ORGANISED LABOUR AND SOCIAL DEMOCRACY

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IN BRITAIN AND CANADA

by

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ABSTRACT

This thesis deals with the working class of two advanced capitalist countries and focuses upon ideological conflict within working class organisations such as trade unions and political parties. The outcome of such conflicts within working class organisations is considered to be an expression of the state of working class consciousness at a given time.

Within this broad context particular attention is paid to the ideology of social democracy which has been dominant in working class organisations in both countries during the modern period albeit to different degrees. The thesis uses a comparative approach and pays considerable attention to the interaction between the working class and its societal environment - the political economies of the two countries, the activities of the capitalist class and the impact of its ideology upon the working class.

Using this approach the thesis deals with the emergence of social democracy as the hegemonic working class ideology, its main features particularly as they were developed in the post-war period, the emergence of possible contradictions between social democratic parties and ideology, and their working class supporters, and, utilizing an historical analysis of previous ideological shifts in working class organisations, the possibility of social democracy

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being superceded in its hegemonic role is considered. In dealing with such matters the issues of nationalization and incomes policies were judged to be especially salient and are discussed in some detail.

In the course of this study theories which posited an end to ideological conflict in the advanced capitalist societies are considered and rejected. The past, present and future of social democracy, of ideological conflict, and of the working class itself, was found to be considerably more dynamic, complex and open to change than such theories had imagined.

ACKNOWLEDGEMENTS

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CHAPTER 1

INTRODUCTION

The General Problem

In much of the western world the major ideology within working class organisations has been social democracy. The ideological dominance or hegemony[1] of social democracy has usually been accompanied by close formal links between social democratic parties and individual trade unions and national trade union centres.

In recent years severe tensions have arisen between social democratic parties and their working class supporters. The existence of this strained relationship prompted a number of questions which provide the focus of this study. What are the main features of social democracy as an ideology? How is it distinguished from other ideologies present in working class organisations? Under what conditions did social democracy achieve dominance within the working class and under what conditions did it flourish? What accounts for variations in levels of working class support for social democracy in different countries? Is the hegemony of social democracy in a state of crisis? If so, what accounts for this? What major ideological alternatives face the working class today?

The search for answers to such questions led to a historical investigation of the relationship between the working class, its organisations, different ideological alternatives, and the societal environment in which these interactions occur. A comparative approach, dealing with two advanced capitalist countries - Britain and Canada - was

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[1]
  The definitions of these terms, and others used in this opening section, are given in subsequent sections of Chapter 1.

adopted. The reasons for choosing a comparative approach are given in a subsequent section of the chapter.[2] Other sections of the chapter deal with the concepts to be used, definitions of terms, an outline of the relationships between the various "actors" to be studied, and the hypotheses to be investigated. Before dealing with these matters, however, brief mention should be made of a body of literature which stimulated the author, through disagreement with its contents, to embark on the present project.

The "End of Ideology" Theorists

It was fashionable in the 1950's and 1960's to argue that the changing social structure of post-war capitalism (if, indeed, that word was still an appropriate description of the system) had induced an ideological consensus in these societies. In order to survive in such changed circumstances, the traditional socialist working class parties were forced to dilute, even liquidate their socialist doctrines and to explicitly accept the continuation of the capitalist system.[3] Based on a confidence that Keynesian economic techniques could provide a crisis free future for capitalism it was predicted that the ideological consensus would be maintained in the future[4] and that the age of ideology, in the sense of strong competition between different ideologies, had come to an end.

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[2]
See below, 17-19.

[3]
For examples of this approach by prestigious political scientists see Leon D. Epstein, Political Parties in Western Democracies, (New York, 1967), Chapter IV; Seymour Martin Lipset, "The Changing Class Structure and Contemporary European Politics", Daedalus, 93 (1964), 271-303; and Daniel Bell, The End of Ideology, (New York, 1961).

[4]
"I doubt very much that in an era in which Keynesian economics are almost universally accepted, in which various institutional safeguards have been created to prevent unemployment, and in which the conservatives find depressions politically impossible will witness strong controversy between left and right", S.M. Lipset, "The State of Democratic Politics", Canadian Forum, 35 (1955), 171.

These arguments seemed to this writer to contain an
interesting blend of fact and fiction. A preliminary survey of
British and Canadian labour history indicated that ideological
conflict is endemic to working class organisations.[5] Furthermore,
it appeared that the intensity of such conflict had increased
in recent years. These findings ran counter to what much of
the accepted literature in political science and sociology led
one to expect.

Nevertheless, the "end of ideology" theorists were
correct in noting the abandoment of socialism by the labour and
social democratic parties of the western world. The abandonment
of socialist goals coincided with an ideological adaptation
to capitalism which will be documented at some length in the
present work. But the alleged causes and consequences of this
adaptation were much more open to question.[6] Two observations
flow from an examination of this body of literature which are
relevant to the subject at hand. First, it does not appear
that ideological conflict in society is on the decline. On the
contrary, the last ten years in Britain have witnessed severe
ideological and social conflict and if this conflict in Canada
has not been severe neither has it been absent nor decreasing.
The predictive merit of the theories propounded by mainstream
political science in the 1950's and 1960's has turned out to
be quite low. For a discipline which claimed as its raison
d'être the explanation and prediction of social phenomena this

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[5] For the relationship between class and organisation see below, 10-16.
A systematic historical comparison of the labour movements of
the two countries is presented in Chapter II below.

[6] The ideological adaptation itself and some of its consequences
are dealt with in Chapters III through VI below. Although I
also reject the "end of ideology" theorists' version of the
causes of this adaptation, that topic has not been dealt with
here in any detailed fashion. For a useful discussion of the
causes of "the waning radicalism of socialist parties" see
Frank Parkin, Class, Inequality and Political Order, (London, 1972),
128-36.

is a serious matter. The reason for this failure, in my
opinion, lies in an essentially static, un-historical, even
a - historical analysis of social events. Second, even at the
height of the period in which the end of ideology was being
proclaimed, ideological conflict within working class
organisations was always present and often intense. The
ideological adaptation to capitalism, which undoubtedly
occurred, was always challenged within working class
organisations. This gives rise to the possibility that other
kinds of ideological shifts could occur within these
organisations.

Since it will be clear to the reader that the author
does not consider that ideology has "come to an end", this seems
an appropriate place to discuss the concept of ideology and to
introduce the major ideologies about whose relative merits
there has been considerable conflict within working class
organisations.

Ideology

There is no consensus in academic writings about the
meaning, function or significance of ideology.[7] Certainly no
attempt will be made here to resolve or reconcile the different
interpretations which have arisen. But it is necessary to refer
to some of the disagreements in order to make clear the way in
which ideology will be used in the following pages.

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[7]
  For three (of many) articles on the subject which illustrate
  this general point see Willard A. Mullins, "On the Concept
  of Ideology in Political Science", American Political Science
  Review LXVI (1972), 498-510; Robert D. Putnam, "Studying Elite
  Political Culture: The Case of 'Ideology'", American Political
  Science Review LXV (1971), 651-81; and Giovanni Sartori,
  "Politics, Ideology and Belief Systems", American Political
  Science Review LXIII (1969), 398-411.

Ideology has often been used to describe a system of ideas or beliefs which are regarded as being at variance with "reality".[8] In other usages the focus is not upon the degree to which ideologies deviate from the "truth" or "scientifically validated knowledge" but rather on the function and role which ideologies play in politics and on what ideology can explain about political phenomena.[9] My usage of the term will conform to the second of the two, although the concentration of this study is not upon ideology in general but upon the specific ideologies present in the labour movements of Britain and Canada. A second clarification which should be made is that ideologies will not be viewed as having some kind of existence in themselves, as "some sort of disembodied 'presence' hovering over the political process".[10] Rather, ideologies are seen as being held by people and collectivities of people and derive their existence and significance from that fact.[11]

8
   For a review of this literature, leading to the conclusion that much of it sought to disguise what was really an argument about political ends by the use of "pretentious pseudo-scientific language", see Nigel Harris, Beliefs in Society: The Problem of Ideology, (Harmondsworth, 1971), 13-19. See also ibid, 19-22 and 26-27.

9
   For a statement of the basic dichotomy between the two usages see Sartori, "Politics, Ideology and Belief Systems", 398.

10
   Robert D. Putnam, The Beliefs of Politicians: Ideology, Conflict and Democracy in Britain and Italy, (New Haven, 1973), 32. Putnam is presenting this view in order to reject it.

11
   For similar views see loc. cit., and Harris, Beliefs, 29.

Given this general starting point the following
definition can be stipulated:

> "(an ideology is) a logically coherent system of
> symbols which, within a more or less sophisticated
> conception of history, links the cognitive and
> evaluative perception of one's social condition
> - especially its prospects for the future - to
> a programme of collective action for the
> maintenance, alteration or transformation of
> society."[12]

The combination of criteria - historical consciousness,
cognitive power, evaluative power, action-orientation and
logical coherence[13] - serves to distinguish ideologies from
utopian constructs and myths on the one hand, and vague
inchoate attitudes and piecemeal, partial, political ideas,
on the other. Furthermore, the definition points to the
significance of ideologies in political systems. Their
significance lies in their capacity to motivate action on
the part of individuals and groups.

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[12]
Mullins, "Ideology", 510.

[13]
For an elaboration of these elements of ideology see ibid.

Through such action political systems are shaped - maintained, altered, or transformed:

> "The importance of ideology for politics...resides
> in its power to communicate cognitions, evaluations,
> ideals, and purposes among members of groups (and
> classes - S.M.). It enables them to appraise
> their political condition and its prospects for
> the future and thereby facilitates the mobilization
> and direction of energies and resources for
> common political undertakings."[14]

Both of the specific ideologies which will receive attention in the substantive chapters qualify under the definition of ideology presented above. The content of the social democratic and radical ideologies will best be understood through studying the positions taken - theoretically and in practical political activity - by their respective adherents. It is the substantive chapters (II through VI) which, therefore, best define the distinguishing characteristics of these

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[14]
   Mullins, "Ideology", 509. It should be noted that the
   emphasis placed here on ideology as a motivator and
   shaper of political systems does not mean that the author
   accepts the views of those who would restrict its
   significance to that of a tool used by elites to
   manipulate "the masses". Sartori, for example, ("Politics,
   Ideology and Belief Systems", 411), writes that "ideologies
   are the crucial lever at the disposal of elites for
   obtaining political mobilization and for maximizing the
   possibilities of mass manipulation...We are concerned
   about ideologies because we are concerned, in the final
   analysis, with the power of man over man, with how
   populations and nations can be mobilized and manipulated
   all along the way that leads to political messianism and
   fanaticism,". The assumptions behind such ideas are
   actually quite foreign to those on which this study is
   based. Although "elites" will certainly strive, with
   varying degrees of success, to use ideologies in that
   fashion, the position taken here is that subordinate
   classes and groups in society are quite capable of
   developing ideologies autonomously and thus of making their
   own history.

alternative ideologies. Despite this caveat, however, it is
normal, and will be useful, to present preliminary definitions
of what is meant by the terms "social democratic" and "radical".

In classifying ideologies reference is frequently
made to some sort of ideological spectrum within which
particular ideologies can be located.[15] Such a spectrum
would range from "left" to "right" or from "radical" to
"conservative" or "reactionary". In terms of the definition
of ideology adopted above, the most useful criteria for
assigning ideologies to a position on such a political spectrum
would involve their "programme of collective action for the
maintenance, alteration or transformation of society". The
main criteria for differentiating the two ideologies, therefore,
will be the degree of change which each proposes to make in
contemporary society.[16] Since the radical ideology proposes
more fundamental changes to the status quo (in some cases
amounting to its transformation) it would be placed further to
the left or radical part of the spectrum than its social
democratic rival. The fact that the social democratic ideology
also proposes some alterations to the status quo means that this
study deals with that part of the political spectrum which
expresses at least some dissatisfaction with current conditions.
Generally the working class and their organisations have
expressed dissatisfaction with the status quo so this partial
focus, in terms of the ideological spectrum, is justified.

15
   For a fairly typical attempt to construct such a spectrum
   see Leon P. Baradat, Political Ideologies, (Englewood Cliffs,
   1979), Chapter 1.

16
   Clearly such proposals for change will be closely linked to
   the "cognitive and evaluative perception of one's social
   condition" as placed in historical context.

Radical, in the present context, refers to an ideology which views contemporary capitalist society as class-divided, involving a relationship of exploitation between the capitalist and working class which leads to inevitable and endemic conflict between the two, in which the state plays a highly partial role in support of the capitalist class. The radical programme of action proposes fundamental changes (frequently involving widespread nationalization) designed to transform a capitalist society into a socialist one. In pursuit of this goal, radicals, though foreswearing violent methods for the most part, have seen extra-parliamentary as well as parliamentary action as being essential.

Social democracy[17] refers to an ideology which according to its adherents, offers a middle way between capitalism and communism. While recognizing the inequalities and injustices of contemporary capitalist society, social democracy rejects the radical analysis of the cause of these phenomena, with its concomitant emphasis on class conflict. Rather than favouring class struggle the social democratic ideology places priority on class cooperation and reconciliation in the national or community interest. The social democratic programme involves retaining the essentials of capitalism[18] whilst proposing reforms to ameliorate undesirable features of capitalist society and to create greater social justice. The reforms centre around a strong welfare state coupled with the use of Keynesian

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[17]
This definition is largely based on R.N. Berki, Socialism (London 1975), Chapter 6.

[18]
Notably the continued scope for private enterprise in a "mixed economy". The retention of capitalism is frequently linked to the desire for a generally free society of which free enterprise is regarded as an essential part.

economic techniques to produce full employment. The radical
interpretation of the role of the state is rejected and
instead the state is viewed as a basically neutral instrument
susceptible to pressure from a variety of interests in society.[19]
In pursuit of their relatively limited aims the social democrats
have adhered to parliamentary methods and have largely eschewed and
condemned the use of extra-parliamentary tactics.

In capsule form, then, these have been the chief ideological
rivals within the working class movements of the two countries.
Since social democracy has been dominant in the most recent
period it will receive the most attention in what follows. But
the evolution of social democracy can best be understood in terms
of the ongoing dispute with the radical alternative within
working class organisations. The next section of the chapter
outlines the framework in which ideological conflict within the
working class occurs.

Class and Organisation

The basis of class structure is seen as lying in the
ownership or non-ownership of productive property. According to
this definition the working class is composed of those who
are excluded from ownership and control of the means of
production. As a result of this exclusion these individuals
are dependent for their survival upon the sale of their
labour-power to those who own the means of production. The
inclusion of the term "control" in the above definition opens
the way for the exclusion from the working class of those who,

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[19]
Berki, Socialism, 95-6.

whether or not they own the industry, represent the interests
of capital and carry out directing functions on behalf of those
who do own capital.[20]

The working class, then, includes those who do not
own any means of production and depend for their livelihood
on the sale of their labour-power, provided that they have no
directing role in the enterprise in which they work. It
should not be inferred that the sharing of common characteristics
as sellers of labour-power implies any kind of monolithic unity
among the working class. Although they share a common market
situation as sellers of labour power, the product being sold
may be considerably differentiated according to the individual's
strength, physical and mental skills or other attributes.[21]
Upon the basis of such differentiations may arise various
strata, segments, and occupational groupings within the class,
which may or may not consider themselves to be a part of the
working class. The criticism may be made that this definition
of class is insufficiently precise. My own view is that boundaries
between classes cannot be established with the exactness of
lines on a map. Instead of well-defined frontiers there are,
in reality, "buffer zones", "grey areas", and generally
blurred lines of demarcation. The usefulness of class analysis
does not depend on arriving at such a rigid definition that it
is possible to locate the last individual in society in a
particular class. To attempt to impose such a definition on

20
   For a discussion of this and other issues in the conceptualization
   of class see Gavin Mackenzie, "Class and Class Consciousness:
   Marx Re-examined", Marxism Tdoay, 20 (1976), 95-100.

21
   In this connection there is an interesting discussion of the
   Weberian concept of "marketable skills" in A. Giddens, The Class
   Structure of the Advanced Societies (London, 1973), 100-105.

a more complex reality can only result in distortion and misunderstanding:

> "...the notion of class entails the notion of
> historical relationship. Like any other relationship,
> it is a fluency which evades analysis if we attempt
> to stop it dead at any given moment and anatomize its
> structure."[22]

This study, however, does not focus upon the working class as such but upon working class organisations (in particular, trade unions and political parties) and, within these organisations, the conflict between the social democratic and radical ideologies. The dominant ideology in working class organisations is taken to be an expression of the state of working class consciouness at a particular time and place.[23] There are at least two alternative methods of making inferences about the state of class consciouness[24], which have been commonly used in the social sciences. One could infer its presence and

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[22]

    E.P. Thompson, <u>The Making of the English Working Class</u>,
    (Harmondsworth, 1968), 9.

[23]

    There is an influential school of analysis, associated with
    Georg Lukacs, which focusses on "the distance that separates
    class consciousness from the empirically given, and from
    the psychologically describable and explicable ideas which
    men form about their situation in life" (Georg Lukacs,
    <u>History and Class Consciousness</u>, Cambridge, Mass., 1971, 51.)
    According to the school of thought there is a difference
    between men's actual ideas (psychological consciousness)
    and "ascribed" class consciousness. (See I. Meszaros,
    "Contingent and Necessary Class Consciousness", in Meszaros
    (ed.), <u>Aspects of History and Class Consciousness</u>, London,
    1971, 94.) My usage of the term "class consciousness"
    coressponds to the meaning of psychological consciousness (at
    the collective level) in the above literature.

[24]

    It is necessary to make inferences since class consciousness
    itself is not directly observable. See W.M. and M..A. Chandler,
    "The Problem of Indicat or Formation in Comparative Research",
    <u>Comparative Political Studies</u>, 7 (1974), 29-37 passim.

content through observing the statements and actions of
individual members of a class. An example of this might
be studies of voting behaviour. This approach rests on the
view that class can best be defined in terms of statistical
categories and that class consciousness can best be inferred
by summing the attitudes of individual class members.
Obviously there is a relationship between individual and
class behaviour[25], but when class and class consciousness
are understood as collective phenomena and where the con-
centration is on the collectivity (rather than the
individuals composing it), then it seems logical to look for
collective rather than individual indicators. A second method
of studying class consciousness (and/or ideology within
the working class) has been to survey the attitudes or beliefs
of leadership figures within the working class.[26]

In the perspective adopted here, working class organisations
are seen as lying between (and having close connections with)
the working class as a whole and leadership groups. The labour
movement (meaning the political and economic organisations
of the working class) has been viewed as a system which encompasses:

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26
    See John Plamenatz, Ideology (London, 1970), 112. For
    Plamenatz the test of whether the ideas of the leaders
    reflect those of the class is whether "the leaders really
    do lead the class, if they are trusted by the class
    generally, if they are genuinely its spokesmen", loc. cit..
    See also Harris, Beliefs, 51, "...the check on the statements
    of 'representative figures' is whether or not they carry
    the group concerned.

25
    A. Prezeworski and G.A.D. Soares, "Theories in Search of a Curve;
    A Contextual Interpretation of Left Vote", American Political
    Science Review, LXV (1971), 53-54.

"a historical process of creative and active
adaptation, both constrained by its own past and
free to create new forms, and set forth new aims,
continuous and discontinuous, self-stablizing
and self-dynamizing."[27]

If we consider working class organisations in this kind of
way, they can be seen both as the terrain on which intra-class
battles are fought out between competing groups, and as
mechanisms through which class decisions are communicated to
other classes. Working class organisations can thus be
viewed as scenes of constant guerrilla warfare between rival
factions within the class, representing rival ideological
positions and seeking to have class organisations register
and implement decisions reflecting their particular
ideological viewpoint. An integral part of this constant
conflict is the contest to capture leadership/apparatus positions
in class organisations - possession of these positions being seen
as affording some kind of guarantee that conference decisions
will be implemented, and also as a means of favourably
influencing future decisions through obtaining access to the
members of the organisation and, perhaps, the class as a whole.
The relative autonomy of the apparatus is thus recognised in the
political practice of the ideological protagonists.[28] This

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[27]
    Z. Bauman, Between Class and Elite: The Evolution of the
    British Labour Movement: A Sociological Study (Manchester,
    1972), xii.

[28]
    There is a body of writing which regards the major line of
    division within working class organisations as lying between
    the leadership and the rank and file, rather than between
    different ideological trends (each encompassing both leaders
    and rank and file). The source of this division is usually
    sought in the material privileges of, social pressures upon,
    or bureaucratic tendencies of trade union leaders. For a
    good critique of one (typical) version of this theory, see
    G. Roberts, "The Strategy of Rank and Filism", Marxism Today,
    20 (1976), 375-83.

perspective of working class organisations emphasises the
interactive relationship between apparatus, organisation and
class. It avoids both the danager of regarding the leadership
as a mirror-image of the class, and of regarding the class
as a merely passive appendage of the apparatus. For this
reason it seems permissible to treat the outcomes of the
conflict within working class organisations as an indicator of
the state of consciousness within the class as a whole.[29]

29

There are clearly some problems with this approach (though no
more than with alternative approaches). The assumption is
made that the organised section of the working class is in
some way representative of the unorganised section - an
assumption which many would challenge. The approach has
also been challenged for tending to identify class with
organisation, and organisation with leadership or apparatus -
broadly defined in terms of official, formal leadership
positions which collectively give incumbents legitimate access
to the members of the organisation. It is said that this
approach ignores the fact that organisations and leadership
groups may have their own internal dynamic which may result
in a gap between class and leadership. Clearly such a gap
often exists. In the long term, however, there are limits
on the extent of such a gap. As a minimum, any apparatus must
be sufficiently representative of its membership to ensure
that they do not establish or join a rival organisation, or
ignore initiatives taken by the apparatus. The apparatus is
seen as having a relative autonomy, the degree of which which
will vary according to circumstances. Another problem is that
under Canada's labour relations acts agricultural workers
are excluded and are therefore denied the right to organise into
trade unions. (See John Crispo, The Canadian Industrial Relations
System (Toronto, 1978), 41). There is, therefore, no way of
knowing (using the approach adopted here) how well Canadian
working class organisations reflect the consciousness of
agricultural workers. In Britain the National Union of
Agricultural Workers is a TUC affiliate and their concerns
are therefore reflected in decisions of the Trades Union Congress.

The ideology which is reflected in the decisions of class organisations will be designated the dominant or hegemonic ideology.[30] Clearly the content of this ideology will have important implications for the political system as a whole. With the working class firmly wedded to a radical ideology, social conflict, possibly leading to the transformation of the economic, social and political systems, could result. If an ideology focussing on relatively minor alterations to the status quo were dominant, this could be a stabilizing factor for those in leading positions within society. Ideological disputes within working class organisations, therefore, will be of considerable interest to other classes in society who may well seek to influence the outcomes of such disputes. Actions taken by other classes might well have intended or unintended consequences which will affect the level of social conflict in society. We will return to this point in the final section of the chapter.

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[30]

The terms dominance and hegemony, used interchangeably here, are derived from the writings of the Italia Marxist Gramsci. Hegemony has been defined as a situation in which: "a certain way of life and thought is dominant, in which one concept of reality is diffused throughout society in all its institutional and private manifestations, informing with all its spirit all taste, morality, customs, religious and political principles, and all social relations particularly in their intellectual and moral connotation". (See G.A. Williams, "The Concept of 'Egemonia' in the Thought of Antonio Gramsci: Some Notes on Interpretation", Journal of the History of Ideas, XXI (1960), 597; and J.M. Cammett, Antonio Gramsci and the Origins of Italian Communism (Stanford, 1967), 204-6.) Gramsci wrote that "the supremacy of a social group manifests itself in two ways, as "domination" and as "intellectual and moral leadership". He considered that power, in conditions of parliamentary democracy, was exercised by "the combination of force and consent which balance each other reciprocally, without force predominating excessively over consent." (See Q. Hoare and G. Nowell Smith (eds.), Selections from the Prison Notebooks of Antonio Gramsci (London, 1971), 47, 80). Gramsci, of course, was writing about the exercise of power at the level of a society divided into antagonistic social classes. His writings refer to the way in which one class manages to dominate or control others. I am using the concept of hegemony in analyzing ideological conflicts within a class and its organisations. The concept is, therefore, narrower, more limited and restricted than in its original use by Gramsci.

A Comparative Perspective

The choice of Britain and Canada as societies in which to examine ideological conflict within working class organisations was made for two reasons.

