined to make devolution a vote of confidence to win over the SNP and, perhaps, the Liberals. The main imperative should have been to reach calmer waters at all costs.

1979 POLLS (%)

	Dec AVE	Jan GP	Feb MORI	Feb GP	Mar MORI	Mar GP
Labour	44	41	36	33	39	37
Conservative	47	49	55	53	52	51
Labour lead	- 3	- 8	-19	-20	-13	-14
leader gap	+27	+16	-36	-34	- 9	-21
"satisfied" with govt.	38	34	17	23	22	27

The timing of the election made defeat inevitable. It was to take place at a time not of the government's choosing, when it was 13 per cent behind in the polls and had the aura of defeat about it. The gap separating the parties was the widest since the war. We compounded these initial disadvantages by campaign mistakes. We failed to get our press conferences on first in the morning. This lost the initiative and the main purpose of the campaign putting the questions. Callaghan's performance was often lacklustre, like a man injured to defeat. Indeed the whole Labour campaign had a stuffy and complacent tone. Good issues, such as the Common Market, the welfare state and spending on education and pensions, were largely ignored. There was continuous friction between Number 10 and Transport House; the advertising and strategy lacked inspiration. "The Better Way" must be the most forgettable slogan of recent decades. The Trade Union campaign added little that was useful (except money). The Conservative campaign was much more effective, relying on a bio-feedback technique of broadcasting the public's complaints, grievances and grumbles back to them at increased volume, but also offering strong and specific inducements to target groups who could be lured from Labour. It was a clever strategy, carefully market tested.

Yet Labour won the campaign. We narrowed the gap steadily until the penultimate week. But from here the gap reopened and the Liberal vote rose. The dawning possibility of a Labour victory produced its own antibodies.

The campaign was successful in other respects. Jim Callaghan restored his standing and finished ahead of his opponent. Some 6 per cent more thought he would make the better Prime Minister.

Labour also did better on the arguments. Industrial relations and strikes, which had mushroomed in both reality and the issue league, slipped to second place. Labour emerged as the party with the best policies on them and improved its position on every issue except law and order. Yet the Conservatives still finished ahead.

We won the campaign, but only marginally. Most recent elections have seen a swing of between 1 and 2 per cent to the Government. We got this but no more.

the voting

The political decisions of those who duly tramped to the polls to ratify the inevitable are well documented. Eliminating those who did not reveal both decisions, the remaining 2,083 interviewees in a BBC polling day survey voted thus:

ELECTORAL CHANGES 1974-1979					
1974 vote	1979 vote				
(recollection)	Con	Lab	Lib	Nat & no other vote	
Conservative	611	31	44	2	17
Labour	79	565	78	4	24
Liberal	59	19	96	1	9
Nat & other	5	6	4	28	2
no vote	65	60	16	4	76
too young	63	48	18	5	44
totals	882	729	256	44	172

The pattern of change is complex. In 1974 the trend had been a loss to the Liberals. This time the transfers cut out the middle man and went direct between the major parties. Labour lost 10.5 per cent of its 1974 vote directly to the Tories, two and a half times what the Tories lost to us. The Conservatives hung on to a massive 87 per cent of their previous vote. The Liberals retained 52 per cent but their losses were three to the Conservatives to every one to Labour, enough to make the difference between a bare majority for Mrs Thatcher and the thumping one she got.

The trend among those too young to vote last time (35 per cent of whom went to the Tories; 27 per cent to us with a full quarter abstaining) points to another weakness. In past elections most younger voters have gone to Labour. Now the Conservatives got a bare majority.

The swing fell off up the age scale and was lowest among the over 65s, though this top age group still went mainly to

the Tories. Labour's chief strength was among the middle aged: two fifths of our vote. A middle aged party with middle aged policies musters a middle aged vote, mainly in the older industrial areas.

Confidence in the government was in almost inverse ratio to prosperity. The swing ran at 0.7 per cent in Scotland and 3.9 per cent in the North East compared with 6.3 per cent in the West Midlands and 6.8 per cent in the South East. Since there are three seats north of the Humber to every five south of it, these trends reaped a substantial crop of seats for the Conservatives, leaving them as the party of the prosperous south and relegating Labour to dependence on the older, poorer and, for the most part, declining industrial areas.

New towns and car worker and mining constituencies had unusually high swings against the government. These are constituencies with concentrations of the more highly paid workers, so this trend is a clue to the occupational breakdown. Butler and Stokes showed a Tory trend among the skilled workers in the sixties. The MORI marginal seats survey pointed to it in 1978. In 1979 it became a flood. Three polls show its effect though their basis is slightly different.

SOCIAL CLASS AND SWING TO CONSERVATIVE (%)

	AB	C1	C2	DE
ITN	-5	-2	+10	+9
BBC	-3.5	-1.5	+11	+6.5
Harris/MORI	-1		+15	+12

Skilled workers withdrew from Labour, a trend strongest among single and younger people. The skilled worker group ended up very evenly divided. Labour held its own among the ABs, and mainly among professional groups and white collar workers. Class alignment had been declining through the sixties. Measured by the difference between the Tory vote among manuals and non-manuals it declined from 43 in 1964 to 32 in 1970, rising back to 38 in the circumstances

of 1974. It dropped to an all-time low of 22 per cent in 1979.

Those who changed sides were more likely to feel it was "time for a change" and more concerned about "extremism" in the Labour Party. On the most important issues, where the whole sample gave prices, unemployment and taxation as the most important issues, the new recruits to the Conservatives listed their priorities as prices, industrial relations and taxation. On the tax issue, where 63 per cent of the sample thought the Conservatives best, 89 per cent of the Conservative recruits put them first. These recruits also seem more concerned than the average about strikes, taxes and law and order. Thus taxes and law and order, but particularly the former, seem to have been "sleepers" issues. They emerged late. The Tories were 26 per cent ahead on taxes and 39 per cent on law and order. The importance of taxes as an issue points right to the heart of the social democratic dilemma. How to pay for public spending at a time of low growth?

can Labour still win?

The campaign is crucial when the party balance is close. In 1979 it was not, so that attention must shift to the long term trends underlying the decision. One election records and reflects the electorate's experience of one government. Long term trends are a cumulative experience of both parties. They should both read this testament of experience with some dismay.

Long term ground swells were originally assumed to be a product of basic social changes. After the 1959 defeat, *Must Labour Lose?* and Tony Crosland's *Can Labour Win?* told a tale of woe as the affluent society, de-proletarianisation and the growth of the white collar work force eroded Labour attitudes and loyalties. Crosland confidently predicted that "the Labour vote will probably decline . . . by about 2 per cent at each successive general election." When Labour defied its own obituaries and won, this theory

of glacial erosion began to give way to the image of volatility. Labour collapsed in popularity but bounced back almost to win in 1970. The Conservatives then repeated the whole operation in the new complication of an 18 per cent Liberal vote. The new fashion was almost to treat the electorate as perverse, putting governments in and throwing them out with sudden abandon.

This interpretation emphasised the primacy of political rather than sociological factors. People were reacting, with an apparently increasing distaste, to the performance of both parties in office. The result was a growing alienation and steady decline in the two party share of the nation from its height over 80 per cent in 1951. This trend wasn't found in comparable two party democracies such as Germany, Austria, Ireland, the United States or Canada. University of Essex researchers who gave this emerging emphasis an academic respectability by catchingly dubbing it "partisan de-alignment", began to discuss the possibility of a fundamental re-alignment.

The relative balance between these two trends, the sociological and the political, and their impact can be roughly assessed from the changes in the relative shares of the population entitled to vote.

In 1951 Labour had had 40 per cent. The long term erosion after that is clear. So is the contribution to that process made by the '64-70 Labour Government. Yet the Conservative vote was suffering in the same way. The long term trend in the two party share took it to a low point of 55 per cent in 1974. Five years later it went up 8 per cent largely because the Conservatives did so well. So in 1979 the two party system revived. Apathy and alienation were also less extensive and less powerful than five years before.

Nevertheless, they are still there and the two party share is not back even to its 1970 level. The Liberals and the SNP both seem well placed for further advance. Conservative Governments suit them well. Much of Labour's loss in 1970 went into abstention, but the Conservatives in 1964 and 1974 appear to have lost to the Liberals. If the Tory Government now does badly, the Liberals should benefit and the long term trend to re-alignment could well be resumed.

The political origin of long term change is indicated by the major turning points. Power often causes British parties to droop. The Conservative loss in 1964 was the same (5.4 per cent) as Labour's drop in 1970. However, the process isn't impartial because periods of Labour Government tend to benefit the Conservative opposition more, at 1.7 per cent in 1970 and a massive 8.1 per cent in 1979, than Labour gains in reverse situations. Our 1964 and 1974 victories were both won on a declining share. So was October 1974. The long term decline in the two party share appears to be due to the perception of poor performance in office. Rather than negative alienation, it is a rational reaction to political facts.

This hurts us most. Our share of the electorate has fallen fairly steadily and is now below a third. The Conservative share has fallen too, but they have been more successful on key occasions such as 1959, 1970 and particularly 1979 in adding new support. The advent of a Labour Government and their own efforts at reconstruction allow them to win new support. We are not accorded the same generosity but continue to loose in opposition.

Ignoring many complexities, a working hypothesis of the mechanics of these processes is to divide the electorate into

SHARES OF THE ELECTORATE (%)

	1959	1964	1966	1970	1974 (Feb)	1974 (Oct)	1979
Labour	34.5	34.0	36.3	30.9	29.2	28.5	28.8
Conservative	38.8	33.4	31.7	33.4	29.8	26.1	34.2
Liberal	4.6	8.6	6.5	5.7	15.2	13.3	10.8
no vote	21.3	22.9	24.2	28.0	21.9	27.2	23.8

three categories. The majority are supporters of one or other of the political parties. They turn out more or less regularly and vote for the same party. The second group are not integrated in the same fashion. They may once have supported a party, they may never have got the habit, they may regard themselves as independent or floaters, they may be in the process of changing sides. The hallmark is that they do not vote regularly for one party. A descriptive noun is difficult but "autonomous" best describes them. The third group, the apathetic, are those whose lack of involvement is expressed by not bothering to vote. These groups overlap to some extent but the categories still provide a reasonable picture of the mechanics of electoral processes.

