

# VIEWS

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*Britain in Labour*

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## 3. in the field

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# THE STATE OF THE PARTY

The Labour Party has always been committed to a degree of social and economic democratisation. One possible yardstick of the genuineness of Labour's radicalism is the extent to which it has been willing to create within itself a structure that reflected the principles by which it purported to want to change society. If the Party could be seen to think and act on the basis of a genuine internal democracy, there would be a harmony between its avowed political aims and its institutionalised workings.

This is, indeed, Labour's official view of itself. *Labour in the Sixties* stated in 1960 that the Labour Party is a democratic party within which continuing debates about policy take place. Without this character, it would have no political *raison d'être*. Further, the commitment to party democracy is supposedly embodied in its constitution. The party's National Executive Committee is elected annually by the delegates to Annual Conference, who are themselves the representatives of the trade unions and constituency parties which comprise the movement as a whole. Again officially, party policy is decided on by Conference, and except when Labour is in office, Labour leaders are careful to pay lip service to its sovereignty, particularly at conference. The notable exception to this was of course Gaitskell in 1960 when he rejected Conference's decision in favour of unilateralism, claiming that the delegates had no right to interfere with the 'consciences' of Labour MPs and with their promises to their constituents.

Opposed to the official view of party democracy, however, is Richard Crossman's account of the facts in his introduction to Bagehot's *The English Constitution* when he claimed that the democracy officially built into the Party Constitution, was merely a sop to those militant local activists without whom the Party machine could not function. "... A constitution was needed which maintained their enthusiasm by apparently creating a full party democracy while excluding them from effective power. Hence the concession in principle of sovereign powers to the delegates at the Annual Conference, and the re-

moval in practice of most of this sovereignty through the trade union block vote on the one hand, and the complete independence of the Parliamentary Labour Party on the other." Moreover, in *Planning for Freedom*, Crossman subscribes to the thesis that "the two great political parties have developed in accordance with the law of increasing oligarchy which operates in industry, in the trade unions and in Fleet Street. Here too power has been concentrated in fewer hands. The individual party member, like the individual shareholder and the individual trade unionist, now exerts very little effective control over the Party managers. The two big parties are both in danger of becoming Party oligarchies."

When Morgan Phillips wrote his pamphlet in 1960, it appeared that some understanding of the dangers to the Labour Movement of this oligarchic structure had penetrated the leadership. For here was the party secretary admitting its failure to attract young people, and warning that without the increasing recruitment of new members, it would not achieve the popularity necessary for electoral victory.

Phillips said there was a need, for a much greater emphasis on political discussion at local level, however important the job of electoral organisation might continue to be. Phillips criticised many Labour Councils for their clumsy discipline, and the bureaucratic style of their decision making, virtually no effort being made to communicate with the people affected by the decisions.

How far has Phillips' plea for more discussion in constituencies been translated into reality? To what extent did it reflect a genuine desire on the part of the NEC and the leadership to create a more democratic party, and how far was it merely a device to raise the flagging morale of constituency workers, thus making sure of their loyalty to the party's electoral needs? In the first place, when *Signposts for the Sixties* was published a year later in 1961, this theme had been dropped. Indeed, a number of sections, relating in general to the democratisation of life in mass society had been dropped from the original draft at the instigation of the leadership.

Since then the Labour Government itself has shown no signs of wishing to implement any of Phillips' suggestions. The crude party conference was followed by the imposition of Gordon Walker and Cousins on the local parties in Leyton and Nun-

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eaton. The only response to the disastrous results there was more television appearances, and Wilson's instructions for ministers to go into the constituencies to give one-way progress reports. Indeed Wilson genuinely seems to believe that this aspect of Labour politics is going well. Replying to questions in *Tribune*, he said: "I have always regarded the strength of the Labour Movement as lying in the two-way flow of ideas based on a common inspiration and a common approach. I do not believe any basic change is needed in our relationship, but of course, my colleagues in the cabinet and on the Executive will always be prepared to listen to any suggestions that might be put forward."

We cannot share Mr. Wilson's optimism as to the democratic strength of the Labour Party. The hegemony exercised over it by the leaders of the large unions is expressed annually through the block vote at Conference. The NEC is, in addition, dominated by the same unions through the system of voting at Annual Conference. Finally, the Conference Arrangements Committee exercises its heavy-handed control over Conference agenda. At the 1963 Scarborough Conference there were 60 resolutions from the constituencies on foreign affairs and defence. A compositing meeting was held on the Saturday afternoon to condense them into two composite resolutions. When Monday morning came, the delegates were told that there was no place on the agenda for discussion of these issues.