First, there are a number of obvious similarities between the two countries. Both have advanced capitalist economies. Both share a similar political system[31] - parliamentary and cabinet government; a party system with two major parties, one minor party and various regional parties; an electoral system which utilizes the single member plurality vote; a comparable political culture[32] with some regional variations; the absence of a strong working class ideological rival to social democracy; and a unified trade union centre (more partial in Canada due to the special characteristics of the Quebec labour movement). The research design adopted is thus of the "most similar systems" studied comparatively should be examined in systems with as many similar characteristics as possible. The common characteristics are regarded as being "controlled for" and differences between the systems can then be utilized as explanatory variables.[34]

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[31] See R.R. Alford, Party and Society: The Anglo-American Democracies (Chicago, 1963), Chapter 1, for a discussion of the similarities in political culture between what Alford calls the "Anglo-American democracies" (Britain Canada, Australia, the United States, and New Zealand).

[32] With the exceptions of Quebec and Northern Ireland (and possibly Wales and Scotland).

[33] See A. Przeworski and H. Teune, The Logic of Comparative Social Inquiry (New York, 1970), 32-4.

[34] In a study of social policy in Britain and Sweden Hugh Heclo noted that the differences between systems should not be so great as to smother the points of comparison. Rather there should be "suggestive contrasts and useful similarities that promise to make comparison worthwhile", Hugh Heclo, Modern Social Politics in Britain and Sweden (New Haven, 1974), 15. Heclo considered that although ideally all similar systems should be compared two was, in practice, the most feasible number of any one researcher. Even then the danger existed that a certain superficiality might be apparent to experts in one particular country. Nevertheless the advantages of comparison - the potential for generalizing on the basis of more than one country and more importantly, given the limitations of the "most similar systems" design in generating knowledge that can be generalized (see Przeworski and Teune, Logic, 34), the illumination of distinctive national experiences that only becomes possible through comparison - outweighed the dangers of superficiality, see Heclo, Modern Social Politics, 14.

This study will concentrate on class organisations at the national or federal level and will, therefore, ignore specific regional or provincial deviations from national norms as represented by such areas as Quebec, Northern Ireland, and, to a lesser extent, British Columbia, Scotland, and Wales. In my opinion these specific regional or national cases are important in themselves and in all cases merit seperate study. But I feel that concentration on events at the central level is justified in order to reduce the influence of centre - periphery or metropole - hinterland effects. It has often been noted that levels of "class consciousness" are unevenly developed within a country. For example the BC and Scottish working classes are often regarded as being "more class conscious" than the working class in the remainder of their respective countries. By dealing with events only at the centre it is hoped that the effects of this type of variation can be minimized. In addition the type of consciousness exhibited in particular regions (for example Quebec or Northern Ireland) may be due to national or cultural factors rather than expressions of <u>class</u> consciousness. What I have attempted to do, then, is to exclude from consideration manifestations of class consciousness which are mainly confined to particular regions or provinces, or to particular national or cultural groups. One danger of this procedure, particularly as far as Canada is concerned, is that the representativeness of national or federal working class organisations may be exaggerated and the impact of such variables as different sets of federal/provincial labour legislation ignored.[35]

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[35] In general, the potential for variation in labour legislation between the provinces and the federal level, has not resulted in dramatic variations in practice. This is because much of Canada's post-war labour legislation at both federal and provincial levels has been modelled on Wartime Labour Relations Order, PC 1003, see H.D. Woods, <u>Labour Policy in Canada</u>, 2nd. ed. (Toronto, 1973), 93. (This comment is perhaps less true of legislation covering public sector employees where some divergence can be observed, <u>ibid.</u> 369-71.) Similarly the representativeness of federal working class organisations could be undermined by significant provincial deviations but, with the possible and partial exception of Quebec, there have, in practice, been no dramatic variations. (An example of a dramatic difference would be if one or more provincial labour federations took consistently different ideological positions from those taken by the rest of the provinces and/or federal level.) The structural relationship between the Canadian Labour Congress and the provincial federations has been described as follows:

The second reason for choosing these two countries is that the strengths of the organised working class and of social democracy within them is different. In Britain (as in Australia and New Zealand) the organised working class is considerably stronger than it is in Canada and the position of social democracy within the working class has traditionally been much weaker in Canada (for reasons to be considered in Chapter II below). Related to this the social democratic party in Britain has, since the 1920's, been one of two major parties, whereas in Canada the equivalent party is a minor party federally. The selection of Britain and Canada therefore affords us the opportunity of accounting for variations in the level of dominance of the social democratic ideology despite the general similarity of the two systems. In addition it will be possible to gauge whether proximity to office/distance from office has any effect on the course of ideological conflict within working class organisations.

Hypotheses

The tension which arose between social democratic parties and their trade union backers in the 1960's and 1970's drew attention to the possibility of the social democratic ideology losing its hegemony within working class organisations. This possibility in turn focussed attention on the conditions in which social democracy had

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35 (Continued)

"In general the structural pattern of central labour bodies in Canada follows that of government. The Canadian Labour Congress...devotes a major part of its efforts to matters of national importance. In each of the ten provinces there is a Provincial Federation of Labour, chartered by the CLC. These are composed of locals of CLC affiliated unions in the province and they devote their attention to matters that normally fall within provincial jurisdiction", CLC, Notes on Unions, #3, "The Structure of Labour in Canada", (Ottawa, N.D.). A number of cases are on record of provincial federations and local labour councils taking independent stands on specific issues, see David Kwavnick, Organised Labour and Pressure Politics (Montreal, 1972), 38-40. But in the case of the overall ideological disposition of provincial federations relative uniformity is brought about through the affiliated organisations (themselves for the most part having a national or international focus). To the extent that the affiliates themselves become subject to regional or provincial pressures their integrative role would weaken.

achieved its hegemonic position (including the question of
what accounts for variation in the degree of hegemony between
the two countries under consideration); the conditions in which
its dominance flourished; and the factors causing the tension
between it and the trade unions. A number of broad factors
seem to be associated with the phenomena of ideological shifts
within working class organisations. These would include a
substantial change in economic conditions, possibly combined
with the discrediting of the rival or previously dominant
ideology[36]; the role and impact of society's ruling class in

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[36]
Around 1850, the British working class ideological
perspective switched quite suddenly from the quasi-revolutionary
level of consciousness described and analyzed in John Foster's,
Class Struggle in the Industrial Revolution, (London, 1974),
to the class collaborationist ideology typified by the
"New Model Unions". Two major factors seem to explain this
shift - the dramatic failure of the Chartist agitation, and
the onset of mid-Victorian economic prosperity. Similarly,
the emergence of social democracy as the hegemonic
working class strategy, combined with steadily worsening
economic conditions. These two examples seem to indicate
that the direction of economic change is probably less
important than the fact of change itself. Whatever its
direction, economic change means new conditions which may
require new solutions.

seeking to determine the outcome of ideological conflict within working class organisations[37]; the impact of

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[37]
The ideological re-orientation in the working class in Britain in the 1920's and in Canada in the late 1940's both provide examples of this ruling class interference. In the case of Britain, it has been argued that this was the result of a recognition of the part of the capitalist class of the increasing potential power of the working class and that "it was the battle inside labour's class organisations that would determine the larger battle for state power", see John Foster, "British Imperialism and the Labour Aristocracy", in J. Skelley (ed.), The General Strike, 1926 (London, 1976), 33. For Canada, see below 114-131 passim. In addition to the factors mentioned above there are objective pressures toward organisational adaptation which affect working class organisations. Depsite the fact that trade unions arise in opposition to the effects of capitalism, they often become partially integrated into the capitalist system. This is because in order to perform their function of alleviating the effects of capitalism, they must enter into formal relations with employers and engage in compromises and agreements with them. In their day-to-day operations, they recognize de facto the permanence of the capitalist system. This is the logical consequence of the trade unions' raison d'être. They are formed to alleviate the effects of capitalism, not to deal with root causes. These tendencies to organisational adaptation, inherent in the function of trade unions, are often consciously reinforced by society's ruling class. Legal sanctions and other devices which face those unions stepping outside the bounds of acceptable collective bargaining are an example of this kind of reinforcement. These sanctions, which can be characterized as repressive, play a role in channeling the bahaviour of working class organisations. An alternative way of adapting unions to their environment is through cooptation. Government initiatives aimed at involving unions in processes of consultation (and making the unions "responsible" for decisions through having participated in making them) are aspects of this type of policy and have assisted in what has been called the institutionalization of the trade unions. Working class political parties also face pressures to organisational adaptation. This is perhaps particularly the case when they are exclusively oriented towards parliamentary action and where the electoral system is of a single member plurality vote type. The search for the "middle ground" in pursuit of an elusive parliamentary

external processes[38] upon the working class.

These broad conditions profoundly affect the outcome
of ideological conflict within working class organisations
but they do not absolutely determine it. Clearly the skills
and leadership abilities of the ideological protagonists
is important as is possession of the apparatus of the
organisations themselves.

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37 (Continued)

  majority clearly has had an impact on the conduct of such
  parties. An example of the pressure of the electoral
  system on labour parties and their trade union backers is
  given in the following quotation: "Why is labour
  political action a deterrent to strikes? First, strikes
  are injurious to the political fortunes of the labour
  party. Middle class votes must be attracted if the part
  is to be successful, but the middle class voter is
  antagonized by strikes...". Arthur M. Ross and Paul T.
  Hartman, Changing Patterns of Industrial Conflict (New York,
  1960), quoted in Douglas A. Hibbs Jr., "Industrial Conflict
  in Advanced Industrial Societies", American Political
  Science Review, LXX (1976), 1051. Hibbs goes on to
  demonstrate that despite these pressures, labour governments
  have had little success in discouraging labour militancy.

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  An example of an external process would be the impact of the
  Cold War. It will be shown that this particular example was
  of considerable importance in both Britain and Canada in
  enabling the adherents of social democracy to maintain
  and consolidate their hegemony. It is hypothesized that
  it was considerably more important in Canada due to the
  greater intensity of the rivalry between social democrats
  and radicals in that country during the late 1940's.

Thus a dominant ideology will either be retained
in its dominant position or be replaced according to the outcome
of the complex interplay between organisation, apparatus and
ideology within the working class and between the class and its
societal environment. In order for an ideology to be
effective (in the sense of obtaining mass support), it must
be disseminated. This implies the existance of an
organisational framework and apparatus.[39] The possession of
positions within the apparatus plays an important, but not
necessarily determining, role in the propagation of ideology.
It should be noted that possession of the apparatus is not

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[39]
See V.L. Allen, Social Analysis (London, 1975), 24; and
L. Althusser, "Ideology and the State", in Althusser,
Lenin and Philosophy (London, 1971), 143.

divorced from the question of ideology since such possession

is often gained, at least in part, on the basis of

particular ideological appeals.[40]

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[40]

John Foster comments that: "...two stages may be distinguished
in the process by which the proletarian vanguard is able
to achieve a mass realization of its ideas: first, the
securing of mass leadership itself (and thus access to
labour as a whole), and second, the use of that position to
convince people of the need for a total change in the
social system. Obviously, in real life the two stages
cannot be completely separated. A vanguard group is only
likely to gain mass leadership in conditions where its
larger social orientation (and particularly its willingness
to use extra-legal, anti-system tactics) has an immediate
relevance. And conversely, a vanguard group that attempts
to sustain its leadership in a period where such tactics
are no longer relevant (and fears to use its position to
further its wider aims) always runs the risk of prejudicing
its principles", Class Struggle, 99-100. The theoretical
significance of Foster's remarks is not, in my opinion,
confined to the subject of revolutionary ideology in
mid-nineteenth century England, about which he was writing.

Summarizing the above, it can be said that, at the level of working class organisations, possession or control of the apparatus allows those in control to propagate their ideology using the resources and legitimacy of the entire organisation and, under some circumstances to impose sanctions on carriers of alternative ideologies. But, possession of the apparatus only influences the ideology adopted by the organisation and class, it does not determine it. A great deal will depend on the extent to which the ideology in question is congruent with the life-experiences of the membership.

Drawing on the relationships foreseen above, the following hypotheses were constructed to guide the investigation which follows:

1. The later and more partial industrialization of Canada led to a weaker labour movement than in Britain. The weakness of the Canadian labour movement led, in turn, to a prolonged delay in developing an autonomous hegemonic ideology and, simultaneously, created the conditions in which ruling class influence could be maximized. These conditions led to a much more partial degree of hegemony for social democracy in Canada than in Britain.

2. The greater the ideological rivalry within working
   class organisations, the more social democrats
   would rely, in achieving hegemony, on control of
   apparatus positions, use of administrative methods,
   and the acceptance of non-working class assistance.

3. Social democracy's adaptation to capitalism led to
   severe tension with its working class supporters
   when, under inflationary economic conditions, social
   democratic governments implemented or acquiesced
   in policies hostile to working class interests.

4. The intensity of the attempt to ideologically
   adapt social democracy to capitalism would be
   independent of the strength of social
   democratic organisations.

Summary

This study deals with the interactions between the working class, its organisations and ideologies and its societal environment in two capitalist countries. Special attention will be given to the conditions under which ideological hegemony is achieved and maintained. Since social democracy has been hegemonic in the post war period, the evolution and contradictions in its position will be examined. In the next chapter the historical development of working class organisations and of ideological conflict within them will be outlined.

CHAPTER II. THE DEVELOPMENT OF WORKING CLASS

ORGANISATIONS IN BRITAIN AND CANADA

Introduction

This dissertation opened with the observation that in the western

world the major ideology within working class organisations has been social

democracy. In both Britain and Canada, this ideology has been dominant

or hegemonic within the working class for most of the period since World

War II (and for considerably longer in the case of Britain).

The purpose of this chapter is to answer two of the questions

raised in the introductory chapter. Firstly, under what conditions

did social democracy achieve hegemony in the two countries and by what

methods? Secondly, is social democracy hegemonic to the same degree

in the working classes of the two countries and, if not, what accounts

for the variation?

Thus, before moving on to analyze the nature of contemporary

social democracy and possible contradictions between the ideology and

its working class supporters, we will examine its emergence as the

hegemonic working class ideology and its historical relationship to

alternative ideologies within the labour movement. In part, this pro-

cedure reflects the methodological position of the author that pheno-

mena are best understood if studied in their origins, change, and de-

velopment. This approach will also allow us to observe, over a lengthy

period of time, the interaction between ideology, apparatus and organisa-

tion in the working class. (These concepts were introduced in Chapter I.)

In addition, it will involve an analysis of the interplay between the working class and its societal environment - including the different political economies of the two countries and the role of the ruling classes of Britain and Canada in affecting developments within their respective working classes.

What follows, then, is a survey of the historical development of working class organisations in the two countries and of ideological struggles within them. Special attention will be paid to isolating factors associated with ideological shifts within the working class - occasions on which a hegemonic ideology loses ground and is replaced by another. This chapter is divided into six sections. The first two outline the early history of working class organisations in each country and are followed by sections on Canada 1873-1930's; Britain 1889-1945; and Canada 1933-1950. The time periods were selected with developments within each country in mind rather than for comparative purposes. A final section seeks to compare, contrast and explain developments in the two countries.

Early History: Britain

The history of the modern working class begins with the Industrial Revolution - a process of economic change characterized by the replacement of hand tools by power driven machinery and by the concentration of manufacturing into large establishments.[1] This process occurred earlier in

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[1] See E.J. Hobsbawm, Industry and Empire (Harmondsworth, 1969), Chapters 2-4, for an analysis of the process.

Britain and although that country can be regarded as the classical model
of capitalist industrialization, it is by no means typical. In Canada, for
example, industrialization occurred much later and took a different course
from that taken in Britain. If for no other reason we would expect the
history of the working classes of the two countries to exhibit differences
as well as similarities.

At the time when a working class was beginning to be formed in Canada,
there was in Britain a working class of the second and third generation.
Similarly, the context of early British working class history is that of
the world's industrial heartland. In Canada, it is that of a colonial off-
shoot starting on a strategy of political and economic independence. The dif-
ferent contexts in which working class organisations developed in the two
countries gives rise to differences in the organisations themselves which
will be dealt with below. The first point to be made, however, is that the
longer history of the British working class, and its position at the centre
of the capitalist world means that its traditions are, in many respects,
richer and more varied than those of the Canadian working class.

In Britain, the period prior to 1850 saw the creation of working
class organisations on a national scale. Some of these organisations were
industrial, such as the national trade unions, others were more political
in orientation, for example the Chartist movement. At different times one
or other form of activity received the greatest emphasis. In the agitation
for parliamentary reform up to 1832, political action received the greatest
stress. The explosive rise of trade unions in 1833-4 saw an emphasis on
industrial action followed by a reversion to political activity in the
form of Chartism after that date. The two forms of working class action

are best seen as interconnected rather than as mutually exclusive.[2] Both

forms of action aimed at improvements in the condition of the working

class. Different circumstances made one form of action seem more propitious

than the other in different periods. There was, then, a unity of purpose,

if not of method.[3]

One feature of the British working class prior to 1850 was the

existence of a tradition of rebellion, revolt and of revolutionary con-

sciousness.[4] Even writers stressing trade unionist rather than revolu-

tionary consciousness concede the existence of the latter, but consider it

to have been "shallow and vague" and concentrate instead upon sectional

interests within the working class.[5]

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[2] W.H. Fraser, "Trade Unionism", in J.T. Ward, ed., Popular Movements,

c. 1830 - 1850 (London, 1970), 108.

[3] Examples of the complementary nature of political and industrial action,

and of·the close links between the early miner's unions and the Chartist

movement, are documented in R. Challinor and B. Ripley, The Miners'

Association - A Trade Union in the Age of the Chartists (London, 1968).

[4] The classic documentation of this revolutionary consciousness is

contained in E.P. Thompson, The Making of the English Working Class

(Harmondsworth, 1968) for the period up to 1832; and John Foster, Class

Struggle and the Industrial Revolution (London, 1974), for the 1830's and

1840's.

[5] The foremost example of this type of approach is that of A.E. Musson,

British Trade Unions, 1800-75 (London, 1972), 19, 33-4.

In reality, it seems that working class consciousness in pre-1850 Britain was unevenly developed.[6] Among major sections of the class there was a consciousness of the need to challenge the power of the state,[7] by force of arms if necessary.[8] Among other sections the level of consciousness was much more fragmentary than this.

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[6] See Tony Lane, The Union Makes Us Strong: The British Working Class, Its Trade Unionism and Politics (London, 1974), 38-41, 45-7, 51-2; or contrast Foster's discussion of the revolutionary consciousness of Oldham's working class in Class Struggle, or Sydney Pollard's discussion of the political consciousness of Sheffield's working class in his A History of Labour in Sheffield (London, 1960), 48-9, with Foster's analysis of the level of working class consciousness in other industrial centres such as Northampton and South Shields.

[7] See Theodore Rothstein, From Chartism to Labourism: Historical Sketches of the English Working Class Movement (London, 1929), 93-119 for a discussion of the writings of prominent Chartists such as Bronterre O'Brien and John Bell on this point.

[8] For example, A. Wilson, "Chartism", in Ward, Popular Movements, 118-119; and F. Engels, The Condition of the Working Class in England (London, 1969 edition), 244-8.

The most important ideological distinction was between the Owenite and what a later generation would have called the industrial syndicalist wings of the working class movement.[9] The former wing advocated the collaboration of capitalists and workers who, together, were seen as making up the industrial (and industrious) classes. The latter, led by the likes of Bronterre O'Brien, Julien Harney and J.E. Smith, advocated class war. The political counterparts of these two tendencies, after the Grand National Consolidated Trade Union [10] collapsed and political action was re-emphasized, were the "moral force" and "physical force" wings of the Chartist movement.

With the collapse of both wings of the Chartist movement in 1848, the labour movement ceased to express itself in terms of combat, struggle, self-defence and protest.[11] The new mode of expression became one of servility, respectability, conciliation, collaboration and an explicit repudiation of the earlier revolutionary conditions.[12] Those who aimed

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[9] See Thompson, English Working Class, 911-3, and J.T. Murphy, Preparing for Power: A Critical Study of the History of the British Working Class Movement (London, 1972 edition), 36-8.

[10] The Grand National Consolidated Trade Union was formed in 1833, rapidly gained an estimated membership of 500,000, and almost equally rapidly disintegrated.

[11] See E.J. Hobsbawm, The Age of Revolution, 1789-1848 (New York, 1962), 254, for a description of the early labour movement.

[12] See Z. Bauman, Between Class and Elite: The Evolution of the British Labour Movement: A Sociological Study (Manchester, 1972), 118; W.H. Fraser, Trade Unions and Society: The Struggle for Acceptance (London, 1974), 53-63, 218; and Rothstein, Chartism to Labourism, Part II, Chapters 1 - 5.

at fundamentally changing the capitalist system lost strength, while those who aimed at negotiating a tolerable adaptation to it gained. A clear ideological shift within the British working class occurred.

It should not be supposed, however, that this shift in working class consciousness represented an absolute break such as was suggested by the Webbs with their account of the rise of the New Model Unions. It has been convincingly argued that the signal event for trade unionism in 1851 was not the foundation of the Amalgamated Society of Engineers which the Webbs regarded as the pioneer of 'New Model Unionism', but rather the holding of the Great Exhibition at Crystal Palace "which epitomized the cult of progress in Victorian England. After 1851 the history of trade unionism is about the manner in which the belief in progress affected the composition, methods, and leadership of trade unions." [13]

The continuation of strike activity, the fact that the New Model Unions were largely London based and that many provincial trade unions continued the earlier traditions into the post-1850 period[14] indicate that the Webb's argument for a mid-century discontinuity in trade union development is greatly overstated.

Nevertheless, it can scarcely be denied that a marked shift in emphasis, both of the strategy and tactics of the working class movement occurred at this time. Previously submerged currents now became dominant and the old revolutionary traditions all but disappeared.

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[13] V.L. Allen, "A Methodological Criticism of the Webbs as Trade Union Historians", Society for the Study of Labour History, Bulletin, 4 (1962), 4-6; for a similar view see Fraser, Trade Unions, 55.

[14] Musson, British Trade Unions, 52-7.

After 1850 the labour movement became increasingly oriented towards the performance of "friendly society" functions such as the provision of social insurance and funeral benefits. Linked to this was an obsession with restricting the labour market in the interests of their own members who, even in total, comprised only a small proportion of the working class. The leaders of the New Model Unions disavowed conflict and believed that industrial disputes were capable of being resolved in a "rational" manner.

Where strikes were called they had "lost all semblance of class warfare; they were regarded as commercial moves, calculated to obtain direct and immediate financial advantage",[15] and were led by men who hated strikes and who openly advocated class collaboration.[16] Political action did not disappear but took a different form from the Chartist agitation. Its content was defensive, aimed at gaining legal protection for trade unions, not at achieving fundamental changes in society, and its methods were of the pressure group variety, working mainly within the existing institutional framework, and going outside it only when forced by the obduracy of political decision makers.

The causes of this rather rapid ideological shift did not lie simply in some mysterious conversion to a belief in progress. The widespread acceptance of such a belief coincided with the accession to a virtually unchallenged world wide economic predominance by Britain

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[15] Bauman, _Between Class and Elite_, 93

[16] Murphy, _Preparing for Power_, 63-4

around the middle of the century. After a brief period of less than
twenty-five years, challengers to this position began to appear and the
world economy can be said to have entered a stage of inter-imperialist
rivalry. It was during this mid-Victorian plateau of economic greatness
that conscious attempts by society's ruling class began to be made to
adapt certain working class organizations to the structure of capitalism.
These attempts were at least temporarily successful. The experience of
Chartism and the earlier quasi-revolutionary movements had produced among
the upper and middle classes an awareness of the potential power of the
labouring masses.[17] The employers, welcomed and rewarded attempts of
working class leaders to substitute collaboration for conflict. This
acceptance on the part of the employers, and the concrete results to
which it led, strengthened the position of these working class leaders
vis à vis those advocating more militant policies.