The characteristics of each group could only be defined after survey. Each is probably a cross section of the electorate by age, sex and class differentiated mainly by attitudes. The integrated have a long term allegiance which the autonomous have escaped. The apathetic have less involvement altogether though they do have attitudes. Numbers can only be guessed at. The apathetic are the smallest group. Around a quarter of the electorate do not vote but this number rises and falls depending on the interest in a particular election. A proportion of the non-voters are young electors who have not yet got the habit of voting, so the proportion of apathetics is smaller than the abstention rate. The proportion changing sides is measured. In the BBC survey, 72 per cent of those who remembered what they had done in 1974 did the same in 1979. Similar figures were produced by MORI and NOP though all such figures tend to underestimate the amount of change, given the fallibility of memory. Surveys between elections indicated that many who had voted Liberal in 1974 had forgotten. Two million Liberal votes had vanished. Allowing for this and for new electors, the indication is that the integrated section is something over half of the electorate, the autonomous is probably under a third. The former may have been shrinking over the years, the latter growing. This is shown by the

voting trends. The University of Essex survey suggests that party allegiances have been getting weaker and their association with class more tenuous. The assumption therefore is that the autonomous section, the proportion up for grabs, is substantial and growing. This accounts for the increasingly mercurial characteristics of the electorate.

how can we win?

Being in business to get power, our problem is to win elections. The traditionalist might argue that to think in terms of the committed, the autonomous and the apathetic is not only to court the danger of intellectual hernia but is unnecessary. All we have to do is enthuse the Labour vote and wait for Mrs Thatcher to make a mess. However well the Conservatives started on the road back to 1974 (and the 6 per cent swing to Labour by the second week of July was the shortest government honeymoon on record) losing power demands not only incompetence on a scale equalling that of Edward Heath but also the political suicide which he indulged in. The repetition of both is unlikely. We have to face the facts that we have not been recruiting young people and we run the risk of entrenching ourselves into a kernel of support which is contracting. This would relegate us to the role of a permanent opposition, unable to win power unless the Tory vote drops once again more precipitately than ours.

Our real task is to use the committed supporters as a base to build on, then adding as much support as we can rally from autonomous voters and at the same time combatting any drift to apathy and abstention. All three processes have to go together. Unfortunately, our prospect of furthering them is better in power than in opposition. Indeed the only times when we reversed the trend to decline, and hence presumably become more attractive to autonomous voters, were when we were in power.

This occurs because the public are evaluating political parties in the light of

what they feel a party should be. Research indicates that this ideal political party is middle of the road, beholden to no powerful group, effective, united, reliable, moderate and exciting, and one which pays attention to public opinion. Labour can approximate more closely to many, but not all, of these images in power. Then we are more powerful, we are forced to be more middle of the road, should be less beholden to interests and can project ourselves better for success in government. This makes the party more effective, more reliable and better able to keep its promises. We can use every pull of status in a way which isn't open in the less respectable climate of opposition. Then we alienate support by appearing divided, more extreme, ineffective, unreliable—even impotent. Traditionally, we have taken every advantage of these opportunities. So in 1979 we lost power because the difficulties of our situation were such as to prevent us from using the advantages of office to win sufficient new support at a time when the Tories were adding substantially to theirs.

where we lost support

The survey which tells us what motivates the autonomous electors involves such deep psychological perception that it will never be carried out, unless pollsters qualify in psychology and carry couches with them. Yet the evidence gives indications. Elections are about choosing a government. The fading of the traditional class allegiance strengthens the impor-

tance of governmental factors. Those set loose from class constraints will view parties primarily in terms of their effectiveness as governments. Assessments will be a broad impression, conditioned by perceptions of the government's achievements and failures and by government's effect on lives and well being. Credibility and ability to deliver are *a priori* the central parts. Labour's lead in the polls in 1978 was a recognition that things were at last going better if not well. The improvement was precarious and hardly enough to say that the government was actually delivering, yet it was a turning point. The strikes and the apparent collapse of the relationship with the unions shattered the image. Pay policy had also been popular. Its collapse magnified the government's own. As soon as groups like the Ford workers began to break it and the feeling developed that executives and others were getting round it, pay policy became unfair. With the defeat of sanctions it died, however much ministers might have pretended otherwise.

Labour could no longer deliver on inflation or anything else. The government had neither a clear way out nor the political strength to carry it. Confidence disintegrated. All the crucial indicators began to go downhill.

The Conservative posters had it right, a year too early. Labour wasn't working. People got fed up of us and our failures. Yet they went into the polling booth with their eyes open. They were overwhelmed by Tory policies and when Gallup asked how much confidence they

INDICATORS FROM GALLUP, 1978-79

	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
economic situation ahead								
improve/deteriorate	+ 4	- 8	-25	-20	-10	-34	-21	-14
prices-incomes policy								
will/will not work	- 9	-11	-17	-13	-41	-29	-36	
has govt held wages too								
firmly/not enough	-10	- 4	-15	- 9	-20	-30	-33	
approve/disapprove								
govt's record to date	- 8	+ 2	+ 3	- 7	-18	-40	-29	-17
govt are/are not handling								
economic situation								
correctly	-13	0	0	-11	-25	-37	-35	

had in the Conservatives to deal wisely with Britain's problems, 41 per cent said "a moderate" or "very great" confidence, but 54 per cent had "little", "very little" or "none". However, certain things were still expected from them: that direct taxes would be reduced, union power would be reduced and that law and order would be improved. This puts them in an exposed situation. The expectations aroused will be difficult to fulfil.

Yet these are self imposed shackles outweighed by the weights Labour runs with. From moving with the public feeling in the early sixties, we are now seriously out of kilter with the mood of the times. In part, this represents long standing attitudes and prejudices which are continuously underlined and fostered by the press. More dangerously, it represents a reaction against aspects of Labour's achievements coming from the beneficiaries of the system.

supporting the unpopular

Labour is the party of the welfare state. Yet the British emerge, both in general surveys and in a 1977 survey for the EEC Commission, as more complacent than most about their own well being, less likely to see poverty and much more inclined than other countries to attribute it to individual failures such as laziness or drink. Scroungers are a bigger pre-occupation than either the genuine unemployed or the much more numerous and expensive tax evaders. The British are more inclined than any other European country to feel that the authorities are doing too much about poverty. Not all hearts beat as warmly as Labour's and anyone who has canvassed extensively knows that a high proportion of complaints about social security come not from the wealthy, but from widows angry at the taxes they pay (because of their pensions), from the childless resenting child benefits and its recipients resenting the loss of child tax allowance, from pensioners complaining about their pensions, about unions, strikes and all the other symptoms of a modern world, from the skilled angry over differentials and from

the low paid about scroungers. The chorus of grumbling seemed to grow with the level of spending. Gossip has always been the best Tory propaganda. Studies of relative deprivation show why. We compare ourselves with those about us. We view the system in terms of anecdotes and examples immediate to us.

Labour was keeping public spending high. The public believes in cutting spending, particularly on "waste" and civil servants. Cutbacks in the numbers of this group were popular at a time when public service jobs alone were absorbing the expanding labour force. Asked to attribute blame for Britain's difficulties, people point at unions first and government second. Even at the height of the oil crisis, unions had been more blamed than Arabs. Thirty years of "stop-go" are a little beyond public comprehension. So Britain's situation is blamed on things closer to hand, on restrictive practices and laziness, mostly on the part of others. Coping with a crisis by a mixture of Keynes and the corporate state is difficult when a large proportion of the public thinks it is better tackled by the work ethic or the whip.

Labour is sympathetic to state intervention and state enterprise. Public opinion is hostile to both. Nationalisation's popularity was at an all time low three years ago but it has hardly improved much since. Semantics do make a difference since only 19 per cent want "more nationalisation" but 35 per cent will accept "more public ownership". Yet both are minority enthusiasms. The only exception is North Sea gas and oil where a 1974 NOP survey showed a very even division of opinion, and MORI has shown 35 per cent for nationalisation of oil and 40 per cent for nationalisation of gas with 50 per cent against (apparently few realising gas is nationalised already). The public are critical of state industry, perhaps because of their own experiences with the state utilities. They are sympathetic to private enterprise and its mythologies of initiative and enterprise. Labour is liberal and humanitarian. Public attitudes are authoritarian, sympathetic to the police and hostile both

to demonstrators and radicals in general. The egalitarian ethic is hardly endearing either. People recognise the realities of class yet there is no levelling instinct, unless a lack of enthusiasm for car workers be seen as such. The general attitude to wealth is tolerant even, for those with the *Daily Express* syndrome, deferential. The well publicised plight of the rich, struggling along on a few score thousand is viewed sympathetically. The majority view is that taxes on the higher paid should be cut, that reductions encourage initiative and that taxes are too high in Britain. Even a wealth tax which would apply to only a tiny minority still produced an even division of 40 per cent for, 41 per cent against.

Only in two fields did Labour have any real advantage; spending on pensions, health service and education is popular. Also the public is prepared to accept collective sacrifice in the face of economic difficulties, prefers generalised cuts in living standards to unemployment, and favours incomes policy. However, incomes policy has to be seen to be "fair".

With these two exceptions, the tide of opinion runs against Labour. Recognising this means either trying to change the climate or adjust our policies. A gap between Labour policies and the views of both party voters and the public was wide in the 1960s. After 1974 it opened further. By 1979 nearly all Tory Party policies had majority support. Some had it among Labour voters. This was not surprising since the policies were formulated with an eye to popularity. What was surprising was that Labour positions received little support. Some did not even get a majority among Labour voters. Examples come from the policies put to the electors by Gallup, MORI and NOP are shown opposite.

The only Labour policy to emerge with any semblance of popularity was government help to industry. Even then people do not seem to have felt that it was uniquely Labour's. On most others, the Conservatives not only had overwhelming support but on secondary picketing,

ATTITUDES TO PARTY POLICIES (%)

	good idea or support	bad idea or oppose
harsher sentences to combat violence and vandalism	97	2
ban secondary picketing	86	9
compulsory secret ballots before strikes	81	8
use troops to provide a basic service in strikes in key industries	78	17
death penalty justified	77	21
police should use whatever force necessary to maintain law and order	76	22
sell council houses to tenants	75	19
introduce laws to limit power of TUs	74	19
bring back grammar schools	60	21
stop social security benefits to strikers' families	53	35
increase defence spending	53	37
encourage private medicine alongside NHS	51	33
cut top income tax rate for people with large incomes	50	32
reduce government investment and loans to industry	42	45
give trade unions seats on boards of companies	38	46
fee paying schools should be abolished	24	67
abolish House of Lords	20	47
nationalise banks	10	67

the death penalty, council house sales and power of trade unions they won similar support from Labour voters.