It is never the case, moreover, that constituencies are consulted about party documents prior to publication and given the opportunity to express their views. When documents are presented to Conference, it is made quite clear that they are presented in order to be approved rather than discussed or revised. A further indication of the degree of "management" of Conference by the leadership is given by the length of time allowed to speeches from the floor and to those from the platform—speeches from the floor mostly 3 minutes, with a maximum for proposers of 10, speeches from the platform introducing and concluding debates up to an hour.

A general feeling exists among many constituency workers that, as far as Transport House is concerned, they are there only to keep the electoral machine running smoothly. As one Croydon member said to us recently: "Transport House and the NEC tend to look on constituencies and wards as a necessary evil, an evil that they have to have in order to win an election . . . People are beginning to drop out of the local Labour Party because they are just treated as so many worker bees, expected to get on with the work without having any say in the direction of that work." He went on to describe the frustration of many local members who felt that they were not "getting anywhere" and that their political enthu-

siasm had a much freer outlet in organisations such as CND. Croydon constituency party tried some years ago at the Blackpool Conference to organise a separate Annual Conference for the constituencies, but this failed to meet with the necessary support from other constituency delegates. The constituencies have had regional conferences, however, but these were not allowed by Transport House to discuss any issues of policy, only organisation.

The view of Labour democracy that we have presented so far has been very close to the view traditionally expressed by the constituencies themselves—of local parties being muffled by central oligarchic structures. But we must remember that a number of CLP's (Kempton is one) have forced their way through the barriers, the clammy hand of Transport House, the remoteness of MP's and the limitations of conference, and have not only made their influence felt in Parliament, but have created a lively, wide-ranging socialist activity in their own locality. They have shown in fact that the two things are inextricably linked, that to play a part in pressing for democracy at the centre, one must have democracy and a wide participation within the constituency itself.

The great majority of constituencies by failing to achieve the latter have been powerless to do the former, and must consequently share some part of the blame for the present state of Labour democracy. The failure in some cases may be due to intention, but there are many constituencies with party workers dedicated to the Labour movement who have been unable to get out of an intensifying vicious circle. It is to the main features of this vicious circle that we must now turn.

The trouble starts with the fact that the institutional structure of local parties is geared to fighting elections. Parties are divided into wards because the ward is an electoral district, they are CLP's because constituencies are the largest electoral unit with which they are involved. No-one would deny that election fighting is a major task for any local party, but it has meant that non-electoral activity requiring different structures has been edged out. The machinery has dominated local activity rather than vice versa.

Thus, on the question of scale, there has been no adequate local network to sustain the party as a clearing house for complaints and opinions.

The importance of this as a democratic instrument is shown by the few instances where some sort of very localised organisation does exist. For example, Churchill Gardens, a block of flats in Pimlico, has a representative for each staircase, appointed by an elected Executive Committee to provide a channel (two way at that) between the members of the Association and the Committee. In constituencies where

no such thing exists, either the job is not done at all, or central offices are hopelessly overburdened, with inadequate staff and queues longer than a doctor's waiting room, like that in North Kensington. What is needed is a system of street or village representatives (with telephones) who would form a hot line between any constituent and his M.P., his councillor, or central CLP organisation.

In other ways the local framework needs not to be particularised but expanded. Constituencies, like local government units, are now too small for many functions. Research is one example, active links with Parliament another. A group of parties could afford a collective agent up at Westminster. Combined resolutions and pressure, too, would carry far more weight, particularly when backed up by research or perhaps the advice of a specialist employed by a group of CLP's to study immigration, say, in Birmingham, redundancy in South Wales, or housing in Manchester.

Regional Federations, dormant for too long, suggest themselves as the most suitable institutions in which to encourage this form of activity, and by bringing together Labour M.P.'s with party workers from non-Labour constituencies, they would provide a link with parliament that the latter now most evidently lack. Local Labour newspapers on the lines of Northern Voice would also fit into this regional context, and like the Federations themselves provide a platform for a coherent approach to the regional issues of which everyone has recently become aware. Indeed such an approach, and a lively federation including councillors, M.P.'s and party workers would form the groundwork for pressure on one of the most controversial of regional issues, the reform of local government, and in particular the institution of elected regional councils.