The policy of cooperation, of social and industrial compromise
was adopted by both sides during this period because it was perceived
as being mutually beneficial.[18] Leaders of both major political parties
came to devote considerable attention to what they termed the "working
classes".[19] Friendship links between top labour leaders and lower level

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[17] F.E. Gillespie, Labour and Politics in England, 1850-67 (Durham, N.C.,
1927), 3-4

[18] Fraser, Trade Unions, 223

[19] Disraeli advocated reforms in factory legislation, health and housing -
see Robert Blake, Disraeli (New York, 1967), 523-4, 600 - and Gladstone
paid some attention to the need to extend political rights to the working
class - see J.L. Hammond and M.R.D. Foot, Gladstone and Liberalism (London,
1952), 99.

politicians became well developed. There were also linkeages involving financial corruption.[20]

In the sphere of social control, the older institutions of churches, schools, friendly societies, and pubs were supplemented and partly replaced by the rise of new control organisations - the Orange Order and freemasonry, the temperance and cooperative movement, and adult education programmes, all under the fairly close control of middle class and petit bourgeois elements.[21]

The role of the mass media in this process should be noted. Julian Harney, the revolutionary Chartist, discussed the role of the press in the following terms:

> "The middle classes, aided by the Proleterians, conquered the
> power to share the supremacy of the State with those who were
> formerly their lords and masters. More crafty than the men of
> force, the men of fraud had recourse to corruption in lieu of
> persecution; and the Press, from being the Pioneer of Progress
> and the champion of Right, became the lacquey of Oppression and
> the relentless enemy of Eternal Justice... In this work of
> villainy the truculent Times has been the foremost and the chief".[22]

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[20] Rothstein, Chartism to Labourism, 192-3.

[21] See Foster, Class Struggle, Chapter 7

[22] Red Republican, I (1850), 17. It is of historical interest to note that the first English translation of parts of the Communist Manifesto appeared in the Red Republican of 9 Nov., 1850. The vagaries of the translation can be seen by the rendering of the famous first line "A spectre is haunting Europe - the spectre of Communism" by "A frightful hobgoblin stalks through Europe..."

The process of deradicalising the working class also received

assistance from ideologies such as Christian Socialism which gained a

certain following during the 1850's.[23] The political effect of Christian

Socialism was to deprecate all political activity and interest and to

advance the view that men's hearts could not be changed through political

or industrial means.[24]

The adaptation of some working class organisations to capitalism

was assisted by developments in the sphere of production. A new stratum

of skilled workers emerged after 1850, from out of the relatively un-

fragmented mass formed in the course of the industrial revolution.[25]

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[23]Gillespie, Labour and Politics, 31-2.

[24] The paternalism and proclivity to class collaboration of the Christian

Socialists can be seen from the following passage from the Trades Union

Magazine, Manchester, 23 Nov. 1850, edited by the Rev. T.G. Lee: "The

ware which capital is found waging against labour is, in our opinion, a

heathenish parricide... We hold that all truths are in the most perfect

harmony with each other; and that the true position of the capitalist is

in keeping with the real welfare of the Labourers who are constantly

producing the capital... the antagonism between the Classes which really

stand in relation to each other of parent and offspring, is an antagonism

pregnant with the most dangerous consequences tothe best interests of

society".

[25] Bauman, Between Class and Elite, 64-7.

It was this group which was the principal beneficiary, amongst the working class, of Britain's economic prosperity. Furthermore, it was not only in financial terms that this stratum was differentiated from the rest. Because of changes in the process of production in certain industries such as textiles and engineering, and the rise of the piecemaster system, this stratum became actively involved - as pacemakers and supervisors - in the work of management.[26]

It was against this background, and the interaction of these various phenomena, that the ideological shift within the working class occurred. Summarizing the conditions in which the ideological shift occurred, five factors should be noted.

First, the previously dominant ideology of the working class (which found its organisational expression in the Chartist movement) was dramatically discredited in 1848. Secondly, there was a change in economic conditions with the onset of mid-Victorian prosperity. Thirdly, a process of differentiation within the structure of the working class occurred. This was reflected in differentiated economic rewards for different sections of the working class. Fourth, it was in this context that the proponents of an ideology of class cooperation were able to gain influence and achieve a position of dominance in working class organisations. Finally, society's ruling class actively encouraged and assisted the advocates of class cooperation in their rise to dominance within the British labour movement.

With the onset of economic depression in 1873, new ideological trends began to gain strength culminating in the explosion of "new

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[26] Foster, Class Struggle, especially 223-9.

unionism" in 1889 and the development of socialist organisations. These developments will be dealt with in a subsequent section of the chapter. At this point, it is more appropriate to deal with the early history of working class organisations in Canada.

Early History: Canada

Britain in 1850 was a highly industrialised country with a large and generally class conscious working class. By contrast, there was little industry of a modern type in Canada prior to 1850. The basis for the existence of a working class was, therefore, largely absent. Despite this lack of an industrial base, isolated groups of craft workers began to form unions around 1830.[27] In addition to attempts to establish permanent organisations, there is also evidence of spontaneous protests against intolerable conditions.[28]

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[27] Foremost among these were the printers, S. Jamieson, Industrial Relations in Canada (2nd edition, Toronto, 1973), 12. Other occupations to establish permanent organisations in these early years were moulders, sailmakers, shipwrights, caulkers, carpenters and joiners, machinists, stonemasons, tailors, bricklayers and shoemakers, see ibid. 12-13; C. Lipton, The Trade Union Movement of Canada, 1827-1959 (Toronto, 1973), 6; and R.J. Alexander, "The Beginnings of Canadian Labour", Canadian Forum, 29 (1949-50), 104.

[28] Steven Langdon, "The Emergence of the Canadian Working Class Movement, 1845-75, 1, "Journal of Canadian Studies", VIII, 2, (1973), 6-7. Langdon gives as examples of this type of behaviour the strikes on the Lachine and Beauharnois canal projects in 1843, strikes and riots on the Welland Canal in 1842, and strikes of railway workers near Hamilton in 1848.

Early attempts at establishing permanent organisations were on
a local scale and on an occupational rather than a class basis. Labour
unions were generally isolated from similar occupational organisations
in other cities and from organisations of other occupational groups in
their own cities. Such attempts at communication with other organisations
as took place were generally ephemeral, as were many of the unions them-
selves.[29] The overwhelming impression of these early attempts at
organisation is one of isolation and vulnerability.[30]

This situation is largely a reflection of the predominantly
agricultural and commercial structure of Canada's economy. In the same
period in Britain, as we have seen, the Industrial Revolution had been
in progress for many years and the working class had shown signs of
revolutionary class consciousness as opposed to the fragile and spasmodic
occupational consciousness which was only barely possible in Canada.

Beginning around 1850, however, Canada, and Ontario in particular,
underwent a rapid process of industrial growth. At the core of this
process was the creation of a domestic market by a large-scale programme
of railway building. Under the impetus of this "boom", accellerated by
the effects of the Crimean War, labour organisations underwent a period
of rapid advance.[31]

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[29] J. Scott, Sweat and Struggle (Vancouver, 1974), 20-22.

[30] Langdon, "Canadian Working Class", 1,6.

[31] J.M. Conner, "Trade Unions in Toronto", in J.E. Middleton, ed.,
The Municipality of Toronto: A History, 2 (Toronto, 1923), 557; and P.C.
Appleton, The Sunshine and the Shade: Labour Activism in Central Canada,
1850-60, unpub. M.A. Thesis, Department of Labour Library, Ottawa.

The expansion of manufacturing was geared to investment in labour-saving machinery, increases in factory size, and the growth of cities at the expense of village handicraft.[32] An analysis of census data concluded that manufacturing output, in constant dollar terms, increased by 97% between 1851 and 1871 resulting in a 76% increase in employment over the same period. Combined with those trends was diversification away from the processing of raw materials and towards the production of consumer goods.[33] Similarly, in the period 1864-70 there is evidence of the emergence of a series of large leading firms, using steam power, employing over two-hundred workers per factory, producing output of over $200,000 per year, and producing for a national or provincial rather than a local market.[34] It has also been noted that in the second half of the century,

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[32] Sectors of industry which were most affected included railway rolling stock, foundries, textiles, tobacco products, sewing machines, boots and shoes, furniture, glass, and paints and oils, see H.C. Pentland, "The Role of Capital in Canadian Economic Development Before 1875", Canadian Journal of Economics and Political Science, XVI (19), 469-70.

[33] O.J. Firestone, "The Development of Canada's Economy, 1850-1900", in National Bureau of Economic Research, Trends in the American Economy in the Nineteenth Century (Princeton, 1960), 230-8.

[34] S.W. Langdon, The Political Economy of Capitalist Transformation: Central Canada from the 1840's to the 1870's, unpub. M.A. Thesis, Carelton University, 1972, 110-117.

Canada approached the classical labour market of industrial capitalism[35]

and that the pressure for Confederation came as a result of the growth

of "a native, capitalist industry, with railway transport as its backbone,

and expansion of the home market as the prime motive for creating a

unified and autonomous state."[36]

Thus, between 1850 and 1870 industrial capitalism became

established in central Canada and with it, the objective conditions

for the growth and development of a class conscious working class.

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[35]H.C. Pentland, Labour and the Development of Industrial Capitalism,

unpub. Ph.D. Thesis, University of Toronto, 1961.

[36] S.B. Ryerson, Unequal Union (Toronto, 1968), 309. The main challenge

to this interpretation of Canadian economic history has come from R.T.

Naylor, "The Rise and Fall of the Third Commercial Empire of the St.

Lawrence", in G. Teeple, ed., Capitalism and the National Question in

Canada (Toronto, 1972), 1-42. Naylor argues that large scale industri-

alisation came much later than the 1860's. For a rebuttal of certain

key aspects of Naylor's theory see S. McBride, "Setting Naylor Straight",

Canadian Dimension, 10, 2 (1974), 2, 56. Naylor's response to this

critique in Canadian Dimension, 10, 5 (1974), 63 is completely un-

satisfactory since it does not deal with the question of the 1879

tariff and misinterprets the role of transportation in Canada's industrial

growth.

Associated with the development of industrial capitalism in Canada was an improvement of communications. This meant that contacts between Canadian workers became much easier to establish. This also applied to contacts between workers in Canada and those in other parts of the world.[37] A related effect of the growth of industry was the growth of contract and immigrant labour.

The effects of this influx of labour were contradictory. On the one hand the use of contract labour on a large scale especially in railroad construction, acted as a stimulus to labour organisation in that domestic labour was vehemently opposed to this imported competition.[38] On the other hand, insofar as contract labour was used to reduce wage rates its effect was to weaken existing labour organisations by under-mining established rates. In addition, there was hostility to many immigrants especially the Irish in this early period, on national or racial grounds. This resentment contributed to further divisions within the embryonic working class. This anti-Irish feeling was also a feature of the British working class with similar divisive effects for class solidarity.[39]

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[37] F.W. Watt, "The National Policy, the Workingman, and Proletarian Ideas in Victorian Canada", Canadian Historical Review, XL (1959), 2.

[38] Pentland, Labour, 23-24.

[39] See a discussion of this in J. Kuczynski, The Rise of the Working Class (New York, 1967), 149-53.

Other immigrants, notably the English, brought with them the
trade union consciousness of the old country. The majority of English
immigrants were skilled artisans who provided "a mature, disciplined
work force" conducive to economic development but who, when they did
take action against employers, did so with "discipline, solidarity and
staying power" as a result of long traditions of labour action in Britain.[40]
These comments suggest that the English skilled workers brought with them
the consciousness of the English "labour aristocracy" rather than the
revolutionary traditions of pre-1850 Britain.[41]

The experiences of working class organisations in the United
States also had an impact in Canada with the establishment, in the 1860's,
of Canadian branches of American trade unions.[42] The basis for the early

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[40] Pentland, Labour, 189; see also B. Ostry, "Conservatives, Liberals
and Labour in the 1870's, Canadian Historical Review, xli (1960, 93-4.

[41] The first "international" unions in Canada were British. Branches
of the Amalgamated Society of Engineers were established in Toronto in
1850 and at Hamilton and Kingston in 1851. Branches of the Amalgamated
Society of Carpenters and Joiners were established in Hamilton, Toronto
and London by 1860. A reflection of the influence of British immigrants
is the fact that ports were among the first centres to develop vigorous
unions. On this point see R.H. Coats, "The Labour Movement in Canada",
in A. Shortt and A.G. Doughty, eds., Canada and Its Provinces, 9
(Toronto, 1913), 293.

[42] Lipton, Trade Union Movement, 22-3. Among the first U.S. unions to
establish Canadian branches were the Iron Moulders, Cigar Makers and Typographers.

development of international unions[43] was a common labour market in which

citizens of the U.S. and Canada found it advantageous to be able to obtain

work in the other country from time to time. A common union card was

sometimes of assistance in doing this. The larger size and consequently

greater stability of the American unions was a decisive factor in per-

suading Canadians to affiliate to the internationals. In the case of

the railway unions the cross-border rail connections facilitated the spread

of international unionism. Other internationals were invited to grant

charters in Canada by workmen who had previously belonged to them in the

U.S.

Under the impetus of the central Canadian Industrial Revolution of

the 1850's and 1860's Canada's emergent working class began to develop class

consciousness. Indications of this were the exchange of "ratting lists",[44]

and the provision of strike assistance both within occupations and cities

and between them. Developing from this type of cooperation was the

formation of local labour councils representing unions in different trades.[45]

The earlier practice of inviting employers to annual dinners was abandoned

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[43] More properly bi-national unions since most have branches only in

Canada and the U.S. The more usual term "international unions" will

be used however.

[44] Names of workers who scabbed in a strike in one city would be forwarded

to organisations in other cities so that the workers in question would be

unable to obtain jobs there.

[45] The first of these seems to have been the Hamilton Trades Association

founded in 1863, see Langdon, "Canadian Working Class, 1", 10.

in most unions and, instead, guests from other unions were invited.[46]

In the 1860's there were successful attempts to organise some categories of semi-skilled and unskilled workers[47], and the existing craft unions expanded in size. Despite these gains unions did remain small and vulnerable. The size of the organised section of the working class remained small in relation to the total population.

There is evidence, however, that the organised sector in some way "represented" the rest of the class and could draw on their support. This can be seen in the degree of support that the Nine Hours Movement was able to mobilize in 1872. Though only briefly successful in obtaining the nine-hour day, the movement was able to hold mass demon-strations of 10,000 in Toronto (out of a population of 60,000)[48] over 5,000 in Hamilton (out of a population of 27,000)[49], and large numbers in Dundas, St. Catherines and Guelph.

The agitation around the nine-hour day had the effect of intensifying the feelings of class solidarity which had been slowly developing among Ontario's working class. The movement coincided with the first attempt to form a national trade union centre, a mere four years after the Trades Union Congress had been established in Britain.

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[46] H.A. Logan, Trade Unions in Canada (Toronto, 1948) 36.

[47] Langdon, "Canadian Working Class, 1", 11.

[48] Scott, Sweat and Struggle, 88; Lipton, Trade Union Movement, 30.

[49] Langdon "Canadian Working Class, 2", Journal of Canadian Studies, viii, 3 (1973), 19.

In 1872 a Canadian Labour Protective Association was formed in Hamilton.[50]

This association proved to be a precursor of the Canadian Labour Union formed in Toronto during the following year. The impetus for the formation of the Canadian Labour Union came from two basic causes. First, ⁄ "the habit of thinking in common and in terms of the wider welfare that came as a result of the activities of the nine hour movement and the reading of a well-edited labour paper". The newspaper referred to was the Ontario Workman. Second, "the desire to present an organised front ⁄ for the securing of legislation".[51]

Some idea of the strengths and weaknesses of the central Canadian labour movement can be gained from examining the credentials of those who attended the founding of the Canadian Labour Union. The local unions attending were overwhelmingly based on craft occupations[52] and were from only eight centres in Ontario.[53] Messages of support were received from other locals in Ontario and from printers in Quebec.[54] Based on the

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[50] M. Mackintosh, An Outline of Trade Union History in Great Britain, the U.S. and Canada (Ottawa, 1938), 9.

[51] Logan, Trade Unions, 43.

[52] Engineers, carpenters and joiners, bricklayers and masons, bakers, coopers, iron moulders, shoemakers, longshoremen, machinists and blacksmiths, limestone cutters, painters, free-stone cutters, tailors and printers.

[53] Toronto, Hamilton, London, Ottawa, Bowmanville, Seaforth, St. Catherines and Cobourg, see Labour Gazette, 2 (1901-1902), 92.

[54] Logan, Trade Unions, 32-3.

delegate entitlement of the locals it would seem that the forty delegates present represented some 4,000 workers. The evidence for the presence of working class consciousness does not, therefore, rest upon the number of organised workers in Ontario but rather on the amount of support they were able to mobilize in the nine hours campaign.[55] Much of that support must have come from workers in unorganised occupations.

The results of the agitation were mixed. The nine hour day was gained in some occupations but this proved to be a temporary phenomenon. With the onset of the Great Depression in 1873 employers were largely able to roll back the gains that had been made.[56] More substantial was the passage, by Sir John A. Macdonald's Tory government of the Trade Unions Act and the Criminal Law Amendment Act in 1872. The effect of these acts was to free trade unions from liability under the common law on conspiracy in restraint of trade and thus to remove legal barriers to the organisation and activities of trade unions. The mass agitation of 1872 was not the only factor behind the passage of these acts. The British example,[57] and the desire of Macdonald to win the political

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[55] It is not known how many unions or union members there were in Ontario at this time. It is known that in 1874 the Secretary of the Canadian Labour Union corresponded with over seventy unions, ibid., 32.

[56] Lipton, Trade Union Movement, 169, records that as late as 1916, 1500 Hamilton machinists, toolmakers and helpers went on strike to try and gain the nine hour day.

[57] The Canadian acts were closely modelled on British laws passed in 1871.

allegiance of the newly emergent working class and thus outmanoevre the Liberals were other factors. Nevertheless without the presence of 10,000 well-organised workers at Queen's Park it is unlikely that the legislation would have been passed at that time.

Despite these limited gains the emergent working class organisations remained highly vulnerable to fluctuations in economic conditions. This vulnerability was fully exposed by the onset of economic depression in 1873. Most local unions were unable to withstand the economic pressures and collapsed. By 1878 the Canadian Labour Union was defunct.

Clearly the major factor in this collapse into fragmentation and isolation was economic. A secondary factor was the intelligent, concili-atory strategy of Macdonald's Conservative Party which fostered the idea that working class aspirations could be met through the mechanisms provided by the traditional political parties. Mass working class actions could therefore be viewed as unnecessary.

Canada, 1873 to the 1930's: Fragility and Fragmentation

Although a new national trade union centre was established in the 1880's the Canadian working class remained largely unorganised and divided until the late 1930's. A number of factors contributed to this situation. First, there was the geographical dispersion of the working class and its occupational distribution. Second, the quantity and nature of immigration. Third, the active role of society's ruling class in attempting to mould and channel working class organisations in acceptable directions. Finally, the use of the repressive aspects of state power played a role. As a result of this somewhat precarious environment many

ideological currents competed unsuccessfully for the allegiance of class organisations and the class as a whole.

As compared to a mature industrial country like Britain, the proportion of the population in agriculture remained quite high as Table III.1[58] indicates. Similarly the proportion of the workforce employed in the manufacturing sector was consistently smaller than in Britain, at least until World War II as Table III.2 shows.[59] As would be expected from this situation the distribution of population in Canada remained predominantly rural as shown in Table III.3.[60]

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[58] The Canadian figures are based on a table in M.C. Urquhart and K.A.H. Buckley, Historical Statistics of Canada (Toronto, 1965), 59. Those for Britain are based on a table in UK, Department of Employment and Productivity, British Labour Statistics: Historical Abstracts, 1886-1968 (London, 1971), 195-6. All percentages are rounded. In Canada the percentage in agriculture is of the total population, 14 years and over, whether gainfully employed or not. (Before 1911 the figures refer to those 10 years and over). For Britain, the percentage is of the total number of employed males. The data, therefore, is not strictly comparable. Nevertheless the table does indicate the much larger concentration of employment in agriculture in Canada.

[59] The Canadian figures are from W.T. Easterbrook and H.G.J. Aitken, Canadian Economic History (Toronto, 1956), 521. The British figures are from British Labour Statistics, 197. It should be noted that the categories are not exactly comparable to the Canadian.

[60] Canada, Dominion Bureau of Statistics, Canada Year Book, 1930, (Ottawa, 1931), 117.

TABLE III.1   RELATIVE SIZES OF AGRICULTURAL WORKFORCE

YEAR	CANADA % in Agriculture	BRITAIN % in Agriculture
1881	48	17
1891	46	14
1901	40	12
1911	34	11
1921	32	10
1931	29	9
1951	16	7

Sources: Urquhart and Buckley, Historical Statistics of Canada, 59; and British Labour Statistics, 195-6.

TABLE III.2.   RELATIVE SIZE OF MANUFACTURING SECTOR WORKFORCE

YEAR	CANADA	BRITAIN
1921	19	27.5
1931	N/A	26.7
1939	17	N/A
1950	26	N/A
1951	N/A	26.2

Sources: Easterbrook and Aitken, Canadian Economic History, 521, and British Labour Statistics, 197.

TABLE III.3.   URBAN - RURAL DISTRIBUTION OF CANADIAN POPULATION

YEAR	% RURAL	% URBAN
1891	68	32
1901	62.5	37.5
1911	55	45
1921	50	50

Source: Canada Year Book, 1930, 117.

Considering the vast geographical expanse of Canada it can be seen that Canada's working class, small in absolute and relative terms, was concentrated in a small number of urban areas surrounded by vast areas of agricultural land and population, or by sparsely populated areas. The organised portion of the working class exhibited a similar distribution pattern.[61]

What were the implications of this situation? Firstly, it is clear that the working class and the organised labour movement were a small minority of the workforce and the total population. Secondly, the working class was geographically isolated. Thirdly, from the point of view of political action, it was impossible for a working class party, based on the model of the British Labour Party to aspire to gaining a parliamentary majority without an alliance with at least a section of the rural population. The farm-labour alliance was, therefore, on the agenda of labour's discussions concerning political action in a way that it never was in Britain.

Superimposed upon these geographical and structural tendencies toward isolation and fragmentation was the magnitude and impact of immigration. Studies of the impact of immigration in other countries have revealed that it can often have a divisive effect on the host-country's working class.

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[61] For example, the vast majority of trade union locals in Ontario were to be found in 5 cities - Toronto, Hamilton, Ottawa, London and Kingston, See Alexander, "Beginnings of Canadian Labour", 106.

Immigrants are often admitted to a country because they
are either willing, or compelled by circumstances, to accept un-
desirable jobs which indigenous labour is unwilling to perform at
existing wage levels. Thus, although the immigrants are objec-
tively a part of the working class they form a bottom stratum
within it. The existence of such a bottom stratum may allow
social advancement to sections of the indigenous working class
either in terms of objective occupational mobility or of sub-
jective feelings of superiority over the relatively low status
immigrant groups. To the extent that this occurs, it will impair
the development of any feelings of class solidarity. In addi-
tion, the ethnic peculiarities of immigrants may impede their
assimilation into the life of the host-country and create pre-
judice against them on the part of indigenous workers. Such pre-
judice, in turn, hampers communication and prevents the develop-
ment of class solidarity.[62]

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[62] See S. Castles and G. Kosack, _Immigrant Workers and Class
Structure in Western Europe_ (London, 1973), 6-8, 119-27.

A cause or consequence of lack of integration into the life of the host country may result in the broad societal orientations of immigrants being focussed on their home country.[63]

With some important modifications these factors seem to have operated in Canada. The first modification is that by no means all immigrants were destined for the working class. A high percentage of immigrants were generally intending to farm. Secondly, a substantial proportion of immigrants were skilled workers and were not, therefore, going to form a "bottom stratum" of the working class.

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[63] This may have a deradicalizing effect on the indigenous working class: "...immigrant orientations to American society were confined to a limited segment of it. Their focus, both in coming and after arrival, had to do with economic conditions surrounding the job. Operating, as they did, within the boundaries of an ethnic subsystem, the scope of their orientations remained narrowly trained on those issues while broader societal attachments were sustained to their area of origin. It is on this basis that it is argued that the immigrant was a far more ready recruit for conservative business unions than for revolutionary unionism and/or political activity. But within these confines, the immigrant's union solidarity was as great as any".
G. Rosenblum, Immigrant Workers: Their Impact on American Labour Radicalism (New York, 1973), 167. This effect, however, may be specific to the United States. One factor in the radicalization of certain immigrant groups in Canada (notably the Ukrainians and Finns) seems to have been the formation of socialist parties in their home countries, see D. Avery, "Continental European Immigrant Workers in Canada, 1866-1919: from "stalwart peasants" to "radical proletariat", Canadian Review of Sociology and Anthropology, 12 (1975).