This made it more difficult to sell Labour and oppose Tory policies. Public attitudes are not immutable: individual tugs at the heart strings can undermine broad attitudes on welfare and immigration. Conviction and hard persuasion do make an impact. Yet the pattern of opinion is reinforced by media more concerned with reflecting opinion than leading it. This tilts the whole debate against Labour. Even the settled loyalties of a partisan alignment are not immutable

and those who disagree with the policies of the party they find themselves supporting are cross-pressured. Such intellectual adultery is often the prelude to divorce. More importantly, the climate of opinion makes Labour's job in appealing to autonomous electors difficult. The Liberals have a head start. Asked in the BBC survey whether they would vote Liberal if they thought that Liberals could win a lot more seats, 36 per cent thought it "probable" or "fairly likely". The Liberals are a deeply irresponsible party. Yet they have an attractive leader, appear idealistic because they're not tarred with the failures and compromises of power and are well qualified as catchalls because their intellectual eclecticism amounts to total opportunism.

a deal with the Liberals?

The prospects for a Labour Party consigned to opposition where it has usually done badly, unable to appeal to the autonomous groups whose support it has to win and facing a major challenge from resurgent Liberals are far from rosy. In West Germany the social democrats responded to a very similar problem in two ways. They moved to the middle of the road, modifying policy, toning down ideology and becoming a much less socialist and electorally more attractive party. The other approach was open because of proportional representation which allowed them to form a semi-permanent alliance with the middle party, the Free Democrats.

In Britain only the first approach (modifying our policies to appeal to the autonomous voters) is open to us. The second strategy (grabbing groups unlikely to vote Labour by working with a party for which they will vote) is more difficult in a "first past the post" electoral system. Normally all we can hope for is that the system syphons increased Liberal votes into waste. In 1979 it took 40,000 votes to elect a Conservative, 43,000 to elect a Labour MP and 392,000 to elect a Liberal. Our inability to appeal to the autonomous voters was partially compensated by the fact that a lot of

those votes flowed down the drain. Next time the Conservatives will probably suffer substantially from the Liberal resurgence.

The fact that so many people are prepared to waste their votes is a distressing symptom of the scale of discontent with major parties. However it suggests a strategy which uses the inadequacies of the "first past the post" system in our favour. In 1979 the Liberals did well in holding their vote, particularly in seats where they had a real prospect. It is therefore open to us to use this as the basis for a deal. In return for an agreement to work with and support a Labour Government, we have the negotiating coin of our ability to withdraw Labour candidates in, say, 30 seats in which the Liberals are a threat to the Tories. Local Labour parties would have to be persuaded that this was in the interests of the party but they would see the difficulty they face in holding their voters, many of whom are now voting Liberal anyway to keep out the Tories. The decision would throw many, but not all, of these seats to the Liberals, deal a body blow to the Conservatives and open up the prospect of power for Labour. Proportional representation would be a permanent open door to the Liberals. This strategy is renewable. If we are not satisfied with the agreement we can revoke it next election and restore our candidates. The approach is bold but does little harm to us and may well open the path to power.

learning our lessons

No section of the party could derive much comfort from the rise and fall of the fifth Labour Government. The left could not say with any credibility that even full socialism would have provided the economic growth that was so conspicuously lacking. Their preoccupation, even in the more realistic alternative strategy, was still with control. Nor could they claim that a more vigorous egalitarianism could have been carried through without increasing the already considerable howls of protest. They would have

had difficulty in saying that higher public spending could have been sustained, given the prevailing hostility to tax, or that the incomes policy had been unnecessary. The left is traditionally weak unless it has strong union backing. Most union leaders had been involved in a cosy conspiracy with the government. Those who had broken ranks could hardly be said to have benefited the cause. The left could assert that "Socialism has never been tried" but the same is true of Esperanto. There had certainly been no burning demand on the doorstep for its policies. Defeat had come despite a vigorous and enthusiastic rank and file campaign and with little electoral apathy.

The more orthodox mainstream of the party had drifted into a system of thought and action which was broadly corporatist, building up at all levels the boards, the quangos and the machinery of integration, and deciding policy and running the economy in continuous consultation with the unions. Such a strategy was as inevitable as it was desirable. It was not popular, because the unions were not popular. One 1977 survey gave Jack Jones more power than the Prime Minister; another gave unions more say in Labour policies than cabinet, MPs and the National Executive combined. That the unions should stay out of politics and not even be linked with Labour were majority beliefs. Many in the Labour Party considered that the rise in union membership would make them more acceptable. In fact it coincided with a further decline in their already low standing. Wider opinion is not only hostile to militants but also opposed to the closed shop, restrictive practices and many kinds of strikes. The public think that union leadership is not representative of the rank and file, possibly because unions are "controlled by extremists and militants". In working with the unions, the Labour Government made their unpopularity worse and took much of it on its own shoulders. It also placed itself in an exposed situation. Unions are inevitably Jekyll (committed to broad social policies) and Hyde (dedicated to the sectional interest which is their their immediate *raison d'être*). When this

schizophrenia became acute, as in 1979, Labour suffered both ways.

The dilemma posed by our union tie changes in opposition. The unions come to the fore as the only organised entity able to carry on a positive (and necessary) resistance to Conservative policies and we work under a "heads we lose; tails we don't win" of guilt by association.

The dominant school of thought in the party, the social democrats, could derive even less comfort. What was apparently on trial in 1979 was their own policies. What was rejected was a system which all schools of social democracy, traditionalists, corporatists, revisionists and manifestoists had cooperated to build. Where it had failed was the area in which they either had, or seemed to have, no answers.

the lack of growth

The key weakness was a failure to solve the problem of economic growth. Social democracy needs growth to ease the pains of redistribution, finance the surplus for increased public spending and spread fairly the benefits of increasing affluence. Yet there was an intellectual failure in prescribing how to get the growth which would do all this. Crosland and others tended to assume that problem was largely solved. Keynesian economic management would guarantee it. It didn't. What Crosland was to point to as a disappointment in the record of the fourth Labour Government proved a disaster in the 1974-79 fifth. There were good reasons for this, and no one else did particularly well either. Yet international comparisons are not the strong point of unforgiving electors and growth was the central pillar of the edifice. The table on page 13 shows natural growth comparisons.

1978 was a good year yet the bulk of this growth went into imports; manufacturing output went up 1 per cent, imports 13 per cent. It came too late. Though competitors didn't grow much

year to	ECONOMIC GROWTH (%)				
	Brit	France	Ger	Japan	USA
1965-77	2.1	4.5	3.4	8.1	3.1
1972	2.0	5.0	3.0	7.8	4.8
1973	7.6	4.5	4.4	8.4	4.6
1974	-1.5	2.6	0.4	-1.7	-2.0
1975	-1.7	-0.3	-1.5	0.2	-2.0
1976	3.5	4.4	5.6	5.3	4.9
1977	1.7	2.6	2.7	4.4	4.0
1978	3.1	2.6	3.5	4.7	4.0

either, they were still paving the way for a better future by improving productivity while we were more inclined to cushion failure.

Failure to grow explains Labour's failure. We are the party of public spending. The incoming government had commitments to increase spending in areas vital to social democrats. In addition, it had to accept burdens more oppressive than those shouldered by any government.

The increased cost of unemployment imposed a burden of £8.9 billion in lost production, lost growth, lost tax and lost benefits. Pensions were put up and kept up and there were two million more old age pensioners. Had both unemployment and the numbers of pensioners been at the level of 1964-5, the total tax burden would have been £3,400 million a year less by 1979. Moreover the depression forced the government to accept heavy burdens of aid to industry, the regions, jobs and special schemes for young people at a time when industry, because of its declining profitability, was clamouring for a diminished tax burden. The result was an increasing income tax burden which growth didn't alleviate. By 1977-8, spending was running at £244

per head for social security, £150 for education and £123 for health. This produced a tax pressure on those crucial electoral groups which the Conservatives set out to recruit. The pressure was reinforced by inflation, alleviated only by the indexation of allowances in the Rooker-Wise amendment. The worker with two children under eleven and, in the last column, the skilled worker with a working wife and no children, are shown in the table with the tax and the proportion payable after the budget each year.

Where the average production worker in France was paying 1.4 per cent of his income in income tax and in Germany 11 per cent, the figure for Britain was 20 per cent. In domestic terms, inflation combined with tax to produce a decline in real take home pay for some of our period. Inflation and the Labour Government meant pain. Our emphasis on the "social wage" was no answer. Concepts have less impact than holes in pay packets. Skilled workers clearly felt that they were paying in more than they were getting out. So did working couples, even those getting child benefit. The benefit, which was not in itself as popular as Labour believed it to be, transferred money to the wife, who appeared to show little gratitude for it, from the husband whose tax burden was increased by the loss of his allowances. The result was that tax was a major reason for Labour's defeat.

The problems posed by failure to grow went deeper. Not all the burden of spending could be financed through taxation. The borrowing requirement rose to unprecedented levels. It was high in every advanced country but Britain's was rela-

WAGES AND TAX, 1969 TO 1978

	skilled			unskilled			working couple		
	av wage (£)	tax (£)	%	av wage (£)	tax (£)	%	av wage (£)	tax (£)	%
1969	27.64	4.13	14	19.47	1.51	7	39.75	6.68	17
1972	36.53	4.81	13	26.68	1.84	7	54.83	8.63	16
1975	57.60	11.38	19	43.97	6.61	15	91.79	21.16	23
1976	66.28	12.73	19	52.23	7.81	14	106.89	25.16	24
1977	73.17	12.97	17	57.17	7.53	13	127.48	24.25	21
1978	83.06	15.25	17	65.00	9.29	13	133.09	25.62	19

tively higher than most. This increased the importance of that malign philosophy, monetarism. Whatever the views of Labour's Treasury ministers on this philosophy, any government which was borrowing at Labour's rate was bound to pay lip service to the prevailing orthodoxy in the financial and even international circles on which it was made dependent. Since monetarism views symptoms as if they are causes and treats them in such a way as to make the causes worse, it dictated high interest rates. In 1977-9, German official discount rates were 3 to 4 per cent, Japanese 3.5 to 4.5 per cent, and Dutch 4.5 to 7 per cent. Britain's Minimum Lending Rate went up from 7 to 10 per cent and then to 13 per cent, a sure formula for curtailing investment and keeping the pound overvalued. This hindered export prospects and nipped the 1976-7 recovery in the bud. Monetarism also meant deflation. In 1978 Denis Healey brought in a mildly expansionary budget. This was promptly torpedoed by the City in an investment strike. Interest rates had to be put up to sell gilts, undercutting the whole impact of the budget.