A broadening of the spatial scale in this way, both upwards and downwards, would further help to counter one of the most obvious and obnoxious features of a lot of local Labour Parties at the moment, the trend to increasing oligarchy. This is most obvious, unfortunately, where Labour has local government control. Dan Smith in Newcastle, Watton in Birmingham and Braddock in Liverpool (there now seems some attempt after his death to smash the structure he built up): these are our large cities, but other councils, like smaller cities or boroughs like Islington have not only been oligarchic but crudely reactionary as well. The public outcry over Islington has been long overdue. Their housing record is miserable; no new names on the housing list for nine years, three quarters of its households without hot water, bathrooms and lavatories, yet they only have two qualified men in the architects' department (as against the usual nine) no council architect-planner, while almost all the housing schemes have been de-

signed by the same architect for the last 40 years. This is on top of ruthless vetting of applications for membership of their CLP (with the result that the membership of East Islington party is only 35), caucus rule, and the recent disciplining of two Labour members of the council for mild criticisms of the council's record.

Here is one link in the vicious circle. The more oligarchic the local CLP is the fewer the rank and file members. Yet it is only from a strong rank and file that CLP's can be kept 'open.' We have suggested that a broadening of scale might help, as would also the widening of scope.

The limited scope or range of politics is closely bound up with the points about scale and oligarchy. The life cycle of Labour politics has been built round electioneering, and money-raising to pay the costs of electioneering. Tenants Associations, Consumers Associations, Councils for the Advancement of State Education, the cultural sixpenny, or pirate bus services, all of these in which one would expect a CLP to involve itself, particularly with a Labour controlled council, have tended to come from outside the local party (in South Paddington where the St. Stephen's Gardens Tenants Association was an integral part of the local Labour Party, that CLP was done the honour of being disaffiliated.)

We have already mentioned research in connection with the regional federations. Even on a constituency scale, however, there has been a notable absence of it, with Brighton Kemptown again an exception, running working groups both on Housing and Education. Yet the importance of such work is not merely that it would widen the sphere of local activity, but that like regional research, it would form a strong base from which constituency parties could challenge the central bodies, and further would gibe flesh, even new bones, to the skeleton Labour policies provided by the Bonnington men. Labour policies for transport, regional planning and local government, to mention only a few, would have gained immeasurably from a strong core of grass roots studies.

A broadening of scope along these lines would undoubtedly involve more people, as well as touching fields in which socialism should be working. Yet constituency workers will object and not unreasonably, that they have neither time nor money. They have to fight elections, collect money for the fight, and spend time collecting money. Yet the struggle for solvency has taken the form either of a string of bingo sessions, dances, raffles and so on, or the acceptance of large sums of money from local unions or rich prospective candidates.

In the latter case the financial dependency has turned many constituencies into no more than rotten boroughs, and where the unions are concerned, with

inadequate representation at that. Yet to state the problem is easier than answering it if one is not only to ensure a greater independence for CLP's but also maintain the link with the Trade Unions. Where CLP's have tried to maintain independence through scattered money-raising, far too much time has been spent on activities which are politically neutral (raffles, sweepstakes and the like). Very little thought has been given to money raising in forms which would be politically meaningful, running Labour enterprises, farms, shops or industries for example. This lack of political meaning has been the chief drawback of an enterprise which has shown the enormous advantages of efficient solvency—the activities of Brian Barnard in Robert Maxwell's constituency, South Buckingham. His recently instituted tote scheme now has 14,000 members (including many Tories) and the 40 per cent of the proceeds which goes to the local party funds added up to £11,478 in 1962. With the newly created surplus, Buckingham CLP have spread their hand, opening a £25,000 Labour Hall in 1962, employing three full time workers, and helping people in financial need in the constituency. Under the umbrella of the Small Lotteries and Gaming Act 1956, and the Barnard-Maxwell 'National Fund Raising Foundation' formed in 1962, over 60 constituencies have now started their own tote, from Penrith and Border to Saffron Walden.

Such a cash surplus, raised without augean labours, has certainly freed some of these parties for the wider political activity which we discussed above, and encouraged a wider participation in politics which lies at the core of democracy both within the constituency and between the CLPs and the central bodies.

This leads us onto our conclusion. Certainly, as we suggested in the first part of this article, there must be reforms both in structure and intention at the central level. Particularly, there is a need to fill the vacuum where Transport House should be, a central organisation working on the lines we have suggested for local offices, at once a clearing house and co-ordinator for ideas and suggestions. It should inspire local research, socialist financial enterprises and so on. And purely on the organisational level, it should speed up the procedures which allowed Islington to prevent Young Socialists from being members of the ward party for as long as six months before Transport House came to the rescue.