Prior to 1920, however, large numbers of unskilled and semi-skilled labourers were present among immigrants to Canada and it is this group, including many from continental Europe who formed such a stratum.[64] The distribution of immigrants between the main occupational groups is given in Table III.4.[65]

TABLE III.4. IMMIGRATION TO CANADA BY OCCUPATIONAL GROUP, 1904-40

PERIOD	TOTAL NO.	% FARM	% SKILLED	% SEMI- AND UNSKILLED
1904-11	671, 117	33.9	20.1	31.5
1912-20	765, 686	34.4	17.7	33.2
1921-30	627, 869	65.2	12.0	10.5
1931-40	41, 159	29.9	15.8	9.0

We have seen that ethnic conflict between immigrant groups, especially between English and Irish, manifested itself at an early date. In fact, some consider that the most distinguishing feature of the Canadian labour market was the way in which its shaping and development were accomplished through the conflicts of ethnic groups.[66] The general

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[64] See ibid., and E. Bradwin, The Bunkhouse Man: A Study of Work and Pay in the Camps of Canada, 1903-14 (Toronto, 1972 edition), Chapter 5.

[65] The figures are for males only and are adapted from Urquhart and Buckley, Historical Statistics, 59. Before 1912 the figures are for immigrants from overseas only. After that date they include both overseas and U.S. immigrants.

[66] Pentland, Labour, 233-4

pattern during the nineteenth century was for "successive inferior groups

of immigrants" to accept inferior working conditions, remain aloof from

trade unions and to act as strikebreakers.[67] This situation was produced

partly as a result of hostility from existing entrenched groups, partly

as a result of divide and rule tactics on the part of employers. Other

evidence suggests that the labour force in northern labour camps after

the turn of the century was divided between "whites" and "foreigners".[68]

The ethnic groups were differentiated according to occupation. To the

"whites" fell most of the supervisory, skilled, easy, and renumerative

jobs. The "foreigners" were largely restricted to navvying and unskilled

work.[69] Even where immigrant workers became radicalized they remained

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[67] Loc. cit.

[68] Bradwin, Bunkhouse Man, Chapter 5. The terms roughly but not ex-
clusively refer to racial categories. "White" included French and
English speaking Canadians, Americans, British and Scandinavians.
"Foreigners" consisted of continental Europeans, particularly Slavs.
But "white" could be extended to "any foreign born nationals who, by
their intelligence, their skill as workers, or sheer native ability,
have earned recognition on their individual merits", ibid., 92.

[69] ibid., 92-3, 106.

isolated from the domestic working class. Employers took care to encourage such divisions by discriminatory treatment of immigrants in lay-offs.[70]

The impact of immigration on the already existing labour force can accurately be described as catastrophic. Between 1901 and 1911 the labour force increased by 53%, from 1,782,832 in 1911 to 2,723,634 in 1911.[71]

The response, to immigration, of such labour organisations as existed, was fairly hostile. Labour testimony before the 1889 Royal Commission on Labour and Capital blamed strikes on the importation of foreign labour.[72] The Armstrong Report (the more favourable to labour of the two reports produced by the Royal Commission) called for restrictions on immigration.[73] Similarly, local labour councils were active in coordinated campaigns to restrict Chinese immigration in 1898 and to

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[70] For example, when INCO laid off 2200 of its 3200 workers in Sudbury in 1919, the vast majority of these were foreigners, Avery, "Immigrant Workers", op. cit.

[71] Urquhart and Buckley, Historical Statistics, 59.

[72] See G. Kealey, ed., Canada Investigates Industrialism (Toronto, 1973), 209-10.

[73] Kealey, Canada Investigates, 53.

abolish assisted passages for all immigrants in 1908.[74] As part of the 1908 campaign the Trades and Labour Congress maintained an agent in Britain for several months. His main function was to ensure that no skilled workers left for Canada under illusions concerning the state of the labour market or to be used as strikebreakers.[75]

Thus the overall effect of immigration was to divide an already weak and isolated working class. There were positive effects - the importation of workers with organisational and trade union skills, some of them bearing notions of working class political action and radical ideologies. But the negative effects for the consolidation of an indigenous working class must be said to have outweighed the positive.

It is within this context of a small, isolated, ethnically and occupationally fragmented working class that the role of the ruling class and the state should be assessed.

A major hindrance to the development of a coherent ideology amongst Canada's working class was the role of social control institutions acting on behalf of adherents of the dominant societal ideology. Prominent among these institutions were the churches, religious-ethnic organisations such as the Orange Order, educational institutions such as Mechanic's Institutes, and the phenomenon of "Partyism".

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[74] See W.L. Davis, A History of the Early Labour Movement in London, Ontario, Department of Business Administration, University of Western Ontario, n.d., 52-3, 111-2.

[75] Coats, "Labour Movement", 303. For an overview of Trades and Labour Congress activities concerning immigration see Logan, Trade Unions, Chapter XXI.

The effects of organised religion on the Canadian working class
are fairly complex. The role of the Roman Catholic church in promoting
clerical or confessional unionism is well known. In Canada this mainly
affected Quebec and, as such, is outside the scope of this study. But
the Catholic church has been active in labour matters in both English
Canada and the U.S. The Church's active concern with labour relation
is based on Pope Leo XIII's L'Encycle Rerume Novarum (1891). This doc-
ument opened with a justification of private property as a natural right
and a rejection of socialism as a means of improving the conditions of
the working classes. It considered that workers had a natural right to
form associations provided that their aims were not bad, unjust or
dangerous to the state. The encyclical left no doubt that the major
criteria for judging what was bad or unjust was the attitude of such
organisations toward private property which was considered to be natural,
inviolable and as having divine sanction. The document was favourable
to forming workers associations based on Catholic principles and laid the
basis for the formation and development of confessional unions in Quebec
and elsewhere.

Catholic labour theory considered inequality among humans to
be a natural phenomenon. But the idea that hostility between classes must
flow from this inequality was regarded as being irrational and false. On
the contrary, society was viewed in organic terms with capital and labour,
rich and poor, being seen as mutually dependent. Great stress was there-
fore laid on the reciprocal rights and duties of employers and employees
and on conciliation and arbitration as a means of settling disputes.[76]

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[76] The above summary is based on the Rerum Novarum of Leo XIII in Five
Great Encyclicals, New York (1939), 1-30. For a useful discussion of
Catholic labour theory and organisations in the Canadian and Quebec
contexts see Logan, Trade Unions, 562-603.

One of the major attempts to put Catholic labour action into practice in Canada has been opposition to radical and militant unions. This is most clearly indicated in the case of Mine-Mill in Sudbury and will be dealt with in a subsequent section of the chapter.[77] For the moment it is sufficient to note the content of Catholic labour doctrine and particularly its stress on social partnership and compromise.

The Protestant churches were also involved in labour affairs and at the root of much of that involvement lay similar considerations to those of the Roman Catholic Church. Although the phenomenon of the Social Gospel was a complex one, it is clear that at least in certain of its versions, the motivation was the fear that unless Christians assumed a mediating role in the conflict between labour and capital, religion itself would become irrelevant and the social structure be deprived of its moral basis.[78] A middle course was sought between the unjust and inequitable capitalist wages system and the socialist demand for the

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[77] This type of action also appears to have occurred in the United States where, Logan notes, in ibid. 275n, that at the heart of the left-right division within the United Electrical Workers was discord between the Catholic Church and the Communist Party.

[78] C. Berger, The Sense of Power: Studies in the Ideas of Canadian Imperialism, 1867-1914 (Toronto, 1970) 184.

elimination of private property.[79] This was by no means the only trend

of the social gospel movement however. During World War I the movement

as a whole underwent increasing radicalization.[80] But it was a movement

that, despite its undoubted significance, remained, as its leading chronicler

has noted, profoundly ambiguous.[81] The linkages between it and the social

and political movements of the 1920's and 1930's, in particular the CCF,

are considerable.

The role of quasi religious-ethnic organisations such as the

Orange Order is deserving of investigation as a partial explanation for

the lack of development of class consciousness in Ontario. The Order

linked high status artisans, mainly English immigrants, against attempted

Irish Catholic penetration of the artisan trades.[82] Though based on an

attempt at excluding potentially competing labour from certain trades, the

role of the Protestant churches and the established political parties in

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[79] loc. cit.

[80] R. Allen, The Social Passion: Religion and Social Reform in Canada, 1914-28 (Toronto, 1973), 61.

[81] "The conservative social gospel in the church could always fall back on its evangelical background of moral reform. The progressive wing was heavily influenced by the environmentalism of reform Darwinism. The older radicals had both of this in their bones, but added an element of revisionist Marxism", Allen, Social Passion, 312. See also Chapter 11.

[82] M. Robin, Radical Politics and Canadian Labour, 1880-1930 (Kingston, 1968), 5.

the burgeoning religious and racial partisanship of the 1890's may
suggest the deliberate manipulation of organisations such as the Order
at a time of increasing labour organisation and farm militancy.[83] At
any rate the virulent anti-French, anti-Catholic and anti-Irish position
of the Order was hardly conducive to working class unity.[84]

In Britain it was noted how Mechanics' Institutes were used to
promote middle class values among the labour aristocracy. There is some
evidence of similar developments in Canada in that the institutes were
for cultural activities, for imparting useful knowledge and for "the
imposition of upper middle class values on the humbler ranks".[85] Perhaps

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[83] This comment is suggested by the all-too-brief comments on the Orange
Order in R. Hann, Some Historical Perspectives on Canadian Agricultural
Political Movements (Toronto, 1973), 14-15..

[84] In Britain we have noted the role of the Orange Order in the deradicali-
zation of the Oldham proletariat after 1850.   As astute a contemporary
observer as Karl Marx commented in 1870 that:

> "Every industrial and commercial centre in England now possesses
> a working class divided into two hostile camps, English proletarians
> and Irish proletarians... This antagonism is artifically kept alive
> and intensified by the press, the pulpit, the comic papers, in short,
> by all the means at the disposal of the ruling classes. This
> antagonism is the secret of the impotence of the English working
> class despite their organisation. It is the secret by means of
> which the capitalist class maintains its power. And that class
> is fully aware of it."

[85] P.E. Lewis, "The Goderich Mechanics Institute, 1852-70", Western Ontario
Historical Notes, xxvi (1972), 20. See also Pentland, Labour, 395-7.

the most significant institutions of the hegemonic ideology, however, were the traditional political parties.

In passing the Trade Union Act in 1872 Sir John A. Macdonald and the Conservative Party gained great credibility and support among the working class.[86] In return for the act working class leaders gave consistent support to protection and the Conservative Party.[87] This was not only in return for the act. Until at least 1880 both employers and workmen believed that their livelihood depended on protection and that protection was always in danger from merchants and agricultural interests identified with the Liberal Party.

But with the onset of the 1880's the Liberal Party began to make inroads into the allegiance of labour. This was the result of a number of factors - the death of Liberal George Brown of the traditionally anti-labour Toronto Globe; the switch in the editorial policy of the Globe to one of actively wooing labour; the receptiveness of the Ontario Liberal government under Oliver Mowat to the requests of organised labour; and the growing shift of jurisdiction over labour matters to the Provinces.[88] The lack of success of Macdonald's National Policy was also an important factor. In an attempt to retain labour support[89] Macdonald set up the Royal Commission on Labour and Capital and included (Tory) working class representatives on it. But the Ontario Liberals countered with the much more concrete Ontario Factories Act, 1884 which added to their already

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[86] Watt, "The National Policy", 5.

[87] Pentland, Labour, 358.

[88] B. Ostry, "Conservatives, Liberals and Labour in the 1880's", Canadian Journal of Economics and Political Science, xxvii (1961), 141-61.

[89] Kealey, Canada Investigates, xi.

respectable record of social legislation.[90]

By the 1880's both parties had attempted to sink their ideological and organisational roots into the new labour movement, and attempted to impose upon it their electoral discipline.[91] The major mechanism by which this was accomplished was the cooptation of labour leaders through patronage - in particular the provision of government jobs[92], combined with certain legislative concessions.

In both spheres the Liberals began to outdistance the Tories. Despite these activities,however, the old line parties remained instruments of class dominance[93] in that the influence of the commercial and industrial elites within the old parties remained much greater than that of labour. Thus, attempts, on the part of labour, to escape the dominance of the old parties by "forays into independent politics (were) inspired by the existence of elite dominated, disciplined parties unable to satisfy the claims of competing pressure groups and conflicting classes.[94]

The use of patronage and legislative concessions are indicators of attempts by the ruling class to coopt sections of the working class and to ensure an ideologically acceptable labour movement. But in addition to this strategy of persuasion or inducement, recourse was had, where necessary, to coercion and repression.

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[90] Ostry, "1880's", 145.

[91] Robin, Radical Labour, 10-11.

[92] ibid., 2.

[93] ibid., 290-1.

[94] loc. cit.

It has been argued that the role of the state in the canal and railway building era of the 1840's and 1850's consisted of the provision of,

> "troops and mounted police to 'overawe' the labourers, government spies to learn their intentions, and priests, paid by the government, and stationed among the labourers to teach them meekness. Here was a full programme of intervention, immediately on behalf of contractors, basically to promote economy for the state, by encouraging contractors to make low bids in the expectation that low wages could be paid, and then enforcing the low wages."[95]

The same study argues that the only two changes in subsequent years were a tendency for large corporations such as railways to maintain private police forces and an increasing tendency for the state to provide back up support when asked, without serious investigation of the merits of the request.[96]

In the period since its foundation in 1920 the RCMP has performed a similar function to the extent that,

> "The RCMP ... became a highly pervasive force in Canadian society. Its presence has been felt with enough force to tip the scales of battle in hundreds of strikes and labour demonstrations."[97]

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[95] Pentland, _Labour_, 409. See also Pentland, "The Lachine Strike of 1843", _Canadian Historical Review_, 1948, 255-77.

[96] Pentland, _Labour_, 415.

[97] See L. and C. Brown, _An Unauthorized History of the RCMP_ (Toronto, 1973), 48.

Police activity was not confined to scenes of confrontation such as strikes. Radical groups suspected of "subversive activities" were subject to harassment, infiltration, and seizure of property. Leaders of such groups, in particular the communists, were subject to imprisonment and even assassination attempts.[98]

No comprehensive examination of the repressive function of the Canadian state has been attempted and no detailed comparison can be made with the role of the state in Britain. But as a generalisation it might be said that the repressive role of the state has been more prominent in Canada than has been the case in Britain. This is probably related to the dispersal and fragmentation of the Canadian working class which has allowed the state greater freedom of action than in Britain with its relatively concentrated and homogeneous working class.

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[98] For surveillance and harassment see Browns', Unauthorized History, chapters 4, 6 and 7; for infiltration see loc. cit. and T. McEwen, The Forge Glows Red (Toronto, 1974), 158-9; for seizure of property see A. Bilecki, W. Repka, M. Sago, eds., Friends in Need: the WBA Story: A Canadian Epic in Fraternalism (Winnipeg, 1972), 199-203; for arrests and assassination attempts see McEwen, Forge, chapters 11 and 12, and Oscar Ryan, Tim Buck: A Conscience for Canada (Toronto, 1975), Chapters 10-12. See also M. Horn, ed., The Dirty Thirties: Canadians in the Great Depression (Toronto, 1972), 460-74, A.E. Smith, All My Life (Toronto, 1949), Chapters XIII - XIV, and G. Caplan, The Dilemma of Canadian Socialism and the CCF in Ontario, (Toronto, 1973), 38-51 passim.

Similarly no detailed analysis of Canadian labour legislation had been conducted and we must be content to quote the conclusion of an authoritative study that, in the period under discussion, Canadian labour law "went to great lengths to protect employers' property and freedom to use their property and pretty much as they saw fit, while providing little or no protection of workers' freedom to protect their jobs and livelihoods".[99]

Against this background of ruling class interference, massive immigration and uncertain economic conditions, attempts continued in Canada to create working class organisations and within those organisations ideological conflict occurred.

The overall picture of working class organisations and of the ideologies within them for much of this period is one of extreme fragmentation. The trade unions were divided between international, national, confessional, craft, industrial, and syndicalist unions with corresponding trade union centres. In the sphere of political alternatives, Gomperism, independent political action and labourism, various strands of socialism, and partyism contended for the allegiance of organised labour.

As we have seen, Canada's first trade union centre, the Canadian Labour Union, proved to be of a transitory nature. Formed in 1873 it was no longer functioning by 1878. The major factor in its decline would

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[99] Stuart Jamieson, Times of Trouble: Labour Unrest and Industrial Conflict in Canada, 1900-66, Study No. 22 for the Task Force on Labour Relations (Ottawa, 1968), 471-72.

seem to have been the adverse economic conditions which set in almost at the same time as it was formed.[100] A second factor was internal disunity due to partyism.[101]

By 1883 the first attempts at setting up a new centre had been made. In 1886 the Trades and Labour Congress of Canada (TLC) was founded. These moves were possible due to the generally improved economic situation. A new form of unionism appeared in this period - the "mixed assembly" of the Knights of Labour which combined workers of different trades and occupations in a general union. Dual membership of the Knights of Labour and the craft unions was fairly common.[102] At the founding convention and, indeed, up until 1894, the delegates representing assemblies of the Knights of Labour were in the majority at the TLC conventions.[103] The preamble to the Knights' constitution called for the "thorough unification of those who labour and the united efforts of those who earn their bread by the sweat of their brow" in order to place a check upon the "alarming development and aggression of aggregated wealth".[104] In the United States, friction between the Knights of Labour and the craft trade unions reached breaking point

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[100] Langdon, "Canadian Working Class, 2", 20-21.

[101] Robin, Radical Politics, 8.

[102] Logan, Trade Unions, 50.

[103] E. Forsey, "History of the Labour Movement in Canada", in Canada, Dominion Bureau of Statistics, Canada Year Book 1957-8 (Ottawa, 1958), 796.

[104] Labour Union (Hamilton), 1:1, 13 January, 1883.

by the early 1890's. The same situation did not occur in Canada[105]
until 1902 and then was largely induced by the American unions.

We have already noted the presence, in Canada, of unions
based in the U.S. In the 1880's and subsequent years this American
presence became increasingly significant for the Canadian labour
movement. This expansion of American unions into Canada is linked
to the internationalisation of product and labour markets.[106] More
particularly it was linked to the development of American owned
branch plants in Canada:

> "... the American Federation of Labour (AFL) reached into Canada
> alongside employers who were constructing branch plants there;
> both corporations and labour unions began to extend their
> bureaucratic and decision-making structures beyond the American
> environment which had originally shaped and oriented them...
> The AFL... pre-eminently manifested American continentalism at
> work at the turn of the century... branch plant factories begat
> 'branch plant' unionism."[107]

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[105] In large part due to the mediating influence of the Trades and
Labour Congress, see J. Crispo, International Unionism: A Study in
Canadian-American Relations (Toronto, 1967), 98.

[106] See C.B. Williams, Canadian-American Trade Union Relations: A
Study of the Development of Binational Unionism, unpub. Ph.D. dis-
sertation, Cornell University, 1964, xii. See also Crispo, International
Unionism, Chapter 2.

[107] R.H. Babcock, Gompers in Canada: A Study in American Continentalism
Before the First World War (Toronto, 1974), vii-viii, 28. Chapter 3 of
Babcock's book deals with the rise of the branch plants.

In 1902 the international union majority at the Trades and Labour Congress convention passed a constitutional amendment that "no national union be recognised where an international union exists." The vote was 89-35. Adoption of the amendment meant the automatic exclusion of the Knights of Labour.[108] At one stroke the TLC and the labour movement in Canada was split along three lines - national/international; craft/general, industrial; and English Canada/Quebec (since the Knights were the largest labour organisation in Quebec). A financial subsidy was granted to the TLC by the AFL.[109]

One political effect was a decline in Liberal Party influence in the Trades and Labour Congress. The move for a national trade union centre (i.e., excluding the internationals) had been led by TLC President Ralph Smith, in all probability acting as an agent for Laurier.[110] The convention replaced Smith as President and opted for independent political representation.[111]

In 1904 a number of the unions expelled by the TLC formed a second trade union centre - the National Trades and Labour Congress, renamed the Canadian Federation of Labour in 1908. Throughout its existence the CFL maintained close links with the Liberal party.

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[108] See Lipton, Trade Union Movement, 132-3, and Babcock, Gompers, Chapter 7, for accounts of the Berlin convention.

[109] Babcock, Gompers, 96-7.

[110] ibid., 75

[111] Robin, Radical Politics, 68.

The divisions opened at the Berlin convention remained a feature of the Canadian labour movement - indeed they remained its main feature. The organised section of the working class remained small - 16% in 1921, down to under 12% in 1926, back to 16.5% by 1933.[112] These were divided between international and national unions and between different trade union centres - in addition to the two already mentioned there was the Canadian and Catholic Federation of Labour[113] and the One Big Union.[114]

The splits were not merely structural - differences in approach also characterized the Canadian labour movement. In the west, as a result of the quasi-colonial status and economic deprivation of western Canada there was a much more militant labour movement than in central Canada.[115] Along with regional and structural divisions went disputes about the appropriate form of political action.

The influence of the traditional political parties remained strong at least until World War I.[116] Although the 1904 Trades and Labour Congress

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[112] The figures refer to non-agricultural paid workers, Globe and Mail, 2 November, 1967.

[113] The Canadian and Catholic Federation of Labour, under various names, dates back to around 1900.

[114] One Big Union, founded in 1919, professed a syndicalist ideology. Its main strength was in western Canada.

[115] Paul Phillips, "The National Policy and the Development of the Western Canadian Labour Movement", unpub. mimeograph.

[116] Robin, Radical Politics, 118.

convention had denounced trade unionists who appeared on Liberal and
Conservative Party platforms there was no enforcing mechanism.[117]
The delegates had apparently hoped that this statement would leave
the door open for independent political action at a later date.

The impact of the war on the working class, in Canada as in
Britain, was one of rapid radicalization.[118] In these circumstances
independent political action began to be discussed in such bodies as
the Labour Educational Association of Ontario and, on July 2, 1917,
the Independent Labour Party of Ontario was formed.[119] Similar
organisations were formed in other provinces. The TLC decided to
endorse and initiate the foundation of a Canadian Labour Party. The
decision was closely related to the TLC's decision to oppose moves
toward conscription[120] in the 1917 general election. None of Labour's
candidates were elected[121] although strong showing were made in certain
industrial constituencies, notably in Hamilton.[122]

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[117] Babcock, Gompers, 159.

[118] Martin Robin, "Registration, Conscription, and Independent Labour
Politics, 1916-17", Canadian Historical Review, xlii (1966), 101

[119] Robin, Radical Politics, 125.

[120] M. Lazarus, Years of Hard Labour (Toronto, 1974), 22.

[121] Robin, Radical Politics, 136.

[122] ibid., 137.

The Ontario Independent Labour Party elected eleven trade unionists to the Provincial Legislature in 1919. In alliance with the United Farmers of Ontario a coalition government was formed. The experiment, however, was short-lived, and the government was defeated in 1924. In the post-war period the future seemed bright for labour political action in Ontario and the syndicalist explosions of western Canada found little response in the east.

Also in the early post-war period a number of the competing socialist sects combined in 1921, under the influence of the Russian Revolution, to found the Communist Party of Canada.[123] Although it remained numerically small throughout the 1920's, with an estimated membership of between 2500 and 5000, the CPC had a greater impact than the socialist sects which preceded it. In part this was because the communists could rely on a solid membership and financial base provided by certain ethnic groups - notably the Finns, Jews and Ukrainians. In addition the party's base was solidly working class and valuable organisational experience was gained in the trade unions and in a variety of united front organisations, notably the Canadian Labour Party, which had some importance for a time. This experience, together with that gained in the Workers' Unity League, was to stand the party in good stead when the industrial organising drive began in the late 1930's.

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[123] See Ivan Avakumovic, The Communist Party in Canada (Toronto, 1975). Chapter I, and Tim Buck, Lenin and Canada (Toronto, 1970), Chapters 1-3.

The prominence of the communists in the Canadian Labour Party, and their activities in the Trades and Labour Congress, were not long in provoking a reaction from the officials of the latter organisation. The reaction took a simple form - expulsion. Excluded from the official trade unions the communists responded by forming "dual unions".[124] These activities, in turn, contributed to growing Trades and Labour Congress hostility to the communist-influenced Canadian Labour Party. Trade union affiliates to the latter organisation began to withdraw in increasing numbers and by 1927 the process was largely complete. The Western Independent Labour Party M.P.'s, Woodsworth and Heaps, supported the secessionists and later played a significant role in the foundation of the Co-operative Commonwealth Federation in 1932-33.[125]

With the foundation of the CCF in 1933 and the Communist Party over a decade earlier, the scene was set for ideological conflict within working class organisations between social democracy and Marxist socialism. By 1950 social democracy had emerged as the leading ideology within the Canadian labour movement. This process will be dealt with in a subsequent section. It is sufficient to note here that many of the factors which operated in the period up to the 1930's and produced a fragmented and weak labour movement continued to operate in the later period. For this reason social democracy emerged as the dominant Canadian working class ideology in a different way and with a different strength to that of the Labour Party in Britain.