Incomes policy never got a fair chance. As a means of achieving fair shares and avoiding the dominance of the biggest muscle, incomes policy is central to social democracy. Labour's became a technique for cutting living standards by holding incomes below the rate of inflation. When this deprived it of union cooperation, the government had no alternative but to persevere. Eventually too many people realised and the policy collapsed.

The last consequence of failure to grow was the exacerbation of social tensions. It turned us into a grumbling, jealous society, focussing our discontents on each other and our aspirations against each other. A stagnant society is introverted and inbred with each section bitter against the others because each improves itself not as the cake grows but at someone else's expense. If there was one explanation of both Labour's defeat and many of the unpleasant aspects of Britain in 1979, the failure to grow provides it.

2. the road to 1984

Oppositions do not win elections. The challenge is to rise to the occasion and not to undermine prospects by division and disunity. Yet our success depends largely on the performance of the Conservative Government. The policies on which they came to power will not work: if they do we will find it necessary to abandon and to rethink large sections of our own policy. Tax cuts stimulate imports and speculation, not investment and growth. Free markets export jobs. Indirect taxes hit the poor and stimulate wage demands: these are truths we know to be self evident. The burden of decline will be carried mainly by the poor, the increased number of unemployed and the declining regions.

The government will retreat to the bunker of blame to invoke scroungers, strikers, militants, immigrants, rebel AHAS or reds under any available bed as the causes of its own misfortunes. This government has gone a long way to shorten its own honeymoon. As it ends, the main burden of resistance falls not on the Parliamentary Labour Party but on the unions. Yet they must exercise their power to resist defensively, to protect their members, not attack the government on a wide front or at every opportunity.

Meanwhile, the party has to set its house in order and begin re-shaping its policies, reviving its organisation and rekindling its enthusiasm. The wares will have to be set out one by one so that an attractive alternative can be projected. Yet there is the advantage that if the debate is carried openly and conscientiously, it can be turned into a virtue, pointing to a party hauling itself up by its bootstraps and involving the maximum numbers not in a sectional exercise but in defining the kind of Britain we want to see and the way we want to build it. The final outcome will be a party and a set of policies to guide Britain in the 80s.

the party machine

Two decades ago the Wilson report described Labour's machine as a penny farthing in the age of jet propulsion.

Since then we have seen the advent of the rocket and a wheel has fallen off the bike. Individual party membership has declined to a figure which can hardly be more than a quarter million, one third of the figure in the 50s, one sixth of the Tory party's and the lowest ratio of members to electors of any social democratic party in Europe. The machine has become less professional. The National Executive is more preoccupied with policy and the power struggle which accompanies it than with shaping an efficient machine. Transport House is less efficient than in the fifties. Understaffed and overstressed, it nullifies its own best efforts by lack of direction and the incompetence and poor quality which spring from low pay. The number of full time agents has fallen to half its 1970 level and now hovers just below eighty. The chance to remedy all this through the implementation of the Houghton Committee proposals for state aid to the political parties was shunted into a siding when Labour had the chance to implement it. The Conservatives are even less likely to introduce such aid.

Without reform, Labour has little prospect of fighting back. We need a machine which works and whose activities don't generate counter-productive difficulties and embarrassments. It won't be the kind of mass party which people assume existed in the good old days, with all the enthusiasm of the Paris Commune for one night a month. The days of the mass party with mass involvement are gone.

A modern party has to enlist the largest possible numbers for that minimum involvement and token identification which are all that can be hoped for in an age of telly-democracy. It has to feed them as well as be fueled by them. The mass membership, the unions and other newer sources of finance have to provide the steady flow of funds to support an efficient machine steered and run by professionals, a machine which can win elections, propagate the word and provide the Parliamentary Party with that efficient backing and support which it has not had since the fifties. The party outside Parliament is the PLP's support and

identity. The two must work together and be mutually supportive.

We need not attempt the kind of fundamental reforms which is urged by those who advocate cutting the union tie, or getting rid of the block vote. We must limit ourselves to bringing the party up to date instead of fighting a 16th century religious war in a 19th century machine. Overseas parties and some of the more vigorous British pressure groups provide healthy models. In an age of professional fund raising, propaganda and organisation men, both the skills and the techniques are available. They need only mobilisation; this entails a sense of purpose as much as money. Perversely, we focus the debate on entirely the wrong issues. The argument has concentrated either on party democracy which divides the rank and file or on a conflict between Parliamentary leadership and National Executive which is really a struggle over power and policy. Rather like relatives struggling to control the faltering hand of an expiring grandmother and guide it towards the will, some pulling it to the left, others to the right and a few trying to remove the pen.

Unlike the Tory Central Office which works to the leader with the research department fueling the Parliamentary Party, Transport House is controlled by the National Executive and serves the outside party whilst also having to support and help the Parliamentary Party and to work with the leader. So the tensions come out at all levels. The General Secretary can be buffeted like a shuttlecock despite his efforts to maintain sanity. Some are keener on following their ideological preconceptions than they are in helping a Parliamentary Party which has a less fundamentalist role. There is a continuous struggle over party politicals and publications which some think should be more concerned with preaching socialism than with putting the views of the government or opposition. If we keep conference's control of policy, it must be operated in a different and more rewarding fashion. It means recognising the independence of the PLP but bringing it, and the outside organisation,

together in a reconstructed National Executive. Transport House could then be run by a supremo, a powerful leader not a party bureaucrat. He will operate like a managing director to his board with two assistants, one responsible for policy areas, the other for organisation, both working to him and through him to the NEC and the PLP.

Party organisation is too serious a matter to be left to the present mixture of amateurs and ideologues. Had it been left to the politicians, it would have done better, since their lives depend on it. The organisation exists to provide the most efficient electoral machine and to sustain Labour by a two way osmosis—a flow of strength, ideas and sustenance to and from the roots. Unfortunately, it has become an alternative source of power for those disgruntled with the current Parliamentary leadership. The process involves the party in a continuous controversy which is discrediting and damaging. Individual MPs are put into a state of friction with sections of their local parties. Individual candidates and parties can become an electoral embarrassment. The whole process is a distraction from the real job of building up a strong, healthy and active mass party. Bitterness and personal confrontations make bad recruiting sergeants.

reforming the national executive

The answer first is a recognition that the National Executive is the full time custodian of the soul of the extra Parliamentary Party and the bridge between it and the PLP, not a forum for an alienated minority in the PLP to display the purity of their principles. Real democracy requires that the constituency section be genuinely representative of the rank and file, not MPs moonlighting. Members of Parliament should therefore be ineligible for election to the NEC, Parliamentary representation being restricted to a substantial group elected by and answering to the Parliamentary Party. Similarly, there should be a Labour councillors' section elected by Labour councillors and a women's section

genuinely representative of women and elected by the women's sections. Above this, acting informally to keep the whole Labour movement more intimately in touch, there is scope for a Council of Labour. This would bring together a tiny number of the top union men (senior officials too busy and too powerful to be involved with the NEC), the leader and deputy leader and perhaps two nominees each from the PLP and the NEC and one from the cooperative movement. This could regularise the valuable work of the Trade Union-Labour Party Liaison Committee. Its main importance is to cement the personal and informal links and keep the whole movement marching in step in a way nothing now does.

Reforms at the centre should be supplemented by a restoration of the proscribed list to guarantee that no one connected with organisations whose objectives conflict with those of social democracy, or whose acts discredit it, can be a member of the party. This rubric would strike with equal impartiality at *Militant* and the Social Democratic Alliance, both of whom worship at their own shrines not our broad church. No one who believes in free speech can quibble with the right of these groups to propagate their views. To do so within the Labour Party and at the expense of its policies, its principles and the health of its machine is another matter. This does not undermine the case for the broad left. We will work together at times and in ways chosen by us, not imposed on us in the way death watch beetles impose a certain pattern of action, usually collapse, on the decaying fabric of other venerable buildings.

Democracy and ideological purity are being confused. The party needs democracy. It must have fair and democratic election of the leader by the PLP and confirmation by conference. It must have democratic, and secret, election of opposition spokesmen and of the cabinet by the PLP with the leader allocating portfolios. It needs fair and open selection and confirmation of its MPs and councillors. All this must be done on the basis of maximum involvement, not control by a clique. A reasonable initial safe-

guard is to set minimum membership levels, either as an absolute figure or as a percentage of the party's vote, before any such processes as re-selection can go ahead. They must then be carried out as a genuine expression of Labour opinion locally, initially by throwing selection and re-selection open to all paid up members in the constituency, and, as membership rises, adopting the primary system for selection and requiring a full ballot of members for re-selection. This achieves three vital purposes. It stops domination by a coterie which can, in safe seats with minute memberships, make our radical party the last refuge of the rotten borough. It ensures the widest possible involvement and, indeed, uses participation to recruit for the party. It loads the odds in selection towards the able and attractive candidate who can appeal to a wide electorate rather than towards skill at manipulating the ideological preconceptions for the few who sit it out at interminable committees. Once a candidate wins the seat, it encourages the party to be loyal and pushes him to the kind of continuous dialogue which will keep him in touch and them contented. Most party members want the gratification of being involved and consulted, not the power to pull puppet strings.

party conference

Finally, real democracy means giving conference and the rank and file a genuine part in the process of policy formulation on the basis of proper procedures. The present situation where resolutions with a two thirds majority go into the party programme is deficient. It is cumbersome, depending on the block vote. It is undemocratic and inefficient since most hands are tied before the subject is even discussed, often by decisions taken long ago and in far away circumstances. It is irresponsible, witness the 1976 commitment to nationalise banks and insurance which was never costed, never evaluated for its electoral appeal and hardly in the realm of practical politics. It is unpredictable, depending on the haphazard passage of resolutions through the vagaries of the card vote after a harrassed, rambling and diffuse

discussion in which views are declaimed but issues never argued. Conference can only have a real influence on policy if it functions efficiently. This means that policy resolutions coming up from the constituencies should first pass through the filter of revived regional conferences held shortly before the annual conference. This process would both cut down the numbers and also guarantee a sensible process of predigestion so that conference can focus on essentials and apply itself more seriously to its decisions. This traditional process needs to be supplemented by a more serious policy dialogue. In power, this should be achieved by debating year by year the policies and problems of two departments, with replies by ministers. In opposition, conference can be made the last stage of a long process of policy preparation in which policy groups, made up of elected members of the PLP and NEC, rank and file representatives and outside experts nominated by the leader and co-opted by the committee draw up outline policy reports. These should then be discussed and modified by the Parliamentary Labour Party and finally accepted or rejected by the conference after debate. This procedure guarantees the widest possible involvement. It allows conference to apply itself to broad areas of policy. It makes the whole procedure open. We have a huge policy problem before us. We may as well make a virtue of it.