Yet as we have shown, much of the responsibility lies with the constituencies. Perhaps we have been unfair to some who are trying to break out of the web spun from the election machine. Yet in general they have failed.

The period before the last election showed what potential political involvement there was, with can-

vassers on a scale unrivalled since 1945 and bulging Labour ward meetings. Yet this has not been sustained, and figures for membership of constituency parties have been falling steadily (particularly if one takes into account the inflation of figures by many agents trying to justify themselves to Transport House).

Our suggested remedies go only some of the way—for research from below, regional federations, a break-down of the ward structure, for new forms of money-raising, and through all these an expansion of active Labour membership. One hopes that constituencies will produce many more.

Above all, however, and this applies at all levels, there must be a change of attitude, party democracy must once more become a major issue. The present attitude of the government, reminiscent of Jimmy Thomas's 'When the buggers are giving trouble, give 'em a mass meeting' will not do, nor will the parallel feelings of Dan Smith. For party democracy is not merely a decorative commitment, it is central to what socialist politics is, whether it be in Westminster, Smith Square, Scarborough, or Islington East.

# crisis in sterling

Why are we in such a bloody awful mess?, is the question being asked of the Labour Government not only by left-wingers, but by rank and file Labour supporters everywhere. This is grudging welcome at best for the measures of social reform introduced and to come — abolition of health charges, pension increases, more progressive taxation, rent control; there is profound scepticism about the workability of an incomes policy and blank incomprehension about foreign policy; but the worst doubts and fears are aroused by the steady rise in prices. None should, of course, have expected an alternative to Tory “stop-go-stop” to be perfected within a matter of months by a government with a majority of five, now reduced to three; but the concept of the “hundred days” raised our hopes. The widespread disillusionment and anxiety that followed, revealed by the abstentions at Nuneaton and Leyton, is above all the result of the reintroduction of so many of the very deflationary measures which Tory governments had used so disastrously in the past — 7% bank rate, credit squeeze, cuts in government spending and this time import surcharge (itself a Tory measure if we are to accept Mr. Maudling’s claim of parenthood) and the rising prices that go with them. As Lord Cromer emerges from the anonymity of the Bank of England, the suspicion grows that the blame lies with the City of London and its role in the Sterling Crisis. Is this a fair appraisal?

We are bound to ask why the deflationary measures were necessary and, if they are to be only very temporary, what can be done to get back on course? If such general deflationary measures were necessary this time, it could be because the crisis was so much more serious than before or because it had gone too far by the time the Labour government came to office for preventive measures to be taken. It has also been suggested that the crisis was deliberately exaggerated in order to embarrass the government and force it to drop those policies which certain sections at least of the City of London and other business circles had declared anathema —

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steel nationalisation, imposition of a capital gains tax and the possibility of a check to overseas capital investment. At the same time Conservative speakers have claimed that the crisis was the result of exaggerated talks by Labour Ministers themselves. What, then, does lie behind the Sterling Crisis?

Certainly the Labour Government inherited a crisis of the Balance of Payments that was very far advanced. It was too late by October 1964 to introduce steering measures to discriminate between different investment projects, and prevent the stampe of rival claimants for labour, machinery and resources, which has led to excessive imports and inflationary pressure in each of the last three periods of pre-election economic boom. Imports had already grown by 25% in the year between mid-1963 and mid-1964, imports of manufactured goods by 40%. Exports had barely risen. By the time the Labour Government took office the Treasury was estimating that the foreign payments deficit on the year would be of the order of £750 millions.

In such a situation the response of Tory governments had been to raise bank rate and introduce credit restrictions, thus at one stroke deflating demand at home and encouraging foreigners to hold onto their sterling at the higher rate of interest, in spite of the implication of the payments deficit that sterling is probably overvalued. The Labour Government was pledged to avoid such measures, which had held back the growth of the economy for so long under the Tories. Instead they imposed a 15% surcharge on all imports except food and raw materials, offered a 2½% tax rebate to exporters of industrial goods and promised a review of government overseas expenditure. The announcement was made on October 26 without apparently any prior consultation with EFTA and Commonwealth partners or anyone else and caused a furore. In self-defence government spokesmen emphasised the seriousness of the situation; but this was taken with rumours of cabinet discussion of devaluation and then with the budget introduced on November 11, which contained none of the standard deflationary measures for dealing with a payments crisis, to mean that sterling might well be devalued. The sequence of the events that followed is important. On November 16 in a Mansion House speech the Prime Minister went out of his way to reassure the