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[124] Robin, Radical Politics, 260-1. See also Lipton, Trade Union Movement, 233-6.

[125] L. Zakuta, A Protest Movement Becalmed: A Study of Change in the CCF (Toronto, 1964), 35-6.

Britain, 1889-1945: Socialism, Syndicalism and Social Democracy

The last quarter of the nineteenth century was a period of expansion for the British Empire but it was also the period in which Britain lost its world monopoly position.[126] This change in the world economic system was accompanied by the beginnings of decline of British industry[127], a decline characterised by a failure to implement, at a comparable rate to competitors, improvements in the application of science, new management techniques and economies of scale to the productive process.[128]

It is against this economic background of declining economic power that the "new unions" emerged on a large scale in 1889. Attempts had been made previously to organise the semi- and unskilled workers excluded from the "New Model Unions" but had achieved only temporary success at best. Based on a sense of outrage at the exploited conditions of the non-craft workers[129], and on hostility to the embourgeoisement of the new model unions, and led by socialists, a new concept of unionism emerged on a large scale and on a permanent basis for the first time. The new concept of unionism was that of basing the union not on an occupational or industrial base but on a class base. These

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[126] G.D.H. Cole and R. Postgate, The British Common People: 1746-1946 (New York, 1961), 403-6.

[127] See Hobsbawm, Industry and Empire, Chapter 9.

[128] See A.L. Levine, Industrial Retardation in Britain, 1880-1914 (London, 1967), 6-9.

[129] For a graphic description of the evils of the casual labour system on the docks see Tom Mann's pamplet, The Position of Dockers and Sailors in 1897 and the International Federation of Ship, Dock and River Workers (London, 1897).

'general' unions sought to unite all workers against all employers but, because craft and industrial unions were already well established in many areas, they tended to concentrate, in practice, on elements of the working class excluded from these types of unions.[130] Nevertheless, these organizations stressed the primacy of the interests of the class as a whole over and above the interests of particular sections of the class. This fact, combined with the advocacy and use of greater militancy by these unions, and the success which they achieved, is an indication that a change in the consciousness of the English working class took place in the period following 1889. This argument is reinforced by the fact that the new unionism was led by socialists, who established a presence in the working class for the first time, and that the subsequent period coincides with the drive for independent labour political action and the formation of the Labour Representation Committee in 1900.

Several socialist organisations were in competition for the allegiance of the working class. The three most important were the Social Democratic Federation, advocating a form of Marxist socialism; the Independent Labour Party - whose brand of socialism has best been described as "ethical" - in putting forward a few basic ideas such as the collectivization of wealth and public ownership, and drawing its support from a strong sense of existing injustice and an inspired vision of an alternative way of life;[131] and the Fabian Society which viewed socialism as the enlightened

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[130] E.J. Hobsbawm, Labouring Men (London, 1964), 179-80.

[131] S. Pierson, Marxism and the Origins of British Socialism: The Struggle for a New Consciousness (Ithaca, 1973), 140.

consciousness of society as a whole to be brought about through the rational "conversion" of political and administrative leaders.[132]

The Social Democratic Federation, through an offshoot - the British Socialist Party - was a predecessor of the British Communist Party. The Independent Labour Party and the Fabians were both important influences upon the Labour Party.

The period after 1889 as well as being one of rapid unionisation, was also one in which the formal links between the trade unions and the old parties, especially the Liberal Party, began to be dissolved. By 1900 this process had developed to such a degree that the Labour Representation Committee (LRC) was formed to elect to Parliament "men sympathetic with the aims and demands of the labour movement". But the movement towards independent political action did not take a socialist direction. The formation of the Labour Representation Committee represented a deliberate retreat on the part of socialists in the Independent Labour Party who "purchased" trade union affiliation at the price of leaving the "aims and demands" of the labour movement undefined.[133] However, the setting up of the LRC does signify at least a recognition, albeit a non-explicit one, on the part of organised labour that working class interests could not be served through the medium of the old-line parties.

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[132] Pierson, Marxism and British Socialism, 122-3.

[133] R. Miliband, Parliamentary Socialism (London, 1973, 2nd ed.), 17.

The break itself was, in the beginning, only a formal one. The ideology of cooperation lived on within the Labour Representation Committee to such an extent that its history has been described as consisting largely of "political manoevres to reach electoral accommodations with the Liberals".[134] There was considerable local opposition to this largely unacknowledged policy on the part of the LRC leadership.[135] The long term trend, however, reinforced the formal break and added substance to it. The foundation of the Labour Party in 1906 marked a turning point in this regard.

At the same time as these developments were taking place, other ideological currents - notably that of industrial syndicalism - were gaining strength amongst the British working class. Common to all varieties of syndicalism[136] was the idea that political action alone would never abolish the capitalist system. The main instrument to

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[134] Miliband, Parliamentary Socialism, 19.

[135] See, for example, A.W. Purdue, "George Lansbury and the Middlesborough Election of 1906", International Review of Social History, xviii (1973), 333-52. But Purdue's article also makes it plain that the policy of accommodation with the Liberals had a considerable degree of mass support especially in mining areas where strong links had developed between the Liberal Party and the Miners' Federation of Great Britain in the second half of the nineteenth century.

[136] For a distinction between industrial unionism, syndicalism and guild socialism, see B. Pribicevic, The Shop Stewards' Movement and Workers' Control, 1910-22 (Oxford, 1959), 10-24.

accomplish this task was seen as the workers' industrial organisation.

Once capitalism had been abolished the New Society was to be organised

along industrial lines. Industry would be the foundation of social

structure and industry would be under the full control of the workers'

industrial organisations.[137] In the view of the main variety of British

syndicalism the supreme instrument of the industrial war against capitalism

was the general strike. The general strike was seen as the final battle

after which the employers would be ousted and the workers' industrial

organisations would take over.[138]

The rise of syndicalism was associated with declining real wages

after about 1900. For a ten year period, 1911-21, its quasi-revolutionary

influence was a leading ideological trend, sometimes the leading trend,

among the British working class. Its final defeat took place some time

after its peak period, with the defeat of the General Strike in 1926.

With the rise of syndicalism strike activity intensified. This

can be gauged from Table III.5[139]

TABLE III.5 British Strike Statistics, Annual Averages, 1900-32

Years	No. of Strikes	Workers involved (000)	Striker-days (000)
1900-10	529	240	4576
1911-13	1074	1034	20908
1914-18	844	632	5292
1919-21	1241	2108	49053
1922-25	629	503	11968
1926	323	2734	162233
1927-32	379	344	4740

[137] Pribicevic, Shop Stewards' Movement, 11

[138] ibid., 19.

[139] Adapted from R. Hyman, Strikes (London, 1972), 27.

Some writers consider that in 1914 Britain was in the midst of a potentially revolutionary situation.[140] In addition to the labour militancy the status quo was being subjected to severe strains by the suffragette movement, the Irish situation, and the constitutional crisis.[141] The system showed no signs of being able to resolve these tensions. In these circumstances the outbreak of the First World War can only be regarded as fortuitous for those responsible for system maintenance.

There were three basic factors which gave rise to the development and intensity of pre-war syndicalism. The most obvious one is the contin-uing decline in real wages and hence in the standard of living from around 1900 onwards. It has been estimated that the decline in real wages between 1899 and 1913 was around 10%[142], and the decline in the standard of living is indicated by the fact that consumption of such foodstuffs as meat and sugar fell. Also, although such concepts as the 'quality of life' cannot be quantified, there is some evidence that such items as industrial accident

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[140] For example, "between 1900 and 1914, and against the wishes of their leaders, they (the working class) plunged into a series of furious strikes which, but for the declaration of War, would have culminated in September 1914, in a General Strike of extraordinary violence. The exact prescription for a syndicalist revolution", George Dangerfield, The Strange Death of Liberal England (New York, 1961 edition), 231. The Webbs were of a similar opinion that the British working class was building up to an "almost revolutionary outburst of gigantic industrial disputes", quoted in A. Hutt, British Trade Unionism (6th ed., London, 1975), 66.

[141] See Cole and Postgate, British Common People, 450-503.

[142] Ibid., 497.

rates were a contributory factor in the rising industrial militancy.
After analysing mining accident statistics which showed that one sixth
of all miners in 1909 were seriously injured (defined as being disabled
for seven days or more), 1453 of them fatally, Robert Small, a miner's
agent in Lanarkshire, called for a number of reforms including the
nationalisation of the mines and safety inspection by the miners them-
selves.[143] There is evidence that such appeals found a response among
the rank and file.

Secondly, there was widespread disillusionment with, and apathy
towards, the Labour Party. These feelings tended to be transferable towards
political action as such and hence laid the basis for the infusion of
syndicalist ideas. To a large extent this phenomenon was the Parliamentary
Labour Party's own fault. In the years prior to World War I it functioned
as an appendage to the Liberal Party. But the Liberal Party's lease of
life as a workingman's party was running out and thus, contrary to the
theorizing of the Labour Party's tacticians, it was a political disadvantage,
at least as far as its working class supporters were concerned, to be so
closely associated with the Liberals.

The growth of anti- Parliamentarianism was fed by judicial decisions
and by the demonstration that existing legislation supposed to benefit the

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[143] R. Small, The Cry from the Mine and the Claim of the Miner (London, 1911);
see also R. Page Arnot, The Miners: Years of Struggle: A History of the Miners'
Federation of Great Britain (from 1910 onwards)(London, 1953), 23-4, for
accident rates in the miners.

working class was not being adequately enforced. The Taff Vale[144] and
Osborne[145] court decisions temporarily weakened the unions and brought
into disrepute the impartiality of the courts and of Parliament.[146] A
demonstration of the lack of enforcement of existing legislation came
through such incidents as Senghenydd Mine Disaster in which 439 miners
died.[147] Fines totalling L 22 (or 1 shilling 1-1/4 d. per life) were
imposed for non-implementations of the 1911 Mines Act.

Yet the gigantic strike wave of the pre-war years receded to a
mere ripple with the outbreak of war. A joint meeting of the trade
union and Labour Party leadership called for the termination of existing
trade disputes and for industrial cooperation for the duration of the war.[148]

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[144] The effect of the Taff Vale judgement, July, 1901, was to make the
funds of a trade union liable for damages inflicted by its officials. A
company could henceforth sue a union for losses incurred due to strike
action. It could be argued that the groundwork for the Taff Vale
decision was prepared in Ireland in the case of Leather V. Craig, 1900,
see Desmond Greaves, The Life and Times of James Connolly (London, 1972), 125.

[145] The effect of the Osborne judgement, 1909, was to prohibit the raising
of a political levy by trade unions or the use of union funds to support
a political party.

[146] W. Kendall, The Revolutionary Movement in Britain, 1900-21 (London,
1969), 64.

[147] See Page Arnot, The Miners, 50-53 for an account.

[148] H. Pelling, A History of British Trade Unionism (Harmondsworth, 1963),

But although this spirit of cooperation with both government and employers continued to pervade the British trade union leadership throughout the war, the same was not true of the rank and file. The decline in rank and file militancy proved to be of a temporary nature. Both the leaders of the Parliamentary Labour Party and the trade unions became totally involved in the war effort. By 1919 "a whole army of Labour representatives were serving on a multitude of official committees, commissions, tribunals and agencies".[149]

The vast expansion of the armed forces led to serious labour shortages in the first years of the war. Despite this favourable bargaining situation however, and despite rapidly increasing prices, demands for wage increases were remarkably restrained.

There are a number of reasons for this situation.[150] First, the war was expected to be of short duration and there was a widespread feeling that everyone ought to make sacrifices. Second, shortages of labour were eased by the employment of women paid at 50-60% of the male rate. Third, there was a decline in real wage rates - but due to over-time, earnings kept roughly in step with the cost of living. The final reason for the restraint in wage demands was that the workers had lost their organisations which traditionally fought for wage demands. More correctly, their traditional organisations - the trade unions - had disarmed themselves by the Treasury Agreement of March, 1915 and the subsequent re-nunciation of strikes. Many of the leaders of these organisations had joined the apparatus responsible for managing the war economy. These

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[149] Miliband, Parliamentary Socialism, 48.

[150] See S. Pollard, The Development of the British Economy, 1914-50 (London, 1962), 79.

factors inhibited many industrial claims until around 1917 when the flood gates burst.

There were two basic factors in the rise of militancy during and after 1917 - real wages continued to decline and a new issue, that of 'dilution', began to affect increasing numbers of workers. Dilution refers to the practice of allowing unskilled or semi-skilled labour to do what had previously been reserved for skilled workers. It was thus seen by many skilled workers as an attack on their job security since it undermined the control over labour supply which the skilled workers had previously exercised through apprenticeship schemes and the like.

By the Treasury Agreement of 1915 the official leadership of the trade union movement agreed to voluntary dilution of labour in return for a government promise to restore the status quo after the war. The labour leaders probably accepted this because they feared, above all else, the introduction of direction of labour and industrial conscription. To avert this they felt they had to "abandon their traditional attitude of leaving decisions to the bosses, they had to become partners, if only junior partners, in the conduct of affairs".[151]

It was in response to these factors that the Shop Stewards, Rank and File, and Reform Movements arose among the working class. The new movements found their greatest strength in the engineering and mining industries. Shop stewards had existed since the 1820's in some industries [152] but it was not until World War I, under the impact of declining real wages, dilution of labour, and a power vacuum caused by the integration of official

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[151] A.J.P. Taylor, English History, 1914-45 (Oxford, 1965), 28.

[152] J.F.B. Goodman and T.G. Whittingham, Shop Stewards (London, 1973), 27.

trade union leaders into the war machine, that they emerged as a militant and, at times quasi-revolutionary movement.[153]

The neglect, by the official trade union leaders of their working class constituency during the war, certainly fell on fertile ground in terms of the pre-war syndicalist agitation.[154] Distrust of leadership reached almost "hysterical" proportions during World War I and was combined with widespread opposition to Parliament and, indeed, to all political action. This provided the Shop Stewards' Movement with one of its basic strengths, that of rank and file workshop militancy, but also with one of its most formidable weaknesses in the difficulty, never successfully overcome, of projecting this militancy beyond the confines of the workshop and the plant.

The impact of rising militancy in the last years of the war can be seen from Table III.6.[155]

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[153] See Goodman and Whittingham, Shop Stewards, 30-31; Pribicevic, Shop Stewards' Movement, 35-6; and J. Hinton, The First Shop Stewards' Movement (London, 1973), 99-100.

[154] The influential pamphlet, The Miners' Next Step (1912) had partly reflected and partly encouraged disillusionment with the existing leadership and projected these feelings onto the phenomenon of leadership as such,

> "The possession of power inevitably leads to corruption. All leaders become corrupt, in spite of their own good intentions. No man was ever good enough, brave enough, or strong enough, to have such power at his disposal, as real leadership implies... The order and system he maintains is based upon the suppression of the men, from being independent thinkers into being 'the men' or 'the Mob'... he is compelled to become an autocrat and a foe to democracy."

[155] From W. Hannington, Industrial History in Wartime: Including A Record of the Shop Stewards' Movement (London, 1940), 64.

TABLE III.6. Wartime Strike Statistics in Britain

Year	Industry	No. of Strikes	No. of Workers Striking (rounded figures)	Total No. of Strike days
	Engineering			
1916		58	52000	263300
1917		94	316000	2427900
1918		132	102000	462400
	Shipbuilding			
1916		26	21000	74700
1917		49	40000	326000
1918		108	51000	377700
	Coal Mining			
1916		61	57000	287400
1917		116	267000	1098400
1918		165	380000	1273800

This militancy continued well into the post-war period before encountering defeats with the onset of the post-war slump. Some aspects of the post-war militancy were highly political. There was, for example, the willingness to engage in direct action even though the participants themselves realized that it was unconstitutional.[156] This was perhaps particularly evident in the massive actions which took place against assisting Poland against Bolshevik Russia and in the anti- intervention movement. One development during the anti-intervention campaign particularly alarmed the government - this was the establishment of local Councils of Action and of attempts to coordinate them nationally.[157]

[156] Miliband, Parliamentary Socialism, 70.

[157] Page Arnot, The Miners', 230.

Some of these Councils of Action remained in being for several months and, though it is easy to dismiss them in retrospect, at the time they must have seemed, both to supporters and opponents, to have the potentiality of being transformed into revolutionary soviets.

Certainly the leader of the Conservative Party, Bonar Law, was prompted to observe that only the unions stood between his class and the breakdown of the established order. Thus the issue of working class leadership surfaces once again. It can be plausibly argued that the official leadership of the trade unions was so ingrained with reformism and caution that it had become an important instrument of social control for the capitalist class.[158] There is certainly much evidence to suggest that Conservative Party politicians privately regarded them in this way. One authoritative study concluded that the Tory politicians regarded the union leaders as "paper tigers" who could be "bought, argued or charmed into conformity".[159] The Conservative leaders were considerably more worried about the militancy of the working class 'followers' than of their 'leaders'.

Ruling class strategy in the post-war years seems to have had two major aspects. First, to "re-educate" the labour movement making use of the moderate and right-wing leadership.[160] Second, to launch a counter-offensive against the gains made by workers in the war and early post-war years.

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[158] Lane, The Union Makes Us Strong, 129.

[159] M. Cowling, The Impact of Labour, 1920-24: The Beginning of Modern British Politics (Cambridge, 1971), 423-4.

[160] For an elaboration of this aspect of ruling class strategy see John Foster, "The State and Ruling Class During the General Strike", Marxism Today, 20 (1976), 137-48.

In this "counter offensive" it was the miners - the largest and traditionally the most militant of the British trade unions - who were to bear the brunt of the attack. A commission was appointed to enquire into the mining industry which had been under government control for the duration of the war. The clear result of this commission - the Sankey Report - was a recommendation for continued state control on the grounds that "the present system of ownership stands condemned, and some other system must be substituted for it, either nationalization or a method of unification by national purchase and/or by joint control".[161] This was acceptable to the miners. It was also accepted by the Government - in a letter to the Miners' Federation of Great Britain Bonar Law pledged that "the Government are prepared to carry out in the spirit and in the letter the recommendations of Sir John Sankey's Report".[162]

Notwithstanding this definite pledge the Government moved to 'de-control' the mining industry by March, 1921 and handed it back to its private owners. On March 31, 1921 the miners were locked out, having refused to accept wage cuts proposed by the owners. The proposed cuts were of such an extent that they would have rolled back real wages to the pre-1914 level. The miners invoked the aid of the Triple Alliance,[163]

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[161] Page Arnot, The Miners', 283.

[162] Hannington, Industrial History, 83-4.

[163] An agreement, originally made in 1914, between the unions in the railway, mining and transport industries. The agreement was intended to ensure that all their bargaining took place at the same time but quickly came to be regarded as a pledge to call sympathetic strikes by the other two unions if one of them was under attack.

and for a time it seemed that the railway and transport unions were
willing to strike in sympathy. Then, on April 15, after behind-the-
scenes negotiations with the government, these unions withdrew the threat
to strike. The day became known as Black Friday. Among the effects of
Black Friday was widespread disillusionment which, together with the
economic slump, led to a diminution of industrial unrest until 1925 when
a temporary revival occurred.

Once again the mining question was intimately linked with the
revival of militancy. In 1925 the mine owners proposed further wage cuts.
Reacting in part to guilt feelings over the Black Friday debacle - which
had been almost universally condemned within the labour movement as a
betrayal of the miners - the TUC pledged its full support to the Miners'
Federation, to the extent of being prepared to call a general sympathetic
strike. Faced with this threat the government backed down on "Red Friday'
and agreed to pay the mine owners a temporary subsidy to enable wage rates
to be maintained. With the withdrawal of that temporary subsidy nine months
later the scene was set for the 1926 General Strike.

Government preparations for such an eventuality had been underway
for some years.[164] In 1920 the Emergency Powers Act had been passed.

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[164] After Red Friday, A.J. Cook the miners' leader commented, "This is
the first round. Let us prepare for the final struggle", quoted in Hutt,
British Trade Unionism, 104. No preparations were in fact made. On the
government side Prime Minister Stanley Baldwin is reported to have said
"we were not ready", and cabinet secretary T.J. Jones commented, "The
Government was, in fact, buying time to prepare the national defences
against the possible recurrence of this threat". The Government made good
use of the time.

The act was intended to make it possible for the Government to break any large scale strike which interfered with what have lately come to be termed "essential services". It empowered the government to declare a "state of emergency" and to govern by means of "regulations", breach of which was punishable by up to three months in prison.[165] Contingency plans were developed for the continuance of essential services by volunteers. In the nine months preceding the strike these preparations were intensified and voluntary bodies such as the Organisation for the Maintenance of Supplies (OMS), and the British Fascists recruited some hundred thousand volunteers to assist the government in the event of a General Strike.[166]

Although the major impact of the wartime and post-war militancy had been in the sphere of industrial conflict, it also had its effect on the Labour Party. In January, 1918 that organisation adopted a new constitution which transformed its structure from a loose federation to that of a national party with local branches. Membership was henceforth available on an individual basis as well as through membership in affiliated organisations. The new constitution also committed the party to socialist objectives, Clause IV outlining the party's intention,

> "to secure for the producers by hand and by brain the full fruits of their industry, and the most equitable distribution thereof that may be possible, upon the basis of the common ownership of the means of production[167] and the best obtainable system of popular administration and control of each industry and service".[168]

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[165] Cole and Postgate, British Common People, 557-8.

[166] Miliband, Parliamentary Socialism, 124-5.

[167] Later amended to read "means of production, distribution and exchange".

[168] C.L. Mowat, Britain Between the Wars, 1918-40 (London, 1955), 18.

One of the immediate effects of the new constitution was to remove part of the _raison d'être_ for small affiliated organisations like the Independent Labour Party, which increasingly found itself squashed between the Labour Party and the newly formed Communist Party of Great Britain.[169] The latter organisation was founded in August, 1920 out of a number of already existing Marxist organisations and under the inspiration of the Bolshevik Revolution and the active encouragement of its leaders.[170] In pursuance of its tactic of seeking a united front with the Labour Party the CPGB applied for affiliated status. These applications were always rejected;[171] from 1924 onwards, individual members of the Communist Party were no longer eligible for endorsement as Labour candidates for Parliament or local councils or to be individual members of the Labour Party.[172] Despite these defeats and despite their tiny membership of between three and six thousand prior to the General strike, the party was able to exercise an influence in working class politics out of all proportion to its numbers.

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[169] R.E. Dowse, _Left in the Centre: The Independent Labour Party,_ _1893-1940_ (Evanston, 1966), 74.

[170] See L.J. Macfarlane, _The British Communist Party: Its Origin and_ _Development Until 1929_ (London, 1960), Chapters I and II; and J. Klugmann, _History of the Communist Party of Great Britain, 1, Formation and Early_ _Years, 1919-24_ (London, 1968), 13-74.

[171] Macfarlane, _British Communist Party_, 96.

[172] _ibid._, 107.

This was largely accomplished by means of sponsored organisations such as the National Unemployed Workers' Committees Movement (NUWCM)[173] and the National Minority Movement (NMM). The Minority Movement gained considerable support among working class militants after the failures of the first Labour Government in 1924. Though the mass of Labour supporters excused its record on the grounds that it was after all a minority government, many reacted strongly to remarks such as those made on the subject of strikes by the Lord Privy Seal, J.R. Clynes, to the effect that the Labour Government "had played the part of a national government and not a class government and I am certain that any government, whatever it might be could not in the circumstances have done more than we to safeguard the public interests".[174] This suggests that the ideological clarifications of the post Second World War period had long and deep roots within the Labour Party.

The first Conference of the National Minority Movement was held in August, 1924. It was attended by 270 delegates representing 200,000 workers (by 1925 the NMM claimed 683 delegates representing 750,000 workers). One of the first actions taken was the passing of an emergency resolution criticising the Labour Government's attitude towards strikes and commenting that it acted in exactly the same way as a Liberal or a Tory Government would have done.[175] By 1925, coinciding with the renewal

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[173] Founded in 1921.

[174] Quoted in A. Hutt, The Post-War History of the British Working Class (London, 1937), 83-4.