Effective democracy and widespread involvement are recruiting agents. We need many others if we are to rebuild numbers which now compare badly with say the 800,000 German Social Democrats, or the 700,000 members of the SPO in Austria. Membership and money are chicken and egg. The first requirement is numbers. In many safe seats the party is represented by ageing and microscopic cliques. The range runs from tens to thousands. In the 1977 Gallup survey of local parties, 3 per cent had 1 to 99 members, 9 per cent had 100 to 249 members, 32 per cent had 250 to 499 members, 18 per cent had 500 to 799 members and 23 per cent had 800 to 1,000. Only 4 per cent had more than 1,000. The average of 700 members was

100 up on the Fabian Society evidence and 200 on the Houghton figure. These pathetic figures need to be built up. To bring up the numbers to—and improve on—the current best figures, we will need central membership records, preferably on computer to facilitate mailings which could include special quarterly issues of *Labour Weekly*. For this purpose, a two tier membership might well be desirable with an associate membership enrolled from the “Fors” on our canvass records. These records can easily be mobilised for recruitment purposes instead of being compiled and then forgotten. Their fee of 50p would be the equivalent of a charitable donation, yet one which provides some measure of identification, and an annual mailing. The full membership, bringing all the delights of participation, should be set at £2; any more would harden the elitist trend built into a dying party.

Less frequent, and less boring, meetings would keep members as would greater emphasis on the social side of activities. Labour clubs, bingo, youth groups, discos all pose problems. Yet they do bring our people together and provide a focus in a way mere political activity never can. The social formula has worked for the Conservatives. It can work for us. We must make an all out effort to increase membership. This could take the form of an annual membership drive, a special month with incentives to branches and constituencies who enroll the most new members, and national membership canvasses by paid recruiters working on a commission basis. Since local members have often given up recruitment, only central intervention will now remedy the deficiency.

professionalism in a voluntary organisation

An emphasis on professionalism will probably run counter to the ethos of a party which prefers bungling amateurism because it is “sincere”. Yet professionalism is the only way forward for a mass party in an age when involvement is less intense. A modern party is its professional backbone. We need profes-

sional membership recruiting, professional fund raising techniques—particularly raffles and lotteries on a national basis—professional organisation and staging of events, festivals and Labour Fairs. More controversially, we need the professional skills of the public relations men, the television and the advertising workers, making a concerted effort between elections and in campaigns to present the party in the best possible light. We prefer to present our truth unadorned. This usually means in the least appetising form and in most discordant possible fashion. Professional skills are available to Labour on an unpaid volunteer basis. They need only to be mobilised and integrated instead of being intermittently insulted and generally neglected.

This use of professional skills extends into two other areas. Labour needs special efforts and professional skills in propaganda. A party which has to combat not only the prevailing climate of opinion but a hostile press constantly reinforcing that climate has to prepare itself for a long term persuasive effort. This involves far more than a small circulation *Labour Weekly* and occasional indigestible pamphlets. Broadsheets setting out Labour policy, attractively written and presented, must become a regular feature, widely circulated through the party and the unions. Regular pamphlets must be provided on specific issues and problems. The party needs a quarterly forum for ideas and discussion. Most of all, it needs to turn *Labour Weekly* into a mass circulation organ of opinion, becoming more pop, circulating through unions, party and regular sales and setting out to appeal to the broad mass audience which is led by the unkindly lights of the *Sun* and the *Star*. The dream of a national Labour daily is almost certainly gone forever. Yet there is scope, and probably finance, for Labour local papers in the rich provincial market. There is also one last unfilled gap in the media market for a weekly magazine of issues which would combine a native *Newsweek* with the old *Picture Post* approach.

Labour has always assumed that it has an intuitive right to speak for the work-

ing class. No amount of confrontation with the facts, even the rather brutal ones of 1979, will dispell this assumption. More modern parties see the need for objective information of the type forthcoming from surveys of opinion. In 1978 such surveys provided early warnings of the changing predilections of the skilled worker, of the growing feeling for a 1978 election, of Labour's weak points. They can also provide much information about specific groups, and reactions to policies, individual issues and even the party generally. Yet polling needs to be done regularly to warn of trends and to allow the party to develop the skills and the habits of dealing with the information. This does not mean adopting the Tory approach of formulating policies just because they are popular, though in a democracy popularity has to be a major argument in favour of a policy and certainly not one against it. Rather the information is used as a chart of the territory through which the party has to trek. Polls bring knowledge of which subjects to tackle head on, which chords to strike, which issues to push home and which to avoid, which policies will sell and which won't. Labour is as much in the merchandising business as the makers biological Ariel. There is little point in confusing bad merchandising with high principle.

3. perfecting the policy

Because we are an inherently divided party we have always handled policy badly. It is a symbol to be fought over and a key to the soul of the party rather than to Number 10. The competition undermines and diminishes the product. Last time policy preparation was more reminiscent of the burial of Sir John Moore at Corrunna than a great party outlining a glittering prospect. Usually we trade slogans and blood and the whole process gives every possible hostage to fortune. Some of them, such as nationalisation of the fifty largest companies or the banks, become better known than the eventual product.

The Conservatives handle policy processes better. They recognise that politics is about power and policy is a stepping stone to grasp it. Policy review and research under Lord Butler transformed the party, a necessary prelude to the 1951 victory. Even the less cerebral Thatcher era demonstrated a real skill in harmonising policy, presentation and electoral stance. We should take a leaf from their book. Policy is a means of presenting an attractive face to the world, recruiting support and showing that we have solutions to the problems of the time. It can hardly carry the enormous symbolic importance which is hung on it. No one can lay down a detailed route map to the New Jerusalem. We are not in any case an ideological party being a coalition of objectives not ideologies. Indeed the Conservatives are now the ideological party. Nor can policy bow to every fashion. It has to concentrate on serious answers to basic problems rather than the fashionable trends. We have to be concerned with emerging problems from the micro-chip and new technologies to the low energy society. Yet these problems need long thought and research not glib answers or the pathetic throwing up of hands which uses them as excuses for not tackling other problems. Our pre-occupation must be with the real problems of unemployment, low wages, growth.

Most approaches to Labour policy are strong on diagnosis, weak on prescription. The present is no exception. Policy

can't spring fully armed from the head of one man, or one executive. We are thinking on a four year time scale. At this stage we can only focus on the policy process which must be a dynamic one, absorbing the thought, energies and ideas of the whole movement, and on the basic requirements. We have to update our traditional approaches to build a better, freer and more equal society. This means recognising the reaction which has taken place against monoliths and the deadening, money absorbing, bureaucracies they have spawned. We must recognise the problems of scale and the need for intimacy and involvement. We need to mobilise the dynamic forces in society whether they be economic, social or simple self help. Government has to work with them, tap their energies for broader social purposes and help them to produce a genuine partnership which mobilises energy and commitment. This recognises that the state cannot do everything, provide everything or control everything.

These are general prescriptions but policy formulation must also be carried out with the sales market constantly in mind. Policy has to enthuse the party. It must be attractive, enabling us to reach out to the autonomous voters. It must provide a guide to government. The levels are also time stages. Party basics come first to satisfy the rank and file and allow the press's ritual indignation to become boring. Electoral appeal has to be timed to prevent either purloining of clothes or accusations of last minute gimmickry. The strategies for power need working out but only partial unveiling. The second aspect is important as a lure, not a bribe. We are a party of the people. This gives us the responsibility to listen to what they want and formulate policy which will be acceptable, popular, even populist. Relevant policies will do what Conservatives did in 1979: reach out to the autonomous voters, to groups who may have been drifting away or who have pressing problems with which we can offer help. Policy is the binding agent for a coalition strong enough to topple the Tory majority, allowing us to recruit the support they alienate instead of its

drifting into the futility of Liberal or SNP voting. The third level is the most difficult. It involves basic decisions, identifying Britain's problems and formulating strategies to deal with them. Some of the policies which emerge will produce controversy within the party and bitter attack from outside. This has to be faced. We must aim for the credit of being the party with the answers, yet claim it through the inner confidence of knowing we have worked out our priorities, not by proclaiming every detail from the rooftops. So this policy has to be unveiled in general terms not in its minutiae. We don't want to be encumbered with detail. Yet nothing could be more dangerous than to go naked into the cabinet chamber as we did by ducking the problem of sterling before 1964 or those of imports and de-industrialisation before 1974. Both subsequent governments paid a terrible price for these failures. Our supporters will want to know that they aren't going to have to pay it again.

policy foundations

The first level of policy concentrates on socialist basics. Equality will be considerably battered after a few years of Toryism and in need of reassertion, provided that this time we understand that the squeaking pips must be those which can really bear the pressure. This means wealth which is still far too unevenly distributed, capital which still bears too small a share of the weight of taxation and business where the state has taken on to itself too big a role in using the tax system to compensate for the long term decline in profitability. We must spread the tax net. A wealth tax is a vital commitment. The list of other approaches is a long one including the proscription of trusts designed to get round capital taxes, an assessment of transfer taxes on the amount received not the fortune dispersed, taxation of the unearned increment of house and land values (above an indexed amount) and, above all, a simplified income tax system designed to shift the burden upwards, to tax fringe benefits as earnings and to cut

down on a tax allowance welfare state which evades taxes and diverts money into forms of savings not all of which are in the national interest.

The traditional policy of public ownership must play a part because the modern state has to be a massive provider of aid and capital and should participate to the extent to which it contributes. The state can still exercise adequate general control over large companies and multi-nationals so nationalisation is unnecessary. Yet the state's doctor role dictates intervention. We must commit ourselves to take back everything sold by the Conservatives. We must restore a strengthened National Enterprise Board acting not as the casualty clearing station of capitalism but as the organ through which the state builds up a portfolio of investments partly or sometimes wholly owned. It must function as part of the planning framework by identifying problems such as areas where import substitution is possible, or areas for new development. Either cooperating with private capital or creating state enterprises, it must deal with such problems. The state has to take risks, if necessary to the extent of creating new organisations to compete with existing monopolies or industries failing the country. The NEB will expand direct influence through state directors on boards and through strengthened sector working parties fitting into a national plan. It must provide an important new source of finance independent of the stock market so as to encourage companies to look to long term profit and market share rather than the short term "profitability" which a stock market obsessed business community has traditionally looked to.

There is also a strong case for a Junior League NEB. We already have an embryo body. It needs to be larger in scale and national in scope with offices in every city and region. Small and new firms face particular problems not only of getting finance but of knowing how to set about it, so the Small Enterprise Board (SEB) will provide aid, advice and capital for small firms and for new ideas and projects. Government would have to

be prepared to take risks. Yet the benefits can be considerable. So can the flexibility of using new pattern of ownership and control in this area. Through the SEB and the Cooperative Development Agency, all kinds of cooperative and applied idealism can be encouraged to get off the ground and grow—a more sensible way of giving Britain a diversity of ownership than the foredoomed cooperative failures of 1974-6. Investing in success is a slogan the state could well heed. Sharing that success is an approach which should come naturally to socialists. A further preoccupation of the rank and file is with democracy. This entails emphasis on democracy at work through worker participation. Participation has public support (69 per cent) though Bullock type reform (at 40 per cent) does not. Democracy is wider than the work place. It involves democratic structures in the neighbourhood, in the school and college, in the health service, in public utilities and in the regions. Devolution may be dead as an extraordinary concession to Scotland. Yet the basic principle of shifting government and decision making out of London and bringing them closer to the people will remain with us. So will the need to use this principle to provide democratic control of the great public monoliths like the health service and the utilities. This is the way to give people more control over their own lives and to shift some of the burden from an overworked Parliament to provincial assemblies, and from an overloaded bureaucracy to smaller more lively and more local organisations. The regions of England, like Scotland and Wales, are natural forums for government and democracy. We will need to be ready with a clear and agreed policy on devolution when the impact of Tory policy produces the inevitable resurgence of regional and Scottish discontents which will otherwise regenerate the SNP.

people's party, people's policies

The second level is the broad appeal to the wider electorate. This populist strand is alien to elitist socialists who think they know what is good for the people.

For a people's party, Labour has been strangely squeamish about populism.

When the Tories made a populist initiative on immigration, we quickly and rightly condemned it. For a party which had already retreated from its principles on this issue as far as we had, not to have taken a firm stand then would have been to abandon both self-respect and the immigrant vote. Yet squeamishness and the Boy Scout instincts of a section of the party prevented us from exploiting and encouraging the real feeling which exists against the Common Market. A similar delicacy inhibited us on Japanese imports, which took jobs, and on a defence burden, much of which we generously assumed to defend Germans with a standard of living double ours from a threat many of us didn't believe existed. Our unease with populist stirrings also prevented us from attempting new initiatives on Northern Ireland whose politicians all responded with due gratitude to Labour's rejection of its own instincts and interest by bringing the government down.

The Tories exploit populist issues effectively. They are certain, under Mrs Thatcher, to take a much more openly populist line. Yet we react with lectures.

I can explain to anxious electors why I think hanging is a moral issue and won't in any case stop murders. Yet I have no principles opposed to law and order. The people I represent, the old and the working class, suffer most from vandalism, hooliganism and disorder. They are the most anxious on the issue and we need to be ready with relevant policies. We woke up too late to the intense bitterness of the self-employed and small businessman who see themselves, with some justice, as an oppressed and ignored minority. Even then we did too little, concentrating our efforts on the smaller firms not the real little man who struggles on his own. Finally, on council houses, we ignored for far too long the simmering discontent at the management practices and attitudes and were particularly shortsighted over sales. The principle is right. We must strive to allow it by more

building not just blankly oppose it. A party of the people cannot afford the luxury of believing that the people's instincts are always or even often wrong.

A populist strategy involves assessing where we can make headway. Then a calculated balance has to be drawn between the gains and the risks to principle and party unity. "Troops out" is popular. Hostility to a situation which is intractable and to Northern Irish politicians concerned only to exploit it has almost certainly eclipsed feelings of common destiny or lingering imperialist sentiment. A major push towards the Irish dimension, an agreement with the Republic for joint involvement and a commitment to staged withdrawal are all significant goals to aim at.

The other issue is the Common Market where a slight majority now favours withdrawal, though this is not yet strong enough to carry the policy in a referendum. Hostility will grow as the burden becomes more oppressive. So before the Tory dog is driven into the Labour manger, we must drain the issue and mobilise it by a commitment to allowing the people to speak again a decade after the first misguided decision. Since the majority of the party outside, possibly a majority in Parliament, is anti-market, such a commitment would seem to be a minimal deference to democracy.

On the "law-and-order-vandalism" syndrome, the Conservatives have stolen the advantage. That is no reason for hostility to the police, or for ignoring those initiatives which we can take by community service, youth volunteer organisation and team efforts by young people to give them an involvement in the community. Instead of throwing money and social workers at problems, we need more flexible organisations which will involve the energies of those most affected: of young people, parents and the vandals themselves. The people know what the problem is: boredom, alienation and lack of involvement.

A populist approach brings us to the big bang theory of elections. Labour poli-

ticians have fought shy of simple policies with broad appeal since the collapse of Gaitskell's 1959 commitment to heaven on the cheap. The Conservatives have been less inhibited. In 1974 they trundled out the mortgage rate. In 1979 they were more skilful. Strategy was carefully calculated and trial balloons test marketed. They then dropped the embarrassing issues such as immigration or the unnecessary ones such as extra help to first time buyers and they concentrated on council houses and the biggest bribe in British political history—tax cuts large enough to transform attitudes. Nor have our confrères overseas been inhibited. Swedish Social Democrats pioneered the technique with the post war offer of four weeks holiday with pay. The New Zealand Labour Party used it to some effect with the £100 tax rebate of 1957; the French Socialist Party made good use of the commitment to boost SMIC (the national minimum wage). Similar simple catch-alls are well justified here provided they advance our basic socialist purposes.

Test marketing is essential but candidates for the "A" list could include a reduction in the basic working week, earlier voluntary retirement, a national basic wage pegged at an attractive level, paid sabbaticals from work and, most attractive and necessary of all, longer holidays. The present entitlement is minimal and chaotic. A bold insistence on five weeks seems fair.

populism and public expenditure

One final aspect of the populist approach is increased spending, particularly in areas with considerable support such as education and the health service, to more than make up for Tory cutbacks. It must be eked out with imagination. Some of our blanket provisions in the social wage have not only not spread expenditure too widely but haven't proved electorally attractive. There is a case for not increasing all universal benefits but holding some to allow concentration on real need. Combining simplification of benefits, a genuine benefit passport and the introduction of a national minimum wage

should allow such concentration. Our instinctive aversion to the means test is an inhibiting factor. But the cost of universal benefits in an inflationary period is a real electoral difficulty. Concentration and increased discretionary powers are the ways round this.

In education, re-assertion of the comprehensive principle, discrimination against the private sector, steady expansion of further education will remain our basic strategies. Yet they will have to be implemented with greater flair and imagination. This means a greater willingness to experiment with new structures and new organisations, provided they fit in with our basic objectives and do not throw the whole system into new turmoil.

The comprehensive principle has to be universal. Yet new comprehensives don't have to be big and impersonal educational factories. Sixth form colleges don't have to be a rarity. Parents don't have to be confined to the minimum involvement which the PTA allows. The grounding in basics need not be so inadequate that our graffiti are now the most illiterate in Europe.

If the educational system is producing a continuous chorus of complaint from parents and employers about standards, lack of discipline, literacy, the gulf between the disciplines of work and the freer relaxed atmosphere of school, and a lack of interest in the more demanding and responsible jobs, then it is the school system which must change. Its purpose is to educate, but for the world. If the world isn't happy with the product, then some compromise between the aspirations of the educationalists and the more practical objectives of parents and employers is essential. The gap between school and work is far too sharp and a time of youth unemployment allows the latitude to spread the work and ease the transition. There is a strong case for inclining the school curriculum more towards the relevant, the practical and the work orientated and away from an academic preoccupation which offers a lot to those who intend to go into further education but can alienate those who don't and who resent it as irrelevant.

The big expansion will really come in further education. Our prime need is to make education a continuing experience not something cut off at an arbitrarily defined age. Britain has a future not only as the educational workshop of the world but as its finishing school, providing higher education of all kinds, at the appropriate cost to those who can afford it, as a major aid commitment with those who can't. Within Britain, it has a vital role in enriching blighted lives, educating for change and training for new skills and horizons. It will also provide the openings and the new satisfactions which will be vital in a world of increased leisure. Sabbaticals from work and the joys of education of interests and of ideas can be opened to a much wider range of the population by expansion in university and college education, keeping colleges open to cater for work release and retirement courses, for management training and for summer schools for all, and supplementing the Open University by a College of the Air. This would offer courses for the sake of interest not as building blocks for a status aspiration. This can use the media for teaching but tie in with polytechnics and technical colleges for tutorials and supervision. The time has come for the next surge forward in media based education.

Our general approach has to be one of seeing education as a satisfaction, a right and a source of excitement and joy, not something to be doled out in compulsory quantities so that it ends up sneered at by the young and envied by the middle aged. Britain has never attached the same importance to education as our competitor countries. We have let people leave school earlier, sent fewer on to university and trained our workers only to the level appropriate to hewers of wood and drawers of water so that they have been slung on the scrap heap to fend for themselves when such manly jobs are no longer available. We have reaped the rewards in a lack of skills and involvement, a sullen unresponsive public, a hostility to aspiration and improvement and a vandalism and alienation which speaks of a sick, bored country, not the better world we sought

to offer. No society which hopes to compete, to offer its people a full life and to survive the rigours of enforced leisure and the decline of work can survive if it continues to wallow in its own ignorance.

electoral perceptions

Electoral appeal suggests emphasis on other aspects of socialist thought which will become increasingly important. One is the social market, the use of the power of the state to endorse competition in the market place and redress the weaknesses, distortion and overcharging produced by monopoly or oligopoly, private or public. The Tories pose as the party of competition yet their allies are big business and every local Conservative association is a clique of local market manipulators. We are the real party of competition because we represent the consumer, the only unorganised section of society and one which needs the state as friend, advocate and protector.

We are seen as the party of the state monoliths but must emerge as the party of diversity, pluralism, decentralisation and small scale by presenting the human face of socialism. This means an emphasis on competition and a deliberate policy of fragmenting the overlarge and encouraging the small. Anti-trust has always been a strong populist battle cry in the United States. It could be here if carried out by a party and by institutions designed to put the case against monopoly and market dominance whether in business or the professions. This involves a revived Price Commission with a far more vigorous approach, actually forcing reductions of prices. We also need a trust busting office of Fair Trading and Monopolies Commission rolled into one institution, acting on its own initiative to tilt the balance against size and market dominance.

unions, nationalised industries and individual rights

Sacred cows cannot escape. On any definition, power blocks include the unions. No party can be serious about

the wider issue unless it establishes its credentials by creating an industrial relations counterpart of these agencies, of competition and consumer protection. This should be an Employment Commission (manned by former union officials and academic experts with employer and rank and file representation) working informally to deal with abuses by both unions and employers, and tackle questions of demarcation and of individual rights. It should offer help, advice and, if necessary, finance to unions to reform themselves and improve their efficiency and their procedures. This guarantees a more satisfied and better served membership as well as the ability to deal with the employers on more equal terms.