[175] National Minority Movement (NMM), Report of the National Minority Conference Held August 23 and 24, 1924 (London, 1924), 9-10. Hereafter these reports are referred to as NMM, Report, followed by the year.

of industrial militancy, the NMM was able to muster considerable strength
at the Trades Union Congress. In that year the President of the TUC,
A.B. Swales of the Amalgamated Engineering Union, criticised those in
the trade unions who seemed too afraid of the abolition of capitalism,[176]
and the Congress carried by a vote of 2,456,000 - 1,218,000 a motion calling
on the TUC to "organise to prepare the Trade Unions in conjunction with the
party of the workers to struggle for the overthrow of capitalism..."[177]
But the elections to the General Council strengthened the position of the
trade union moderates,[178] of those who echoed the views of J.R. Clynes
that "I am not in fear of the capitalist class. The only class I fear is
our own".[179] It was under their leadership that organised labour entered
the 1926 General Strike,[180] and that the syndicalist and socialist trends
within the labour movement met their defeat and began an eclipse that was
to last for fourty years.

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[176] Trades Union Congress (TUC), Report of Proceedings at the 57th Annual
TUC, Sept. 7-12, 1925 (London, 1925), 77. Hereafter these reports are
referred to as TUC, Report, followed by the year.

[177] TUC, Report, 1925, 437-8.

[178] Mowat, Britain Between the Wars, 289.

[179] TUC, Report, 1925, 387.

[180] The only well-organised alternative source of leadership might have
been that provided by the Communist Party. This possibility was removed
by the prison sentences passed on twelve communist leaders in 1925 for
"seditious libel and incitement to mutiny". As Mowat comments "they were,
in fact, put out of the way for the duration of any trouble which might
arise", Britain Between the Wars, 296-7.

The details of the General Strike have been exhaustively discussed[181] and will not be dealt with here. For our purposes two important aspects of the strike should be noted. First, the response of the rank and file to the strike call was overwhelmingly solid. This occurred in the face of a massive pro-Government propaganda effort (mainly through the medium of the BBC) alleging that the strike was unconstitutional.[182] What would have happened if the leadership had sought to move the strike in unconstitutional directions must remain a matter of conjecture. For the trade union leadership was totally unwilling to challenge the constitutional authorities. Given the refusal of the leadership to use their mass support to fundamentally challenge a determined government the strike was doomed to failure.[183] After ten days it ended with the unconditional surrender of the TUC leadership.

The second aspect of the strike is that the same leadership which led the General Strike into a humiliating failure were able to use this failure to discredit their syndicalist and socialist opponents and, in the following five years, to carry out an ideological reorientation of working class organisations in Britain.

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[181] Good full-length accounts of the strike are contained in W.H. Crooks, The General Strike (Chapel Hill, 1931); J. Symons, The General Strike (London, 1957); C. Farman, The General Strike (London, 1974); and M. Morris, The General Strike (Harmondsworth, 1976).

[182] Mowat, Britain Between the Wars, 313; Pelling, History of British Trade Unionism, 180.

[183] Miliband, Parliamentary Socialism, 144-5.

The failure of the strike was used to discredit the syndicalist method. The onset of worsening economic conditions made militant industrial action increasingly unattractive. With the tacit assistance of the ruling class the trade union leadership was able to promote and win support for a credible alternative to syndicalism. The two main features of the ideological reorientation were cooperation in industry and parliament-arianism in politics.

The move towards reformism and collaboration took place under the leadership of Ernest Bevin ("We look upon ourselves as the labour side of management")[184] and Walter Citrine. There is evidence that both men had long believed in these tactics[185] - the defeat of the General Strike did not cause any change in their beliefs, it merely provided the opportunity for them to be put into practice.

The form which the new tactics took was that of an industrial conference between leading capitalists and trade unionists - the so-called Mond-Turner talks of 1928-9. In addition, a network of personal friendships between the two groups began to grow up.[186] The argument for the Mond-Turner

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[184] Quoted in N. Branson and M. Heinemann, Britain in the Nineteen Thirties (London, 1971), 100.

[185] D.F. Wilson, Dockers: The Impact of Industrial Change (London, 1972) 73. Wilson argues that Bevin had been converted to a belief in the possibilities of cooperation very early in his career through his experiences on the Bristol Port and Transit Committee.

[186] Pelling, History of British Trade Unions, 188.

talks was presented at the 1928 TUC in a special report from the General

Council. The report outlined three possible alternatives which were

available to the trade union movement[187]- revolution (rejected as "futile,

certain to fail, and sure to lead to bloodshed and misery"); disengagement

(rejected because it would be "a confession of failure for unions to say

they are going to take no hand in the momentous changes that are taking

place"); or participation by the trade union movement in order to "have

a voice as to the way industry is carried on, so that it can influence

the new developments that are taking place". The report went on,

> "The ultimate policy of the movement can find more use for an
>
> efficient industry than for a derelict one, and the unions can
>
> use their power to promote and guide the scientific reorganisation
>
> of industry as well as to obtain national advantages from that re-
>
> organisation".[188]

The General Council of the TUC opted for the third alternative and the

Congress itself endorsed the report by a card vote of 3,075,000 to 566,000.[189]

The new position was also reflected in the endorsation of the process

of cost-reduction and amalgamations known as the "rationalisation" of

industry. The opposition to rationalisation and the policy of "Mondism" was

organised by the National Minority Movement.[190] This opposition became in-

creasingly ineffective. This was due to two factors. The first was the

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[187] See TUC, Report, 1928, 209-10

[188] loc. cit.

[189] ibid., 452.

[190] See the well-researched pamphlets put out by the National Minority
Movement, What is Rationalisation? (London, 1928); Another Year of Rationalisation
(London, 1929); and the more polemical, Peace (But Not With Capitalism), The
Policy of the Minority Movement versus the Policy of the General Council
(London, n.d.).

series of sanctions taken by the TUC after an inquiry into "disruption"
by the General Council. It concluded that the National Minority Movement
and other organisations, "deliberately exercise a disruptive influence
inside the Trade Union Movement".[191] The second was the self-imposed
isolation of the NMM after its switch of line in 1929, from the tactics
of the united front to ones of fighting the Labour Government, elected
in 1929, together with the leaders of the TUC who, it stated, "perform
the capitalists work".[192]

From 1929 the apparatus of the Labour Party and the
TUC branded all attempts to involve the party in extra-Parliamentary
political activities as 'communist disruption'. The result was that the
mass agitations of the "low, dishonest decade" of the 1930's around
unemployment and the means test, against the rise of Fascism in Britain,
and in solidarity with republican Spain, all took place without the
backing, and in some cases in the face of opposition from the Labour
Party. Since the Labour Party retained the loyalty and support of the
great majority of the British working class such movements were immeasur-
ably weaker than they would have been with the active support of the
Labour Party.[193]

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[191] TUC, _Report, 1929_, 169.

[192] NMM, _Report, 1929_, 3.

[193] These comments, strictly speaking, apply only at the national level.
In many localities local labour parties and their members did not comply
with instructions from London and, running the risk of expulsion, became
active participants in the movements referred to.

Thus the Labour Party played little part in the mass struggles of the 1930's many of which were clearly designed to improve the distressed condition of the working class. Yet the Labour Party had by this time achieved the loyalty of large sections of the class, and despite its inactivity outside Parliament it never looked like losing that loyalty. And this, despite the less than satisfactory record of the two governments which the Party had formed. What kind of party was it that had gained such a firm grip on the loyalty of the English working class? What factors explain the persistence of this loyalty in the unsuccessful and disappointing years following the defeat of the General Strike and the collapse of the Labour government in 1931 with the defection of Ramsey MacDonald to lead a Conservative dominated 'National' government?

The theoretical foundations of the Labour Party were provided by Ramsey MacDonald. The basis of MacDonald's views[194] was that social reform depends upon efficiency, planning, organisation and science - on the understanding of economic change and the conscious pursuit of greater wealth. He saw the source of development, progress, and social change as being determined by changes in technology. MacDonald expressed these views in biological terminology - society was viewed as an organism gradually evolving into another form. The role of socialists in this process was seen as one of education - to prepare people to adapt to the higher and technologically determined types of society which, in due time, would

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[194] The following account of MacDonald's political philosophy relies mainly on B. Barker, ed., Ramsay MacDonald's Political Writings (London, 1972), and J. Jupp, The Left in Britain, 1931-41, unpubl. M.Sc. (Econ.) thesis, University of London, 1956, especially 289 et seq.

develop. MacDonald, then, substituted education and changes in public opinion for the class struggle. In fact he denied that socialism had anything to do with class, "Socialism is no class movement. Socialism is a movement of opinion, not an organisation of status. It is not the rule of the working class; it is the organisation of the community".[195]

The social democratic ideology of the Labour Party therefore rejected class struggle. This was not challenged by any group among the leadership of the Labour Party or the TUC. After MacDonald defected to the "National" government, and was subsequently expelled from the Labour Party, "MacDonaldism" continued to be the basis of the political thinking of the Labour leaders. What then caused the breach? The Labour cabinet in 1931 advocated cutting unemployment benefits. This measure would primarily affect the working class. The TUC General Council refused to support this measure. The break did not occur over policy "but over primary loyalty... (MacDonald)... considered his first duty was to the "national interest" as it was almost universally conceived; the Labour Party saw its first duty to its own people".[196] It might have been expected that MacDonald would be followed by a considerable part of the Labour Party. In fact, only three ministers - Snowden, J.H. Thomas, and Sankey - and a tiny handful of M.P.'s followed the leader. They were all expelled from the party. Not a single constituency association or trade union made a move to follow.[197]

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[195] Barker, Ramsay MacDonald's Political Writings, 47-8.

[196] R. Skidelsky, Politicians and the Slump: The Labour Government of 1929-31 (London, 1970), 425.

[197] S.H. Beer, British Politics in the Collectivist Age (New York, 1967), 161.

These events indicate the other aspect of Labour's political ideology. The class struggle was rejected, but class solidarity was not. The latter aspect - the defensive aspect - was still immensely powerful. The socialist rhetoric of the 1918 constitution fueled these feelings of class solidarity even though it may simultaneously have "disguised the Party's rejection of the class analysis of society".[198] The refusal of the party and of the TUC (still under Bevin-Citrine leadership) to countenance an attack upon the unemployed demonstrated to its followers that it remained "their" party. The 1931 "betrayal" of Ramsey MacDonald and his subsequent expulsion as a "traitor" in retrospect greatly solidified the attachment of the working class to the Labour Party. The events of 1931 rapidly passed into the realm of mythology. In fact MacDonald was never criticised particularly severely and he was expelled more in sorrow than in anger. But he was expelled. And the myth of the great rift proved to be an extremely powerful one. The failure of the Labour Party to act in defence of the unemployed outside Parliament during the 1930's was always outweighed in the popular working class mind by the consideration that the party had acted in their defence inside Parliament - and had therefore 'done what it could'.

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[198] B. Barker, "Anatomy of Reformism: The Social and Political Ideas of the Labour Leadership in Yorkshire", International Review of Social History, xviii (1973), 26.

Thus the labour Party and the TUC leadership rejected the concept of class struggle and the tactics of mass activity outside Parliament combined with industrial militancy. But within the Parliamentary context they believed that the interests of the working class should be defended. And, as an ultimate goal to be reached through Parliamentary action, they subscribed to the aim of creating a socialist society. The consistency of this position was continually clouded by the rhetoric of socialism and class--the qualifications that it was to be socialism through parliamentary means only, and class solidarity of defence, not of class struggle, were rarely made in the speeches of the labour leaders. It is probable that these qualifications were not present in a theoretically lucid form in the minds of the leadership. But in their actual practice during the 1930's these qualifications can be clearly discerned.

In 1940 the Labour Party entered the wartime coalition government. In 1945 it won an overwhelming victory in the general election and formed, for the first time, a majority government. The social democrats, who had ideologically reoriented Britain's labour movement in the years after 1926, now had the opportunity to put their ideas into practice.

At this stage, however, it will be sufficient to note that their rise to dominance in British working class organisations was made possible by three factors. First, the dramatic failure of the syndicalist method. Through their control of the apparatus of the TUC and Labour Party, the social democrats were able to postpone and ultimately avoid discussion of who was responsible for the failure. Second, changing economic conditions made alternatives less appealing. Third, they received at least tacit assistance from society's ruling class.

Canada, 1933-50: The Rise of Social Democracy

In a previous section of the Chapter reference was made to the foundation of the Cooperative Commonwealth Federation (CCF) at Regina in 1933. Ideologically the CCF represents a Canadian version of British social democracy. From the outset it contained the same ambiguous mixture of socialist rhetoric in its programmes, and political moderation in practice.

The founding document, the Regina Manifesto, pledged the CCF to,

"...replace the present capitalist system, with its inherent injustice and inhumanity, by a social order from which the domination and exploitation of one class by another will be eliminated, in which economic planning will supersede un-regulated private enterprise and competition, and in which genuine democratic self-government, based upon economic equality, will be possible... No CCF government will rest content until it has eradicated capitalism and put into operation the full programme of socialized planning which will lead to the establishment in Canada of the Cooperative Commonwealth".[199]

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[199] Reprinted in M.S. Cross, ed., The Decline and Fall of a Good Idea: CCF-NDP Manifestoes, 1932-69 (Toronto, 1974), 19-23. For what were, in effect, previous drafts of the Regina Manifesto see the 1932 Calgary programme in ibid., 18; and the Manifesto of the League for Social Reconstruction (also 1932) in Horn, The Dirty Thirties, 407-9.

A number of specific measures were proposed including national planning, the nationalization of banks, transportation, electric power and a number of other industries, measures to improve the lot of the farmers, a national labour code, expanded and subsidized welfare services, taxation policies to redistribute the national income and an emergency programme to deal with the level of unemployment. Other than the proposal to nationalize banking there was little that seemed aimed at the eradication of capitalism.

The major differences from Marxist socialism were a rejection of class struggle and the holding of the view that the state in capitalist society was neutral between classes.[200] Almost from the first the party leadership stressed the differences between CCF socialism and Marxist socialism, and began to "moderate" the image of the CCF, and to avoid excessive use of the word "socialism".[201] At the party's Winnipeg convention in 1934 an Immediate Programme was adopted which was more moderate than the Regina Manifesto.[202]

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[200] See W.D. Young, The Anatomy of a Party: the National CCF, 1932-61 (Toronto, 1967), 28 for J.S. Woodworth's attachment to the Parliamentary system.

[201] Zakuta, Protest Movement Becalmed, 60-1.

[202] Young, Anatomy of a Party, 50.

Organisationally the Cooperative Commonwealth Federation adopted a loose federal structure. Over the years this structure became increasingly centralized - leading some observers, linking increasing centralization to the ideological adaption of the CCF to its surroundings, to describe the process as one of transition from "movement" to "party". One of the initial factors promoting this process of centralization was the leadership's inability, given the original structure, to prevent cooperation between CCF members and communists in various united front activities.[203]

The disputes within the CCF on this question took place at a time of unusually high public interest in politics, of jammed public meetings, picnics of over 50,000 people, large May Day parades, and frequent street corner meetings.[204]

The major united front activities of the 1930's were the Canadian Labour Defence League, which organised protests against the imprisonment of the communist leaders and in defence of labour's interests;[205] the committee in support of republican Spain; and unemployed organisations.

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[203] On this point see Zakuta, _Protest Movement Becalmed_, 50-51, and Caplan, _Dilemma of Canadian Socialism_, 40, 50-1, 56.

[204] See G. Spry, "The CCF Party in its Formative Years", in V. Hoar, ed., _The Great Depression: Essays and Memoirs from Canada and the U.S._ (Toronto, 1969), 215-16.

[205] Young, _Anatomy of a Party_, 261 records that its activities met with a high degree of public support.

The CCF inner leadership, especially Woodsworth[206], responded to the willingness of their members and local clubs to participate in united front actions by expulsions and suspensions. At one time the Ontario Provincial Council was suspended[207] and the Ontario Labour Conference was expelled.

These actions, on the part of the CCF leadership, provide an example of an apparatus using administrative measures against members and affiliates in its own organisation, to prevent its base from being eroded.

The rationale for opposition to united front activities was the attachment of the CCF leadership to "constitutional methods" and their opposition to mass extra parliamentary action which they felt, would result in "the intensification of political oppression."[208] There is no doubt that this attachment to parliamentary methods was as genuine on the part of the CCF leaders, as it was in their Labour Party counterparts in Britain. But a further reason may have been that, "Both sides believed that they were locked in mortal combat to determine the leadership of the Canadian working class."[209] Despite

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[206] For Woodsworth's attitude to cooperation with the communists see ibid., 262; and K.W. McNaught, A Prophet in Politics: A Biography of J.S. Woodsworth (Toronto, 1959), 269-70.

[207] Caplan, Dilemma of Canadian Socialism, 56-7.

[208] Young, Anatomy of a Party, 259.

[209] Caplan, Dilemma of Canadian Socialism, 82.

their greater electoral strength and larger membership the CCF leadership was by no means certain that they could win such a struggle.

To what extent is it true to say that the CCF and the Communist Party were locked in a struggle for the allegiance of the Canadian working class? First, the majority of the Canadian working class undoubtedly continued, at the individual level, to vote for and identify with the old line political parties. Second, the majority of the organised working class continued to belong to the Trades and Labour Congress which was firmly "non-partisan" in its approach to politics.

The majority of the class were at first relatively unaffected by the struggle between the CCF and the Communist Party. The surge to industrial unionism, however, and the fact that the two parties provided alternative leaderships and fought for alternative policies within the new unions and the new union centre[210], meant that the perceptions of the two leaderships had some validity. The same struggle occurred, though at a less intense level, within the older Trades and Labour Congress.

In electoral terms the Labour-Progressive[211] and Liberal-Labour[212] candidates were able to have an impact on the fortunes of the CCF in a way that the Communist Party of Great Britain was never able to affect

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[210] The Canadian Congress of Labour (CCL).

[211] Between 1943 and 1959 the official name of the Communist Party was the Labour Progressive Party (LPP).

[212] As a result of local electoral alliances LPP and other candidates sometimes ran on the Liberal-Labour ticket.

the Labour Party.[213] This is largely because by the time the British

Communist Party was formed the majority of the English working class

had already given its allegiance to the Labour Party. In Canada, however,

the working class organisations had attempted to form labour parties

without success and had subsequently opted for a policy of non-partisan-

ship. The CCF and the Communist Party (LPP), therefore, appeared in a

different relationship from the Labour Party and the Communist Party.

In the former case the two were rival suitors for the allegiance of a

still uncommitted working class; in the latter case the matter had already

been settled. In Britain the trade unions had established the Labour

Party. In Canada the leaders of the CCF sought to "capture" the trade

unions,

> "I am convinced that until such time as the Trade Union Movement
>
> in Canada becomes the base of the CCF, our political movement
>
> will not be the controlling force which it must be to aspire to
>
> power. We have always, therefore, worked toward the end that
>
> the Trade Union Movement should become part of the political
>
> movement".[214]

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[213] In the 1945 Ontario election, for example, the LPP obtained 2.4% of

the popular vote and elected two MPP's. Three Lib-Lab candidates were

also elected. In addition, Caplan, Dilemma of Canadian Socialism, 191,

estimated that in eight ridings the LPP so split the labour vote as to

lose the seat for the CCF. In his estimation this cost the CCF the of-

ficial opposition.

[214] Letter from David Lewis to F.R. Scott (1937), quoted in Young,

Anatomy of a Party, 78n. As Young comments, ibid., 83-4, "The trade

union was not moving toward the CCF freely and of its own accord".

The relative strength of the communists, while visible in electoral terms, assumes much greater significance when we consider the rivalry between the two parties within the organised labour movement, especially after the start of the CIO expansion in Canada.

When the CIO organising drive began, the Communist Party and its leading cadres were already veteran union organisers. This is largely because of their experience in the Workers Unity League. The WUL was formed, on the initiative of the communists in 1929 to organise the un-organised on industrial union lines, and to establish militant rank-and-file movements in other unions. In the words of its General Secretary, the aim was "to work at all times for the maximum unity of the Canadian trade union movement under one revolutionary trade union centre".[215]

According to one participant the official credo of existing unions in the Great Depression was highly defensive with organising activity and strike action being de-emphasized due to adverse economic conditions.[216] The Workers' Unity League demonstrated that it was pos-sible to organise workers and to conduct and win strikes under these conditions.[217]

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[215] McEwen, Forge, 141.

[216] W. Walsh, "Lessons from Trade Union History", public Lecture, Glendon College, 3 March 1973. Walsh was an organiser for the Workers' Unity League in the 1930's.

[217] Mackintosh, Outline History, 27; Logan, Trade Unions, 342; Avakumovic, Communist Party, 73-7, 131.

Though the numbers organised by the WUL never exceeded 40,000 (about 14% of the total) its activities did have an impact on the Canadian working class. In 1935 the WUL disbanded and its members, where possible, joined unions affiliated to the Trades and Labour Congress or the All Canadian Congress of Labour. This was in response to a shift in the line of the Communist International which called for its adherents to construct united fronts against fascism. The experience gained in the WUL, however, was to prove useful.[218]

In the United States in the 1930's hostility between craft and industrial unions reached breaking point. Under pressure from the American Federation of Labour this situation was replicated in Canada.[219] For a brief period (1939-40) there were three major trade union centres in English Canada - the Trades and Labour Congress, the All Canadian Congress of Labour and the Canadian CIO Committee. The latter two organisations merged in 1940 to form the Canadian Congress of Labour. The battle between the CCF and the LPP was conducted in both organisations but under somewhat different conditions since the Trades and Labour Congress was still vigorously non-partisan.

The communists and their allies were always a minority group but at times they were a very significant minority. In 1940 it has been estimated that 10 of the CCL's 23 unions containing more than one-third of the membership were under communist leadership or influence.[220] In 1941 David Lewis, National Secretary of the CCF reported that at the 1941 CCL convention "the communists came in terrific force" and that "they

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[218] I.M. Abella, Nationalism, Communism and Canadian Labour: the CIO, the CP and the CCL, 1935-56 (Toronto, 1973), 25.

[219] Forsey, "History", 796.

[220] G. Horowitz, Canadian Labour in Politics (Toronto, 1968), 85.

mustered a vote of about 175 out of a total vote of 359 and this was too damn close for comfort".[221] At the same convention Nigel Morgan, the communist candidate for President received 175 votes to Aaron Mosher's 283 (38.2%). The communist backed candidates for Vice President and Secretary Treasurer gained 42.2% and 37.7% respectively.[222]

Despite this strength, however, the merger of the ACCL and the Canadian CIO committee represented a defeat for the Communists and a diminution of their strength since they had been weak in the ACCL. Indeed there is little doubt that this is why the CCF so actively supported the merger.[223]

The CCF did not hesitate to use the position of dominance it had attained. C.S. Jackson (of the United Electrical Workers), Leader of the opposition group, was suspended from the CCL Council. Through such union leaders as Charles Millard, Dowling, Barrett and others[224] the CCF launched a campaign to eliminate communists from leadership positions in CCL unions. The methods used were not always democratic.[225] It was said that at the

[221] Quoted in Young, Anatomy of a Party, 273.

[222] Canadian Congress of Labour, Report 1941, 93.

[223] Abella, Nationalism, 45; see also Avakumovic, Communist Party, 147-8.

[224] See Lazarus, Years of Hard Labour, 47-54; Logan, Trade Unions, 256-7; Abella, Nationalism, 30-31, 56-7; Young, Anatomy of a Party, 80-81; and Horowitz, Canadian Labour, 66-8.

[225] See Logan, Trade Unions, loc. cit. and Abella, Nationalism, 66-8.

leadership levels the CCF and the CCL were "interlocking organisations".[226]

A factor in this process was the policy of hiring only CCFers as union

organisers:

> "To claim that the trade union staffs of the new industrial
>
> unions at this time (1939-40) were hired solely on the basis
>
> of their political affiliations would not be an exaggeration...
>
> their political attitudes were scrutinized prior to their
>
> appointment and they were encouraged to participate and become
>
> members of the CCF".[227]

In the period prior to the end of the war the CCF were unsuccessful

in their aim of displacing the communists. One factor in this failure was

Hitler's invasion of the USSR in 1941, the release of communists from

internment, and the favourable publicity concerning the victorious Red

Army on which the Canadian communists were able to capitalise, both within

and outside of the labour movement.[228]

 In the Trades and Labour Congress the struggle was conducted on

lines more favourable to the communists. This was because the traditional

non-partisanship of the TLC was congruent in form with the communist

position of independent political action without affiliating to any party.

The resistance of the communists to the affiliation of the TLC to the CCF

therefore gained legitimacy from the TLC's own traditions. The CCF, in

contrast, appeared less legitimate in calling, as it did, for a reversal

of long-established policies.

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[226] Horowitz, Canadian Labour, 66

[227] Myrtle Armstrong, quoted in Young, Anatomy of a Party, 80.

[228] Avakumovic, Communist Party, 148-52.

Thus, organised labour retained the non-partisan attitude towards politics that it had held for many years. But certain changes had occurred. The organised section of the working class had expanded and was on the verge of further expansion into a mass movement. Two political organisations, representing different ideologies, and each having considerable support within the working class, were competing for the allegiance of the movement as a whole. Both had had some electoral success and the CCF in particular had gained the position of official opposition in Ontario.

There were three major contrasts with the situation in Britain during the same period. First, the relative size of the working class was smaller in Canada than Britain and it was also less organised. Second, organised labour in Canada was only marginally committed to partisan political action. As a result of this the combined strength of the social democrats and communists vis à vis the traditional parties was much less than that of the social democrats in Britain vis à vis the traditional parties there. Third, within organised labour in Britain the social democrats were securely in control. In Canada the social democrats faced serious challenges from their communist rivals. In addition, there were many more adherents of traditional political parties within the labour movement than was the case in Britain.

The relative strengths of various ideologies within working class organisations were far from fixed. Social democracy, as in Britain, was the most prominent ideology. But whereas the leading position of British social democracy was not seriously contested by either more or less radical ideological trends, in Canada the leading position of social democracy was highly qualified and subject to challenge.

It is largely because of this situation that the post-war ideological struggle within Canadian working class organisations took a different course to that taken in equivalent organisations in Britain. The immediate post-war period saw the consolidation of social democracy as the leading ideology within working class organisations in Canada.

In Britain, as we have seen, social democracy rose to hegemony as a result of the failure of the method proposed by its radical syndicalist rival, combined with worsening economic conditions, and the ability of its proponents, with some ruling class assistance, to portray political parliamentarianism plus economic cooperation as the most credible working class strategy.

In Canada ideological hegemony was achieved against the background of the Cold War. Making use of the anti-communist feelings generated during the Cold War the social democrats were able to consolidate their control over the apparatuses of most of the large unions and one of the trade union centres (the Canadian Congress of Labour). Utilizing their leadership positions they were able to initiate an anti-communist crusade within working class organisations and to exclude most radicals, and particularly the communists, from positions of influence within organised labour. This was done either by "taking over" unions allegedly under communist domination or where this tactic failed, by expelling those unions from the trade union centres (TLC and CCL). In carrying out this process the social democrats in Canada proved willing to make extensive use of ruling class assistance.

The first stage of the ideological struggle in post-war Canada was a truly ferocious battle for control of the apparatus of the trade union organisations of the working class. The ferocity of the struggle

can be largely explained by the fact that it was intended, certainly by the social democrats, to be a once-and-for-all affair. That is, the social democrats had no intention, once they had gained control of the apparatus, of allowing the radicals, in particular the communists, to take control back from them. The evidence for this statement rests in the system of constitutional bans and proscriptions which were introduced in trade unions under social democratic control.

By ruthless use of purges, individual expulsions,bans and proscriptions of members or supporters of the Communist Party from union office and membership, the social democrats of the CCF consolidated their position.[229] The result of these methods for radicals, and particularly communists, was that the post-war ideological conflicts took on the dimensions of a life-or-death struggle. For what was at stake was not only their influence in (or control over) working class organisations, but their right to remain a part of them. Once the system of bans, proscriptions and anti-communist clauses was in place, radical opposition to social democracy was forced into an underground and hence largely ineffective position. For the price of openess and thus effectiveness was expulsion.

In the Congress of Canadian Labour the anti-communist drive got well underway in 1946. In that year the report of the CCL's Political

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[229] For accounts of the process from various viewpoints see Horowitz, Canadian Labour; Abella, Nationalism, Lipton, Trade Union Movement, Chapter 16; and Avakumovic, Communist Party, Chapter 7.

Action Committee[230] recalled that it had been established in March, 1944

to conduct political education amongst affiliates and to encourage workers

to become politically active. The PAC reported that the CCL's legislative

and economic programme had been submitted to all political parties and

that only one party, the CCF, had agreed to accept the programme as a basis

for legislative action. Because of this the Political Action Committee

called for all Canadian workers to work for and elect a CCF government in

the coming elections.

Through its control of the apparatus of the Congress of Canadian

Labour the CCF was able to introduce the political action resolution in

such a way as to force the radicals into attacking CCL support for the

CCF. This opened up the possibility of CCF supporters counter-attacking

with allegations that what was at issue was a choice between the CCF and

the Labour Progressive Party (Communist Party). Pat Conroy, for example,

Secretary-Treasurer of the CCL, argued that the LPP was setting out to

eliminate "all competitive political forces from the scene, in the hope

that they would emerge in control of this non-partisan political party...

The issue in this convention is whether the LPP will dominate the CCL, or

whether the CCL shall remain in the hands of its membership."[231]

With the issue placed in this way, and against a background of

developing Cold War and anti-communist hysteria, (at least in the mass-

media), the pro-CCF motion could hardly fail to carry. Control of the

apparatus enabled the CCF supporters to structure the debate in a way

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[230] CCL, Report, 1946, 22.

[231] ibid., 80-81.

favourable to themselves. Since they lacked an absolute majority, the
CCF-ers would have found it much more difficult, perhaps impossible,
to defeat a resolution advocating non-partisanship (and making no mention
of either the CCF or the LPP).

It was in 1948 that a dramatic shift in the struggle occurred.
The annual foreign policy resolution greeted the formation of NATO and
urged Canadian participation.[232] In addition a somewhat stronger anti-
communist resolution than usual was carried and in speaking to it,
Secretary Treasurer Conroy urged every delegate to get on with the job
of "cleaning the communists out of the unions and out of the trade union
movement".[233]

But the real indication of a qualitative shift in the ideological
and organisational struggle between the social democrats and their more
radical rivals was the expulsion of the International Union of Mine Mill
and Smelterworkers (Mine-Mill) from the Congress of Canadian Labour.

. The Executive Council of the CCL had previously suspended Mine-
Mill and their action was now sustained. This had the effect of expulsion.
What this development signified was that from now on ideological debate
within the CCL on questions of policy - political action, foreign policy
etc. - was to be replaced by the struggle to exclude the radicals (and
especially the communists) from the organisation.

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[232] CCL, Report, 1948, 55.

[233] ibid., 66-7.

The official reason for the original suspension had been an
article in Mine-Mill's newspaper which was critical of A.R. Mosher,
President of the CCL. Mine-Mill made an official apology and enquired
what further actions were necessary for the suspension to be lifted.
No reply was received from the CCL.[234] In January, 1950, jurisdiction over
the hard-rock mining industry was given to the United Steelworkers.
Eleven years and at least $2 million later[235] Steel had successfully
raided all but one of Mine-Mill's local unions.[236]

In its efforts to destroy Mine-Mill, the Steelworkers received
assistance, direct and indirect, from the Congress of Canadian Labour
and its successor organisation, the Canadian Labour Congress, the state
in both Canada and the U.S., the Sudbury municipal government and local
business interests, the mass media, and the Roman Catholic Church. All
of society, including those sections of the labour movement led by
social democrats, seemed united on the subject of smashing radical in-
fluence inside working class organisations.

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[234] J. Lang, A Lion in a Den of Daniels: A History of the International
Union of Mine-Mill and Smelter Workers in Sudbury, Ontario, 1942-62,
unpub., M.A. thesis, University of Guelph, 120.

[235] Lang, History of IUMMSW, 261.

[236] In 1962 the large INCO local in Sudbury chose Steel over Mine-Mill
by a vote of 7,182 to 7,119. The other Sudbury local, at Falconbridge,
successfully resisted attempted raids and continues in existence to this
day as Local 598 of the Sudbury Mine-Mill and Smelter Workers Union.

The Canadian state assisted in the destruction of Mine-Mill in four ways. First, by deporting, in 1948, a number of international Mine-Mill organisers on the grounds of subversive activities. These activities apparently consisted of normal union organising.[237] Second, the Canada Labour Relations Board acted over a period of a decade to impede Mine-Mill's organising activities.[238] Third, at the height of the Steel raids in Sudbury, the pro-Steel faction in Mine-Mill received continued support from the courts in defeating the attempts of the national office of Mine-Mill to reassert control over Local 598 of the union.[239] Finally, the Deputy Commissioner of the RCMP publicly urged support for the pro-Steel faction on the basis of a need to offset Communist infiltration. His remarks were fully endorsed in the House of Commons by the Justice Minister of the day.[240]

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[237] See Abella, Nationalism, 98-9 for an account.

[238] A particularly clear example is provided by the attempt to organise Can-Met Explorations Ltd. The United Steelworkers were first to file an application for certification. One day prior to the hearing being held on this application Mine-Mill filed its own application supported by 90 signed membership cards. The Board refused to consider Mine-Mill's application and certified Steel, on the basis of its 44 signed cards, without a vote being taken, see Lang, History of IUMMSW, 192-4.

[239] ibid., 302-304.

[240] ibid., 310-11.

The involvement of the U.S. state was less direct.[241] But the U.S. government was responsible for the cancellation of at least one cultural event in Sudbury,[242] and the U.S. Secretary of Labour used a visit to Ottawa in 1961 to endorse Steel and call for the defeat of Mine-Mill.

In an attempt to overcome an increasingly hostile environment Mine-Mill tried to buy radio slots to put forward the union's point of view. After two of these shows, however, the two Sudbury radio stations declined to make their air waves available to the union.[243] Henceforth, outside of its union newspaper, Mine-Mill was compelled to operate in a communications environment which was subject to the whims of the privately owned mass-media in Ontario. Increasingly such media reflected the anti-communist concerns of the Cold War.[244] While it is not possible to precisely measure the impact of this media-information environment, it must have had some effect.

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[241] As far as one can tell in the absence of detailed studies of U.S. government involvement in the "foreign affairs" of international unions.

[242] Mine-Mill sponsored a large programme of recreational and cultural events in Sudbury. The one referred to was an appearance of the Royal Winnipeg Ballet at the Mine-Mill union hall during 1954. The appearance was cancelled at one day's notice when it was learned that the ballet would not be allowed to appear in Washington, D.C. the following year if they went ahead with the performance.

[243] Lang, History of IUMMSW, 161-2.

[244] At the time of the big steel raids in Sudbury in 1961 the Toronto Telegramme was running a series of articles with such titles as "Ontario Reds Recruit Seven Year Olds" and "I Learned to Spread Red Hatred".

The Roman Catholic Church played an important role in the ou-
sting of Mine-Mill. Apart from the provision of meeting rooms and other
services to dissidents within Mine-Mill, the Church, through the Roman
Catholic College within Laurentian University in Sudbury, and a Professor
Alex Boudreau[245] took the initiative in establishing an educational
association and a Committee for Democratic Leadership and Positive Action
to contest local union elections. A Catholic Social Life Conference was
held in Sudbury just prior to the elections. Professor Boudreau described
the upcoming election as "a last ditch fight between Christianity and
Communism". Mayor Joseph Fabbro complained that Sudbury had a reputation
as "the hot-bed of communism for all the North American continent". The
Church circulated leaflets through the Sudbury Separate School Board
urging pupils' fathers to attend union meetings and vote for the pro-Steel
faction.[246] In addition a front-page editorial in the Canadian Register,
organ of the Roman Catholic bishops in Ontario, endorsed the pro-Steel
faction and called for the defeat of the "pro-communist forces".[247]

What conclusions can be drawn from the experience of Mine-Mill?
First, it appears that by the 1950's the labour movement under social
democratic leadership and the mainstream societal institutions were united
on the question of wanting radical, anti-capitalist forces eliminated from

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[245] In addition to his links to the Church, Boudreau was considered by
the local leadership of the surviving Mine-Mill local to have been acting
on behalf of INCO, see The 598 Story: Yesterday, Today and Tomorrow,
Sudbury, n.d.

[246] Lang, History of IUMMSW, 230.

[247] Globe and Mail, 4 November, 1959.

working class organisations. While the sources of this unity lie in social democracy's ideological adaptation to capitalism, the story of Mine-Mill reveals a high degree of organisational adaptation on the part of the social-democratic-led labour movement.

Second, given the weight of social pressure against Mine-Mill and its leadership, the staying power provided by control of the apparatus is quite remarkable. Despite the hostility of almost all local and provincial institutions and media, Mine-Mill's apparatus was able to convince large sections of the membership of their ideological position.. This ideological position, incidentally, was not one of "communism". But it was a radical ideological position, which defended the rights of communists to participate and hold leading positions in working class organisations, and it was one which viewed trade unions as <u>class</u> organisations in opposition to the basic structure of capitalist society.[248] And it was certainly an advocate of more militant tactics in pursuit of these aims than was the social democratic ideology which, in this as in other respects, was far more congruent with the dominant societal ideology.

Third, it is clear that the State, and non-state institutions such as the Church, were willing to invest considerable time, money and effort in the task of ensuring an ideologically acceptable labour movement. The Steelworkers, under social-democratic leadership were viewed as ideologically acceptable.

Following Mine-Mill, the Canadian Congress of Labour moved to expel the United Electrical Workers (UE). In 1950 the UE's appeal against expulsion was heard at the CCL's annual convention. The apparatus of the CCL,

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[248] Lang, <u>History of IUMMSW</u>, 122-4.

in preparation for the convention, had prepared a "Declaration of Positive Economic Philosophy".[249] The temper of the times can be gauged from the violence of the language used in this document and in the debate on the UE's appeal.

The document referred to a life and death struggle in the world between communism ("the greatest tyranny the world has ever known") and democracy. In this struggle communism was able to rely on,

"a Fifth Column in every nation, consisting of devoted fanatics... (which) has polluted every institution into which it has penetrated and has sought to dominate every organisation it could reach (and which)... has sabotaged and will continue to sabotage every nation where it has been established."

In speaking to rebut the United Electrical Workers' appeal, Secretary-Treasurer Pat Conroy sought to reinforce the impact of the Declaration of Positive Economic Philosophy. He asserted that,

"... every staff officer in the UE, every leader is a prisoner and political slave of the Communist Party in Canada and the U.S., and a complete vassal of Uncle Joe Stalin. These men, who want to criticize everyone within reach are the ones who crawl on their bellies to Uncle Joe Stalin...(who)... have sold their souls to Uncle Joe Stalin".[250]

The UE appeal against expulsion was rejected. A new union, the International Union of Electrical Workers (IUE) was created to take over the jurisdiction.

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[249] CCL, Reports, 1950, 57-60. A summary can be found in Abella, Nationalism, 159-60.

[250] CCL, Report, 1950, 27.

The next decade and a half witnessed a raiding campaign similar to that waged against Mine-Mill. But only in Quebec where the Quebec Labour Relations Board decertified every local of the UE, did the IUE have any success in attracting members away from UE. In Ontario, the IUE campaign, despite the assistance of the Roman Catholic Church[251] in some cities, had little success. Among the reasons often cited for the ability of the UE to withstand the raids are the following: the fact that its membership was highly concentrated in southern Ontario with all the big locals easily accessible from union headquarters; the good bargaining record of the union based on excellent research and a high degree of discipline; the existence of a strong and, for the most part, loyal body of shop stewards; a good educational programme; the good relationships between UE locals and members and other local unions, a relationship built up in the course of mutually supportive strike action and not abandoned after the UE was expelled from the CCL; the skilful leadership of the UE (at both the national and local levels) which prevented strong dissident movements from getting established. A further reason was the somewhat unfavourable image of the IUE.[252]

The poor image of the IUE was partly the result of an inexperienced and incompetent organising staff, partly of the aura of illegitimacy which hung around a union which had been formed expressly to raid another. Further, long standing rumours of corruption were found to have some foundation during the 1964 IUE elections. James B. Carey, founder of the IUE and a leading

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[251] Abella, _Nationalism,_ 161.

[252] For a discussion of some of these points see H.J.C. Elliott, _A Study of Industrial Relations in the Electrical Products Industry._ Draft Study Prepared for the Task Force and Labour Relations, February, 1968.

advocate of "free trade unionism" was declared the winner by 2,193 votes.
The election had been administered by members of the Carey-controlled
apparatus. A U.S. Department of Labour recount reported that,

> "The ballots were miscounted by the Trustees... instead of
> winning the election by 2,193 votes, as reported by the
> Trustees, Carey lost the election by 23,316 votes".[253]

The fact that IUE's Canadian Section (unlike that of UE which was
completely autonomous from the international) was closely tied to the
international union tended to result in their being tarred with the same
brush. Thus their already somewhat unsavoury reputation was reinforced.
This can hardly have been of assistance to them in their efforts to raid
UE.

In unions under the control of the social democrats efforts were
made to eliminate remaining communist influence. In the International
Chemical Workers Union for instance,[254] the process took place in the
following way. After some ICWU delegates had been barred from attending
the TLC convention and meetings of the Toronto Labour Council, International
President Bradley expelled three leaders of the radical faction under the
"anti-communist" clause in the union constitution. Since their contract
had a union-shop clause this meant that the three lost their jobs and were
thus removed from positions of influence amongst their (former) workmates.
Following a policy of "gradual decimation" other expulsions took place
later. In addition a re-education process was started "that will set a
generation of workers who have been poisoned by communist propaganda to

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[253] Elliott, Electrical Products Industry, 57.

[254] All details are taken from an article in Saturday Night, 29 May, 1953.

thinking straight about trade unions and the principles of democracy".

Probably the key in this process was the device of "anti-communist" clauses in most major unions and labour councils. Not only did these clauses enable the labour-reformists to exclude radical (not only communist) critics from their organisations, but their very existence tended to drive radicals "underground" (especially where the consequences of expulsion entailed loss of jobs). The anti-communist clauses remained in effect for approximately 20 years being removed in 1969 in the case of the UAW,[255] in 1973 in the case of the last local labour council (Hamilton), and modified in 1974 in the Steelworkers union.[256]

The same basic pattern of events transpired in the Trades and Labour Congress, though due to the non-partisan traditions of that organisation it occurred later and more hesitatingly, though no less completely.

By 1948 the anti-communist forces in the Trades and Labour Congress were sufficiently strong to pass (by 308 votes to 264) a motion which deplored communist activity as being detrimental to the interests of organised labour.[257] In the same year the issue of the Canadian Seamen's Union (CSU) surfaced.[258]

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[255] The Bridgewood Case. See below pp. 315 n.

[256] The Severinsky Case. See below pp. 315 n.

[257] TLC. Report, 1948, 314.

[258] The Canadian Seamen's Union was allegedly communist controlled. It was smashed as a result of concerted action between the shipping companies, the Canadian government, the American Federation of Labour, the Trades and Labour Congress of Canada, and the gangster-controlled Seafarers International Union.

In a very detailed report on the CSU situation[259] the TLC pointed

out that the companies had violated the contract between them and the CSU;

that they had violated every and all Federal labour laws and rejected the

recommendations made by the Federal Labour Board and the special commission

appointed by the Federal Government (contained in the Brockington-McNish

Report). In addition to this a company union had been created which was

used for "union busting" and "strike breaking". The companies had resorted

to violence and lawlessness involving the use of gas bombs and live steam

against peaceful picketers; the police had cooperated by carrying out mass

arrests of strikers, and judges had played their part by sending strikers

to gaol terms based on obsolete maritime laws. In contrast to this be-

haviour, the TLC considered that the CSU had rigidly adhered to every and

all labour laws and regulations. The Government of Canada had given direct

and indirect aid and comfort to the companies which were acting unlawfully.

The report concluded by reaffirming the TLC's "complete and unreserved

support to the CSU, its democratically elected officers (my emphasis),

and to the entire membership of that union in its present bitter struggle"

and called upon affiliates and Trades' Councils to renew and redouble

their efforts to give the CSU support. In view of the facts presented

in their report they could hardly fail to do otherwise.

But as this full support to the CSU was being promised a debate

was also taking place about whether an affiliate of the American Federation

of Labour (AFL), the Seafarers International Union (SIU), should be given

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[259] TLC, Report, 1948, 352-5.

the CSU's jurisdiction. Some delegates argued that there was a long-standing agreement between the AFL and the TLC that the latter would not charter unions in jurisdictions where an AFL affiliate existed. Other delegates pointed out that at the time the CSU was founded no international union was in existence.

It was left to Frank Hall of the Railway and Steamclerks Union to brush aside these constitutional arguments and to place the issue in the following way:

"... fundamentally what is involved is the question of Communism, because you cannot seperate communism from the CSU. I suggest that the question here today is not one of recalcitrant and hostile and reactionary employers, the question here is one of revolutionary trade unionism and whether that is the kind of thing we are going to tolerate or whether we are going to continue as an industrial organisation".[260]

· Taking no immediate action on Hall's comments the Trades and Labour Congress instead called for discussions with the American Federation of Labour concerning the jurisdictional dispute between the SIU and CSU. The discussions were to be conducted "with a view to arriving at an understanding whereby the sovereignty and prestige of the Trades and Labour Congress of Canada will continue unchanged".

As late as the Ontario Trades and Labour Congress meeting in January of the following year, motions in support of the CSU, protesting the use of police in industrial disputes and calling for the release of

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[260] ibid., 167-8.

those gaoled were carried.[261]   But this meeting was held prior to the
talks between the TLC and the AFL on the subject.[262]

On 3 June 1949 the CSU was suspended from the TLC and at the annual
congress the Executive Council reported that the reason was the failure
of the CSU to call off a strike in which they were engaged. The TLC
Executive Council considered that this was evidence of the disloyalty of
the leadership of the CSU to the ideals and institutions of Canada.[263]
As a result of these events fourteen international unions had threatened
to withdraw from the TLC if the CSU remained affiliated. The TLC dele-
gation had explained to the CSU Executive Committee that the TLC "had
done all that could have been done to protect the right of Canadian
Seamen to have a union and representatives of their own choice. However,
it was pointed out that the Executive Council was not prepared to allow
the situation to be the continuing cause of rifts within the affiliated
membership of the Congress". (my emphasis).[264]   The CSU executive had
failed to respond to a TLC suggestion that some of them resign so the
TLC Executive Council recommended that their suspension of the CSU be
confirmed since it did not want the name of the Congress "to be associated
with that of the CSU while the Union had its present leadership". The
report went on to criticize the methods used by the SIU in the dispute
and, for this reason, did not recommend its admission. Presumably the
non-admission of the SIU was an attempt to salvage the "sovereignty and
prestige of the TLC of Canada". By a vote of 702-77 the CSU was expelled.[265]

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[261] Ontario TLC, Report, 1949, 38-40.

[262] Held in Miami, January 31 - February 8, 1949.

[263] TLC, Report, 1949, 58.

[264] ibid., 60

[265] loc. cit.

The sequence of events and the obvious role of the AFL inter-
national unions in the affair has led some observers to interpret the
point at issue as one of international versus Canadian unions, of U.S.
domination over the Canadian labour movement.[266]

It is true that the American Federation of Labour and its
affiliates favoured international unions over competing Canadian unions.
It is similarly true that the AFL and its affiliates did pressure the
TLC into expelling the CSU. But the TLC and its leaders were under
pressure from other sources as well - Canada Steamship Lines, the CNR,
the Government of Canada, the RCMP, and the Canada Labour Relations Board.[267]
But it is surely going too far to suggest that all these bodies were merely
acting to destroy a Canadian union and replace it by an international one.
But even when this is taken into account the cause of the pressure must
still be considered to be ideological.[268] The SIU and the AFL may well have
been keen to add an extra 9,000 members to their lists. But the AFL was
also interested in close cooperation with U.S. foreign policy and in acting

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[266] R.M. Laxer, Canada's Unions (Toronto, 1976), 97, argues that the CSU
issue "demonstrates the lengths to which the AFL-CIO (sic) and some inter-
national unions would go to maintain control over their Canadian branches".
In this interpretation the issue of ideology is strictly secondary.

[267] See H.C. Pentland, A Study of the Changing Social, Economic and Political
Background of the Canadian System of Industrial Relations (Ottawa, 1968), 321.

[268] See, for example, the letter from Trades and Labour Congress President,
Percy Bengough and Secretary Treasurer J. Buckley, to all members and
affiliates in the TLC Journal, March, 1949.

as an agent of anti-communism in its field of specialization.[269]

The same convention that expelled the CSU also stepped up the fight against the communists elsewhere in the TLC. A motion was carried that the TLC,

> "condemns communist doctrines as detrimental to the best interests of the working class; severely censures the activities of communists and fellow-travellers and recommends to all affiliated organisations to remove them from any key positions or offices they may hold and to expel them from their ranks; ... that no known communist shall be permitted to hold office in the TLC of Canada, its Provincial Federations and Central Bodies, nor be permitted to sit on any Committee of the Convention".[270]

Faced with a campaign of violence by the SIU[271], in which the government and quasi-judicial agencies connived,[272] the CSU steadily lost

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See R. Radosh, _American Labour and U.S. Foreign Policy_ (New York, 1969), 431-9; and Philip Agee, _Inside the Company: CIA Diary_ (Harmondsworth, 1975), passim. Whether the CIA was actually involved in the CSU case or whether the SIU relied on its gangster connections is an open question. From time to time allegations were made that the anti-communist purges in the Canadian labour movement were being coordinated by officials of the U.S. State Department (see, for example, TLC, _Report, 1950_, 349-51). Other than to confirm that such officials were present at that convention I have been unable to determine the truth of these allegations. The TLC leadership branded them as communist inventions.