Nationalised industries and local government are our other sacred cow. All too many of the frustrations of ordinary life come not from oppression but from the cumbersome inefficiency of gas boards, water authorities, council housing department and public utilities. Waiting weeks for one man to come and do one part of a job and then go away to send someone else to do the rest, or months to have damp dealt with, are bad arguments for socialism. We must strengthen consumer rights against public bodies and pursue a positively critical approach to the monolith themselves, forcing reform, de-centralisation and smaller units. The object is to personalise their relationship with their consumers and improve their business efficiency.

The whole approach has to be rounded off by a commitment to rights. A national machinery for rights is remote. We need local machinery and a local focus. MPs can testify from their own surgery work how inadequate a large section of the population feel themselves to be in their dealings with authority. Consumer advice centres and law centres have shown the way for a national network of People's Centres to combine legal services, consumer advice and the kind of functions performed by the Citizens Advice Bureaux.

The state has to have a friendly face. It can earn this by helping people to

help themselves. We have to be willing to decide what the state can and cannot do and to act in the second area by encouraging self-help. This means offering advice and technical skills and supplementing money raised locally for neighbourhood purposes so as to help local groups with the cost of play groups, youth groups, community centres, tennis courts, sports facilities, provision of local services and all the other things which either get squeezed out in development plans or monopolised by private groups. There would have to be some built in system of discrimination in favour of the poorer areas (so that it does not just become a middle class benefit system) but this approach would still provide a new dimension of activity. It would mobilise community politics and community concern for a genuine purpose and put the state at the disposal of local enthusiasms, local interests and local involvements.

Finally, the helping hand also comes into housing through greater encouragement and better financial incentives to group efforts, to housing associations, to self-build schemes and to helping young people to buy their own homes whether council, rented or private, and whether as groups or individuals. Housing co-operatives are a form of socialism too.

Since help needs to be concentrated on the old, who need new accommodation for their changing circumstances, and on the first time buyer, we should restrict mortgage relief to divert effort to these groups. Help also needs concentrating on the inner cities. This could be done by state lending through a state bank of the merged Giro and Trustee Savings Bank. We could easily provide substantial lump sums for house deposits by allowing capitalising the child benefit for several years ahead so as to finance initial house purchases. After four years of rocketing prices and monetarist follies with the interest rate, housing will be sadly in need of new ideas and new initiatives. Simple helpful proposals will be electorally popular and are initially necessary if we are to break the long term trend to stagnation in housing.

The central strand of policy is the attempt to grapple with the state of the British economy. The basic problem now is a failure to compete, resulting in a declining share of world trade and a rapid increase in imports leading to de-industrialisation and the loss of jobs in manufacturing industry at a time when our labour force is expanding.

beyond 1984

A party which prescribes policies must first diagnose causes. Nationally we have tended to personalise blame, putting our problems down to indolence, greed, lack of drive and other assumed national failings. The result is a rampant national inferiority complex, which takes the form of an endless media preoccupation with failure and a national chorus of self denigration. The real explanation is more prosaic. The British economy has never been run for growth. Shackled by a balance of payments constraint, it has seen every go cycle run immediately into stop as the pound was threatened and the deficit rose. With a currency usually overvalued, sometimes drastically so, industry has never had the same long term imperative as those economies pushed by undervalued currencies into exports. There, as exporting industry grew and became more profitable it attracted new investment. This in turn produced productivity, growth and an improved competitive position leading to a virtuous cycle which we never even entered. Now with highly developed and massive exporting machines facing us, and new competitors coming along, we may be too late in time, too small in scale and too handicapped by an even more overvalued currency ever to get back into the big game. The North Sea oil which was to have been, and still could be, a cushion allowing expansion without running into the balance of payments constraint may, in these circumstances, be a disadvantage. It pushes the value of the currency to artificial highs. It allows us to go on financing the flood of imports without the threat of ruin. Our problem is to reverse the trends, rebuild the economy and secure the growth

essential to Labour policies. Growth may be considered old hat, or a pipe dream in today's world. It may produce protests from the ecology lobby. The counter arguments are contradictory and there is no point in repeating Crosland's rebuttal of the no growth arguments. A party concerned to provide a better life for its people has to respond to their aspirations by securing growth and a climate of buoyancy and expansion. Growth and full employment do more than all the nationalisation the left could want or all the tax cuts the right could muster to produce a happier, better and a more socialist society. Growth is the answer to the problem of de-industrialisation; far less serious in the expanding economies. It is what the electorate wants.

back to growth

How then do we get growth? Even with a national character transformed by sermons from the CBI, the new dynamism and drive produced by incentive giving tax cuts, all the bottleneck-removing of the sector working parties and all the new investment advocated by everyone except investors, economic transformation cannot come about when our currency is overvalued in a competitive world. Nor can it come when our domestic market is penetrated by imports to such an extent that collapse of further industries is a more real prospect than triumphant resurgence. The prophecies are gloomy. In our enforced period on the sidelines while a foredoomed experiment homeward plods its weary way, we must work out our alternatives in the hope that they won't be necessary and the certain knowledge that they will.

The situation is probably too far gone for the old solutions to work. We must therefore apply ourselves to alternatives that will. They will centre on import management, the euphemism for a policy which combines steady and progressive devaluation of sterling with control of imports. The former gives exporters a long term advantage and an incentive to invest and grow. The latter protects the domestic market through direct controls.

These can take various forms, working either on specific sectors controlled by levy or by quotas (which are auctioned to the highest bidder) or on a country by country basis. Both strategies provide a healthier home market on which investment and growth are conditional. A growing body of opinion holds that one or other of the measures is necessary but they tend to be viewed as alternatives. However, it is senseless for the proponents of one school to attack those of the other. Both will probably be necessary. Controls work on only one side of the equation (the domestic market which has always been of central importance to British industry), devaluation works on both by making exports more profitable. An industry which is as conditioned to defeatism as ours may need both crutches rather than one.

The arguments against both, or either, course are many. They will be strenuously put. Retaliation is possible though unlikely in view of the deficits we run with many of the countries we are directing the measures at. In any case our aim is not to roll back the tide altogether but to stop the increase. A self-interested approach will clearly be disruptive in the Common Market. Yet the market imposes on us protectionism in agriculture which suits them not us. If it doesn't reform in a way more favourable to our interests by expanding regional policy and introducing a Common Energy Policy, then not only will the burden of membership (already larger than the benefits of the oil) become too onerous to bear, but public opinion will demand our departure. If it does reform, a different situation prevails. The basis of membership has always been self-interest. Our self-interest now dictates a strategy which may be temporarily disruptive but will certainly be less so than Britain becoming a scrounger nation. The car industry is a problem. Yet we have a strong negotiating position and are in fact making ourselves more attractive to investment.

The theoretical arguments against protection pall beside the pressing practical reality. There is no alternative in an

economy which is steadily worsening, except increased unemployment, itself the crudest form of import control. For a brief period we have the base on which to rebuild our national strength. We will have to shelve temporarily the internationalism which has brought us to our present plight.

problems of policies for growth

The real problems come in the concomitant policies. The temporary squeeze on living standards will be manageable only on the basis of an incomes policy to which we are already ideologically predisposed since the party of fair shares and planning can't believe in the law of the jungle on earnings. For the first time it will be part of a plan committed to improving living standards in a way the unions will be predisposed to accept. We should start preparing the agreement with them now based on an incomes policy combined with price and dividend control. We should, therefore, begin work on a new social contract to pave the way for power and show we can work with the unions. The concordat must, however, be seen to be on our terms.

Planning, too, comes into its own with a sustained commitment to growth. Through the planning framework we decide what kind of growth we want, allocate priorities and then encourage the flow of investment and the removal of obstacles which will get it. Planning is now politically practicable through the ability, which oil confers, to work toward targets instead of jettisoning the plan at the first hostile winds. It requires a tripartite central planning council of government, employers and unions, setting targets with sector councils supervising industry targets and coordinating its activities so as to grow and invest. This will be a framework with new strength and authority and the wholehearted backing of government. The plan must also be sustained by a commitment to keep the construction industry growing steadily without those savage and disproportionate cut backs which have played such havoc with industry, with our cities,

with housing and with growth generally. Construction is the key to reshaping our tired, jaded British environment. It makes fewer demands on imports than other expanding industries. Its potential as a powerful drive motor for the economy has never been fulfilled. Yet it has been treated in the 70s in the same short-sighted, destructive fashion as the motor industry was in the 50s and 60s.

Import management, incomes policy and commitment to a plan are policies to be thrashed out and agreed within the party rather than set out in detail. Each has problems which have to be honestly discussed. A broad agreement on the need for the strategy and the outline of its implementation are the essentials. To proclaim the detail could be counterproductive. Preparing ourselves is the essential.

What is the alternative to these policies? Growth is still paramount. It won't come automatically and tax and borrowing are painful alternatives. This concerted strategy provides the only real hope of securing it. Though the individual elements have always been part of Labour thinking, some—like planning and incomes policy—have been tried and failed. However, the mistakes which produced the previous failures are all too clear. The policies have never been combined, implemented with an emphasis on national self-interest or pursued in determined fashion through the Scylla of Sterling and the Charybdis of the Balance of Payments. Strong as the theoretical arguments against may be the strategy offers a rare prospect of reviving our battered national pride. Growth through this policy can give the British people something both parties have fought shy of offering: a sense of purpose. We have been nervous about appealing to nationalism. Yet as the party which speaks for the mass of the people, those who can't export their capital or seek refuge overseas, we are the only real party of the nation. We must emerge as such.

4. conclusion

The temptation after a defeat like 1979 is to carry on as before: much the same mix of policies, much the same style of leadership, much the same general approach. The struggle against a Tory Government as reactionary and short-sighted as this can be a total commitment. Those involved drift into the assumption that the struggle is all important and that the public is watching. Reform and reconstruction are distracting.

a party under threat

This course is unacceptable. We are a party under threat. The mass party is atrophying. Our policies have never been adjusted to a new situation. The prolonged failure to produce the growth without which many of our aims are impossible and the feeling that a Labour Government cannot "deliver" undermines our efforts. The changing electoral situation threatens to relegate us to third division north status. It could also make the Liberals, who revive anyway once a Tory Government is ensconced, more attractive to the autonomous voters who distrust Labour policies and programmes.

Those who do not accept this diagnosis may argue that regeneration is unnecessary. The Thatcher government will do our work for us. So it may. No one can assess the impact of headstrong folly. Yet, however low our assessments of the calibre and intellect of the Conservative leadership, and these estimates are more a product of a sense of reality than of lack of charity, the Tory Party has a strong sense of self-preservation which should prevent them from merely re-running 1970-74. The Tory leaders surely know better than to walk off the cliff again.

Labour's inferiority complex as a party is such that we take masochistic pleasure in seeing ourselves as the emergency doctor service of the economy, righteous men brought in to deal with crises and give a moral lead, sent packing when the people return to traditional Gods and squander the fruits of our prudence. This provides a comforting sense of moral

superiority. For a practical party with a claim to change society, it is no substitute for real power, held for a long period. For our voters, those who doggedly and thanklessly turn out for Labour time after time in the hope of bettering their lot, those who don't get such an improvement because their party is too pre-occupied with crises, those who then have to put up with Tory policies which inevitably hit them harder than most, for these people it is an abdication of responsibility.

preparing ourselves for victory

We have a duty to prepare ourselves for the long haul. Prescription is easy. There's a manifesto in most Labour Party members' heads. The real difficulties are securing agreement, getting change in a party machine as conservative as ours and selling the policy to the electorate. Agreement may be easier than is generally assumed. Left and right are united on the need for reform in both policy and organisation. To sit back, polish the purity of our principles and await the inevitable collapse of capitalism isn't practical politics. The traditional argument of left versus right is largely irrelevant to Britain's fundamental problems. Neither the immediate implementation of Clause Four nor the sudden advent of total equality would change the basic facts of our competitive situation. Because these facts are starker people may be prepared to accept what had previously been unthinkable. Agreement within the party is another matter. A small party like the Liberals is a light yacht, able to tack freely but liable also to be blown with every passing wind of opinion. The result is unreliability and inconsistency. A great party has the reverse problem. Like a supertanker its inertia and lack of manoeuvrability mean that course changes are slow and require long preparation. Given the size of the Tory majority, we have a long period at our disposal. Given our nature, we need to concentrate on the practicable, relevant policies. The aim is to win.

A wider electoral acceptance will follow

once we have reformed and prepared ourselves. Making a virtue of necessity and publicly devoting ourselves to a period of re-think and reconstruction shows the seriousness of our intentions. Involving as wide a population and as broad a participation as possible in this task shows our concern with what is acceptable and relevant. Carrying the whole process through over a long period becomes a system of persuading and uniting ourselves. This is the necessary prelude to selling the programme with the unity and conviction which will carry the day.

By energetically evangelising for our new programme we provide something which both the polls and our own instincts tell us the wider public is looking for. There is alienation and antagonism. It springs from the feeling of having been let down by both parties. There are doubts and anxieties. They arise from a national failure of purpose and direction, a lack of leadership. The people do want a Moses, providing he is convincing. To become obsessed with the Tweedledum-Tweedledee party battle, to be distracted by our own divisions, to relapse into the blank fatalism of all too many of Britain's leaders is to abdicate the prime responsibility of a political party. We have to offer a lead, a hope and a programme which is relevant to the scale of the problems. When we feel ourselves to have this, convincing others becomes easy.

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can Labour win again ?

In this pamphlet Austin Mitchell assesses the reasons for Labour's traumatic defeat in May 1979. He examines the evidence of the polls and concludes that Labour has been losing electoral ground since 1951 because of poor organisation, an increasingly narrow membership base and policies too often inappropriate to meet the needs and aspirations of the Party's natural supporters.

Austin Mitchell dismisses much of the right-left dispute within the party as irrelevant to the future prospects and urges less embarrassment over advocating "populist" policies arrived at after taking due note of poll findings. He also advocates a much greater use of professionals to promote policies and organise the party. He stresses the importance of the relationship with the unions in opposing Tory policies and calls for reform of the party structure and a revived and altered Council of Labour.

Finally the author puts forward a number of policy proposals based upon his analysis of Britain's economic prospects and the party's failures to meet the needs of the electorate.

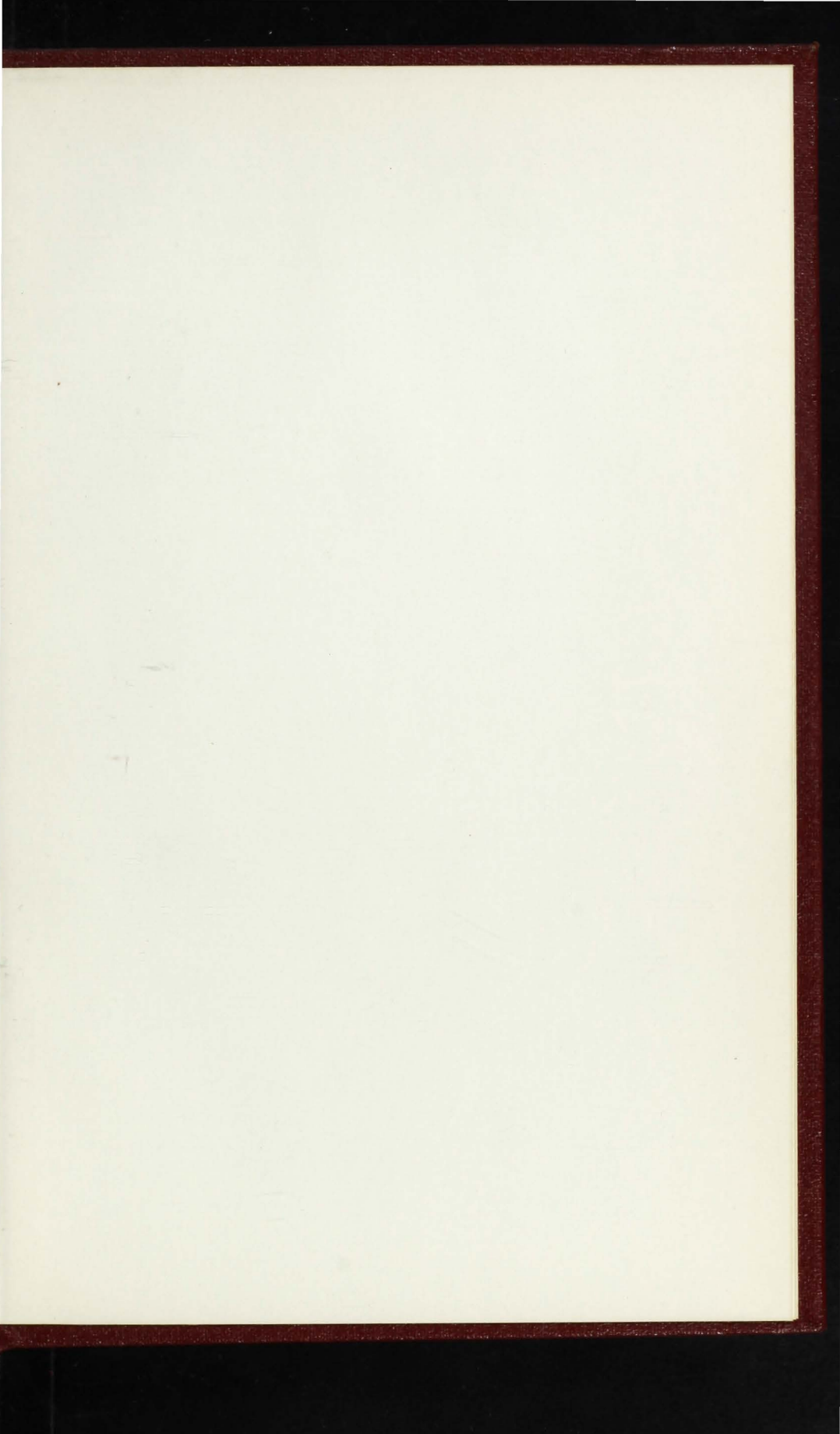
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The Fabian Society exists to further socialist education and research. It is affiliated to the Labour Party, both nationally and locally, and embraces all shades of socialist opinion within its ranks — left, right and centre. Since 1884 the Fabian Society has enrolled thoughtful socialists who are prepared to discuss the essential questions of democratic socialism and relate them to practical plans for building socialism in a changing world. Beyond this the Society has no collective policy. It puts forward no resolutions of a political character. The Society's members are active in their Labour parties, trade unions and co-operatives. They are representative of the labour movement, practical people concerned to study and discuss problems that matter.

The Society is organised nationally and locally. The national Society, directed by an elected Executive Committee, publishes pamphlets, and holds schools and conferences of many kinds. Local Societies—there are one hundred of them—are self governing and are lively centres of discussion and also undertake research.

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1985. London: 1985. Pp. 198.

It also examines how the British Labour Party has changed since its formation in 1900. It examines the activities of the party and its leaders and Labour has been very successful since 1945. It examines the party's structure, its membership, its policies, its programmes, its aims and objectives. It also examines the party's role in the world and its position in the British political system.

The book is written in a clear and simple style which makes it easy to read. It is written by a leading expert on the Labour Party and is a very good introduction to the party. It is written in a clear and simple style which makes it easy to read. It is written by a leading expert on the Labour Party and is a very good introduction to the party. It is written in a clear and simple style which makes it easy to read. It is written by a leading expert on the Labour Party and is a very good introduction to the party.

Finally the author gives a number of policy proposals based on his analysis of the party's structure and the party's role in the world and the British political system.

Labour Party

The Labour Party, which is a social democratic party, is a political party in the United Kingdom. It is the second largest party in the House of Commons and the largest party in the House of Lords. The Labour Party was founded in 1900 and has since then been a major force in British politics. The party's policies are based on social justice, equality, and the welfare state. The party's structure is based on a central committee and a number of regional parties. The party's membership is based on a system of open membership. The party's role in the world is to promote social justice and equality. The party's position in the British political system is that of a major party.

The Labour Party is a social democratic party. The Labour Party is a social democratic party. The Labour Party is a social democratic party. The Labour Party is a social democratic party. The Labour Party is a social democratic party. The Labour Party is a social democratic party. The Labour Party is a social democratic party. The Labour Party is a social democratic party. The Labour Party is a social democratic party. The Labour Party is a social democratic party.

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