[270] TLC, _Report, 1949_, 374.

[271] Jamieson, _Times of Trouble_, 321-3.

[272] _ibid._, 323.

lost ground and ultimately dissolved.   In September, 1951 the SIU was admitted to the TLC. The episode, "the most despicable in the whole of Canadian labour history"[273] marked the end of a strong communist presence in the TLC.

Recalling the effects of the purges many years later, William Kashtan, General Secretary of the Communist Party of Canada commented that,

> "... for some years we faced great problems and difficulties.
> These were not subjective choices, it was an objective process,
> a difficult process, a terribly difficult process for us, to
> have gone through a period in which the party, having reached
> a certain stage of strength and advance in the electoral field,
> in the trade union field, in the cultural field, was impelled
> by the results of the cold war to try, step by step and inch by
> inch, to hold onto every position it had won as long as possible,
> until the tide would begin to turn. We went through what was
> called a holding operation".[274]

If the effects on the communists were especially severe they also applied generally to radicals opposed to the main principles of social democracy. Looking back on the 1950's and 1960's Harry Greenwood (Local 1005, Steelworkers) gave a graphic description of the effects of the

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[273] Pentland, Changing, Social, Economic Background, 321.

[274] 22nd Convention of the Communist Party of Canada (Toronto, 1974), 49.

"anti-communist" clauses,

> "For many years it was a situation in the union movement where
> you were just scared to open your mouth and say anything that
> differed from the policies or principles of the United Steel-
> workers. It was just like the Dark Ages. You were afraid to
> say anything; you could not even read a book or read a paper.
> The world is a small place and communications are much faster
> today and it is possible for us now to receive publications
> from other countries. However it got to the stage where these
> were being suppressed. It was just like the people in Europe
> who were fighting the fascists, who had to hide their radios
> and keep their publications secret. Yet this was happening
> in a country like Canada which is a wholly democratic nation".[275]

Under such conditions, when radical opposition to social democracy
within working class organisations was fraught with difficulty and the
danger of expulsion, the social democrats began to prepare the ground
for the merger of the two trade union centres and, ultimately, affiliation
of a new united trade union centre, to Canada's social democratic party.

Summary and Conclusions

Capitalist industrialization in the two countries occurred in
different time periods and in different conditions. The working classes
of the two countries exhibit differences in their organisational and
ideological histories as a result. Despite these differences working
class organisations both ended up as supporters of social democracy in

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[275] CLC, Report, 1968, 67.

the years after World War II. This occurred earlier and more completely in Britain than in Canada.

The British working class has a longer and more varied history than that of Canada. A number of discernable ideological shifts occurred within British working class organisations. The hegemonic ideologies at various times ranged from the quasi-revolutionary consciousness of the years prior to 1850 to the straight business unionism of the years immediately after 1850; from the syndicalism of the years around the First World War to social democracy after 1926.

In Canada the most notable historical feature of working class organisations was their fragility and fragmentation and their consequent inability to develop an autonomous hegemonic ideology. The main causes of this situation were the geographical dispersion and isolation of the working class plus the largely negative impact of immigration. Making use of these objective conditions society's ruling class was able to play an influential ideological role within Canadian working class organisations and, where this strategy failed, an outright repressive role against them.

In Britain the triumph of social democracy over its syndicalist rival was accomplished by 1931. The defeat of the 1926 general strike had a severe effect upon the syndicalists despite the fact that the leadership of the social democrats was partly responsible for the defeat. This was because the cause of the defeat was widely ascribed to the method of using industrial action for political ends, rather than to the efficiency with which the apparatus pursued the method. Upon this basis, and assisted by the onset of economic depression and the weakness of the

socialist successors to the syndicalists, the social-democratic apparatuses of the Labour Party and the TUC were able to consolidate their positions. The new strategies which they advocated - economic corporatism and political parliamentarianism - gained the acquiescence of the great majority of the working class.

In advocating economic corporatism (the Mond-Turner talks were an example of this approach) the TUC General Council argued that if labour participated in economic management then they would be able to influence it. The assumption was made that the labour movement could "find more use for an efficient industry than for a derelict one, and the unions can use their power to promote and guide the scientific reorganisation of industry as well as to obtain material advantages from that reorganisation."[276] Clearly if the capitalist system, as such, is taken as given, such an approach is entirely logical - workers and employers do have a common interest in making industry function (job creation, etc.). It was argued and widely accepted that the defeat of the general strike indicated that the capitalist system in Britain was going to continue. Events, to date, can be considered to have proved the assumption correct. It may, of course, have been something of a self-fulfilling prophecy. At any rate the overt acknowledgement of the permanence of the capitalist system represented a shift in the position of organised labour in Britain.

Linked to this development was the attempt of social democrats to draw a distinction between the owners and managers of large enter-

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[276] TUC, Report, 1926, 209-10.

prises:

> "...I agree with many of our leading industrialists, not on the capitalist side but on the management side of industry, which is somewhat distinct from the owning side, the management side has a good deal in common with ourselves. They are exploited by capital just as we are exploited by capital".[277]

These arguments, as we shall see, were to be greatly elaborated at a later stage. The point to be made here is that the TUC leadership were able to draw ideological conclusions from the defeat of the general strike and, under conditions of economic crisis - unemployment, decline of traditional industries, etc., they were able to gain acceptance for these ideological conclusions. The content of these conclusions was to officially substitute policies of class cooperation for policies of class struggle.

These developments inside working class organisations did not take place in isolation from the rest of society. The ruling elements in society attempted to influence events within the working class. Two broad and reinforcing strategies were pursued - persuasion and coercion.

The General Strike of 1926 should be understood as part of a government offensive against organised labour rather than the reverse. It took place at a time and under conditions of the government's own choosing. The fact that such a tactic was deemed necessary is a demonstration of the failure of the ruling class in the post-years to wean

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[277] Ernest Bevin, quoted in TUC, <u>Report, 1927</u>, 315-16.

organised labour away from the tactics and ideology of direct action. [278]

For the ruling class the fruit of failure of the general strike (and the unconditional victory of the government) was an ideological reorientation within working class organisations in which the permanance of the capitalist system was henceforth accepted. The outcome of this reorientation was the economic corporatism and political parliamentarianism referred to earlier. Extraparliamentary action now became to be considered unconstitutional. This shift had its limits as the expulsion of Ramsay Macdonald for his defection to the "National" Government indicates. But this expulsion itself was largely portrayed as "individual betrayal" rather than as the logical extreme of an ideological position widely held within the Labour Party and the trade union movement. This "myth of individual treachery" had the effect of strengthening the ideological hegemony which had given rise to the individual action since it gave those who expelled Macdonald an aura of legitimacy as working class loyalists.

. Once the social democrats had achieved or regained a position of hegemony within the labour movement the government and individual capitalists were quite willing to reinforce this by joint consultations and "recognition" of the trade union leadership as spokesmen for the working class. This reflects a recognition on the part of the capitalists of the increasing potential power of the working class and that "it was the battle inside labour's class organisations that would determine the larger battle for state power."[279] The background to this "recognition" was largely

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[278] For a discussion of this idea see Foster, "British Imperialism and the Labour Aristocracy", in Skelley, General Strike, Chapter 1.

[279] ibid., 33.

created by the mass media which was careful, then as now, to draw a distinction between "responsible" trade unionism and "irresponsible militancy".

Internally the social democrats reinforced their dominant position by administrative measures against the communists (who had largely replaced the syndicalists as the carriers of a more radical ideology). The task of the establishment was made easier by the relative weakness of the Communist Party and by their shift in political line in 1929. The new line denounced social democrats as "social fascists" - a characterization which drew only a negative response from working people.

Five factors seem to have played a role in social democracy's rise to hegemony within the British working class. First, the dramatic failure of the syndicalist method of a mass general strike. The fact that the strike failed made a much greater impact than considerations of who was responsible for the failure. Second, the fact that social democrats were already largely in control of the apparatuses of working class organisations gave them enormous advantages in the post-strike situation. Specifically they were able to delay and avoid an analysis of the failure of the strike and, simultaneously, to propose and publicize new initiatives such as the Mond-Turner talks. Third, following on their past traditions society's ruling class gave active encouragement to these new initiatives. This encouragement had two aspects - a background of social approval supplied by the mass media and the receptiveness of leading capitalists to the new proposals. Both factors gave the social democrats a "record of achievement" (even if its substance was largely symbolic) with which they successfully contrasted the failure of the general strike. Fourth, the steadily worsening economic conditions made direct action an unattractive

option for most members of the working class. Finally, the retention

of socialist rhetoric by the social democrats obscured the fact that

an ideological reorientation had occurred.

Social democracy's rise to a leading position in Canadian working

class organisations (a much more qualified and partial leading position

than in Britain) took place in two stages.

The first, against the background of the Cold War, was the purging

of all radical opposition (especially communist) from the major working

class organisations. The second, to be dealt with briefly in a subsequent

chapter, was the effecting of a merger between the Trades and Labour

Congress and the Congress of Canadian Labour to form the Canadian Labour

Congress. Then the CLC was induced to express support for a new social

democratic party - the New Democratic Party - founded on the basis of the

ideological reorientation of social democracy which took place in the

1950's against a background of relatively full-employment and economic

prosperity.

Three major differences stand out in the process by which the

social democrats gained hegemony in the two countries. First, there

was a much greater reliance in Canada on administrative measures, such

as expulsions, against opponents. This reflects the weaker position of

the social democrats vis à vis both their more radical and less radical

rivals in working class organisations. This in turn reflects the pro-

longed period of fragmentation and weakness through which the Canadian

labour movement had passed. Due to their geographic dispersion, the

impact of immigration and the relative size of the agricultural sector,

Canadian working class organisations had proved more amenable to ideolo-

gical manipulation by society's ruling class than had been the case in
Britain. Second, in Canada the social democrats relied for their suc-
cess to a much greater extent on ruling class assistance and drew support
from non-working class hostility to radicalism. Again, this partly re-
flects their lack of strength vis à vis their radical opponents as well
as a desire to prove their respectability to the dominant groups in society.
The provision of ruling class assistance and the social democrats' wil-
lingness to demonstrate their respectability and reliability were closely
related. Social democrats came to be viewed, and viewed themselves, as
the chief barrier to communism and radicalism in the labour movement.
While this phenomenon was not lacking in Britain it was much more muted.
In Britain, working class organisations retained much more autonomy from
the ruling class than was the case in Canada.[280] Finally, as compared to
Britain, the trade unions played a much more passive role. As organisa-
tions they were wooed, fought for, and "captured". But they were rarely
the initiators in the sphere of political action. To the extent that
they were active agents in their own fate, it was largely at the elite
rather than the mass level. This is reflected in the partial nature
of trade union support for Canada's social democratic party.

The next three chapters deal with social democracy's ideological
adaptation to capitalism in the post-World War II period. Though there

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[280] Although the subject of labour legislation is not a focus of this
study it is clear that this point can be supported by reference to the
much greater degree of state interference in labour relations in Canada.

are many similarities between the two countries there are also some differences. In particular, it will be argued that the ideological adaptation of social democratic organisations was much more complete in Canada than in Britain in the sense that the opposition to the ideological clarifications of the post-war period was much weaker in Canada. Part of the reason for this can be traced to the differences in organisational and ideological development outlined in this chapter.

CHAPTER III

THEORETICAL FOUNDATIONS OF SOCIAL DEMOCRACY AND ITS RADICAL OPPOSITION

Introduction

In Chapter I it was noted that four general factors tended to be associated with ideological shifts in working class organisations. These general factors were a substantial change in economic conditions, the discrediting of the previously dominant working class ideology, the role and impact of society's ruling class on the outcome of working class ideological conflict, and the impact of external processes, such as the Cold War, upon the labour movement.

In Chapter II, an attempt was made to describe and compare the historical development of working class organisations in Britain and Canada and to analyze their ideological orientation up to the time when social democracy became ideologically dominant.

It was further noted in Chapter I that with the onset of worsening economic conditions in the 1960's and 1970's the relationship between the ideologically dominant social democratic parties and their working class supporters came under considerable pressure. The hypothesis was advanced that a major cause of the tension was the result of social democracy's ideological adaptation to the dominant societal ideology. The outcome of this adaptation process was a common theoretical perspective and analysis of society and a similar programme derived from that analysis. In the economic conditions of the 1960's and 1970's the implementation of those programmes such as wage controls, which were perceived by the

organised working class as being contrary to its interests, opened up

the possibility of a further ideological shift occurring within working

class organisations in which social democracy would lose its hegemony.

The process of the ideological adaptation of social democracy,

as registered in decisions reached by working class organisations, is

dealt with in Chapters 4 to 6. The purpose of this chapter is to identify

the theoretical roots of the adaptation as revealed in the writings of

selected influential academics and politicians. Certain theoretical pro-

positions about the nature of twentieth century society were advanced by

bourgeois writers such as Lord Keynes and Harold Macmillan and subsequently

adapted and developed by social democrats and liberal-democrats such

as Anthony Crosland and Ralf Dahrendorf. These theories, outlined below,

came to constitute an orthodoxy in the 1950's and found their way into

the policy decisions of most social democratic parties and trade unions.

In Chapter II, it was noted that social democracy, as outlined

by the leading figures of the Labour Party and CCF had always been a

moderate ideology which rejected Marxian notions of class struggle

and widespread nationalization. In the context of the 1930's, and

early 1940's, this rejection had been somewhat ambiguous and was fre-

quently obscured, in public speeches and writings, by the rhetoric of

socialism and class conflict. What happened in the post-war period,

therefore, can best be understood as a <u>clarification</u> of the major

tenets of social democracy in which the rejection of traditional socialist

doctrine was made explicit, rather than as a completely new departure.

The earlier ambiguities had accorded a certain legitimacy to those

socialists who belonged to social democratic organisations. Playing
on the socialist aspects of the traditions of their organisations, this
radical minority opposed the introduction of the ideological clarifica-
tions. The theoretical foundations of the radical position will also
be outlined below.

It should be emphasized that the intention here is to delineate
the major points of difference between the consensus view of society
(of which social democracy became a part) and the radical critique of
that view. No attempt is made to exhaustively examine the evidence
that each view marshalls in its own support and uses to attack its
critics. Nor is an attempt made to evaluate the claim, made by pro-
ponents of each ideology, that theirs is the true or correct interpre-
tation of contemporary reality. It should also be mentioned that within
each broad ideological camp considerable variations of opinion undoubtedly
existed, so what follows is necessarily at a general level.

Capitalist and Social Democratic Political Economy: The Making of Consensus

The bourgeois and social democratic theories to be presented
here have a number of very important features in common. Both regard
"old-style" capitalism as having been transformed or transcended. The
two basic social classes which were a feature of the old style capitalism
are regarded as having been decomposed. As a result of these changes,
even though industrial and social conflict may persist, fundamental sec-
tional or class conflicts of interest are not a feature of modern society,
and it is therefore possible for goverments to play a "national" or supra-

class role.

The erosion of the capitalist class as a result of the "managerial revolution" and the growing irrelevance of the legal ownership of companies, together with the more socially responsible objectives of the new leadership of private enterprise, is said to render the nationalization of the means of production unnecessary (except in certain pragmatically justified cases). This is due to the spontaneous evolution of capitalism - its increasing size and complexity, and the increased importance of science and technology in production.

Similar processes are considered to have occurred within the working class. Due to rising living standards and the changing nature of work, the working class has become increasing stratified, its members more individualistic and "middle class" in their life styles and aspirations. This is partly attributed to the evolution of capitalism itself, partly to the success of organised labour in extracting better real wages for its members (and thus abolishing exploitation) and partly to increased state intervention. Both bodies of theory view state intervention as serving the public or general interest and both agree that its function should be the support and regulation of private enterprise, not its replacement (except in certain sectors where the profit motive, the existence of which is downplayed everywhere, is undesirable or impossible). The belief that the state apparatus is a neutral instrument in the sense of lacking an inherent and permanent bias toward a particular social class, is common to both theories.

The conclusions drawn are also similar (though there may be differences of emphasis). Since fundamental sectional or class conflicts no longer exist, as is the national interest which is reagarded as paramount.

The primacy of the "national" interest has had a number of consequences. One of the most important of these in recent years has been the development of incomes policies as a solution to economic problems.

In tracing the development of these ideas, it will be useful to begin with John Maynard Keynes. The economic prosperity of the western world for much of the post-war period is often ascribed to the influence of Keynes' economic theories.

His works are seen as providing the theoretical basis of government policies promoting full-employment and the welfare state.[1] It is one of the arguments of this dissertation that the adoption of Keynes' theoretical perspective by social democratic parties played a major role in the ideological adaptation of those parties to the capitalist system. But against this proposition it is sometimes argued that Keynes' theories provide a "middle-way" between capitalism and socialism[2] and, therefore,

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[1] For a brief account of Keynes' economics see William J. Barber, A History of Economic Thought (Harmondsworth, 1967), 223-58.

[2] In 1938 Harold Macmillan, who from 1957 to 1963 was to be Conservative Party Prime Minister of Britain, published an influential book entitled The Middle Way. The book is a thoughtful application of many of Keynes' ideas to the problems of Britain in the 1930's. Recalling the purpose of the book in his memoirs, Macmillan wrote, "What I tried to do in this volume was to set out a definite plan by which there could be reorganisation of industrial production and distribution, and new methods applied to import and export problems, as well as to finance and investment, so as to bring about the degree of central strategic planning necessary in modern society, while preserving the tactical independence of industry and commerce as a whole, and defending political and economic liberty. In this way, by an appropriate combination of methods, not merely could freedom be preserved, but the maximum and the most efficient production and distribution of wealth organised. In a sense, this was a plea for planned capitalism (my emphasis)", Harold Macmillan, Winds of Change, 1914-39 (London, 1966), 501-2.

that their adoption by social democratic parties does not provide evidence of their ideological adaptation to capitalism.

An analysis of Keynes' writings and those of one of his most influential British followers, Harold Macmillan, clearly indicates however, that Keynes' intention was to reform the capitalist system, as it existed in the 1930's, since only through reform could the fundamentals of the system be preserved. The Keynesian solution consisted of greatly expanded state intervention in the running of the economy without, however, undermining the prerogatives of private enterprise and in particular private ownership, the significance of which was denied.

Keynes argued that the increased role of government and its intervention in the economy to adjust levels of consumption and investment was:

> "the only practicable means of avoiding the destruction of existing economic forms in their entirety and ... the condition of the successful functioning of individual initiative ... It . is certain that the world will not much longer tolerate the unemployment ... (which is) ... inevitably associated with present-day capitalistic individualism. But it may be possible by a right analysis of the problem to cure the disease whilst preserving efficiency and freedom."[3]

The pursuit of full-employment would necessitate the "socialization of investment". But this was not to be understood as involving

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[3] J.M. Keynes, The General Theory of Employment, Interest and Money (London, 1936), 380-1. See also his, The End of Laissez-Faire (London, 1926), 50.

extensive state ownership,

> "It is not the ownership of the instruments of production
> which it is important for the State to assume. If the State
> is able to determine the aggregate amount of resources devoted
> to augmenting the instruments and the basic rate of reward to
> those who own them, it will have accomplished all that is
> necessary."[4]

The argument that nationalization of the means of production was not necessary to ensure an adequate level of investment rested on three propositions.

First, that a transfer of power had taken place within large corporations - the owners of capital (shareholders) had become separated from the management of enterprises with the result that the goals of the corporation were much less concerned with profit and much more concerned with the stability of the corporation and its reputation in the eyes of the public and its customers.[5] In these circumstances formal nationalizational was an irrelevance.

Second, as far as the direction of investment under capitalism was concerned there was no cause for complaint - the right things were being produced in the right way. The only problem centred around the volume of employment (and hence investment). It was with this aspect of investment

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[4] Keynes, General Theory, 378.

[5] Keynes, End of Laissez-Faire, 42-3. Keynes referred to this process as the "tendency of big enterprise to socialize itself", ibid., 42. Given that "The battle of Socialism against unlimited private profit is being won in detail hour by hour", ibid., 44, the nationalization of such enterprises was said to be irrelevant to the economic re-organisation of Britain.

(volume not direction) that state intervention should be concerned.[6]

Third, there were many advantages to the exercise of private ini-
tiative and responsibility. Decentralization and the exercise of self-
interest were said to promote efficiency and, most important, economic
individualism, by widening the field of personal choice, was a safeguard
of individual freedom.[7] For these reasons,

> "The important thing for Government is not to do things which
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> individuals are doing already, and to do them a little better
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> or a little worse but to do those things which at present are
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> not done at all".[8]

One of Keynes' most influential followers[9] was to pay considerable

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[6] Keynes, <u>General Theory</u>, 379-80.

[7] <u>loc. cit.</u>

[8] Keynes, <u>End of Laissez-Faire</u>, 46-7.

[9] Harold Macmillan, British Prime Minister, 1957-63. Macmillan, like
Keynes, was quite explicit about the purposes of his work and of the
necessity to reform the capitalist system, "The reply to the menace of
political tyranny is to be made, not when hatred has fanned the flames
of popular discontent to revolutionary fervour, but in the period when
it is still possible to achieve economic reconstruction and social ame-
lioration by peaceful means. Such a consummation would rob the revolu-
tionary movements of their meaning, and apparent justification, by elimi-
nating the social despair upon which alone they can be fostered ... the
secure bulwark against reaction or revolution is an economic system that
can satisfy the moderate needs of men for material welfare and security,
while preserving at the same time the intellectual, social, and political
liberty essential to human progress in a wider field ... It is upon the
foundation of economic and social organisation that the whole super-
structure of civilised life is built. And if the basis crumbles, then
the superstructure will collapse", Macmillan, <u>The Middle Way: A Study
of Economic and Social Progress in A Free and Democratic Society</u> (London,
1966), 373-5.

attention to the proper spheres of private and public initiative.
Public initiative was seen as playing an auxiliary role to private
enterprise.

Based on an interpretation of 1930's capitalism which saw the
growth of "socialized" sectors within the broader economy, an attempt
was made to specify what the role of private enterprise should be.
The basic dividing line between the private and social fields was to
be between those activities concerned with the satisfaction of minimum
human needs and those outside that area.[10] Within the sphere of minimum
human needs, morality, social responsibility and economic wisdom dictated
a wide extension of social enterprise and control. Outside of that
sphere the traditionally claimed advantages of private enterprise - that
it ensures initiative, technological innovation and new products, plus
its role in the preservation of individual liberty - were decisive.

A number of exceptional cases outside of the sphere of minimum
human needs were envisaged. These were related to the industrial life
cycle.[11] In the early stages of an industry's life there is a period
of initiation and speculation followed, if the industry is successful
by a period of rapid expansion. In these periods the risks are high
and the competition intense. Consequently, substantial profits are a
necessary incentive and at this stage the industry is "best left to the
vigorous initiative of private enterprise and uncontrolled competition.[12]

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[10] Macmillan, _Middle Way_, 102-3.

[11] See _ibid._, 180-7, 237-9 for a detailed treatment.

[12] _ibid._, 180-1, 237.

In later stages of development, when productive capacity begins to out-strip effective demand the state should, on the request of the majority within a particular industry, assist in the reorganisation of that industry on a rational (i.e., profitable) basis.[13] Finally,

> "Certain industries and services which are of key importance to the vigorous economic life of the community, and which have reached a stage of development when their conduct requires to be governed by much wider social considerations than the profit-making incentive alone will provide, should be brought under either some suitable form of public owner-ship and management or, in certain cases, a form of statutory control or supervision which may or may not involve public ownership."[14]

There is no reason to doubt the sincerity of the rationale advanced for this scheme - a rationale involving the assumption of the social costs of redundancies in declining industries.[15] But neither can one ignore its rationality from a capitalist perspective - public enter-

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[13] ibid. Chapter X. Macmillan's plan ruled out any notion of regulating profits, nationalizing the industry, or even having the public directly represented in the day-to-day management of the industry, ibid. 209-10.

[14] ibid., 237-8.

[15] In the 1930's Macmillan was Member of Parliament, for Stockton-on-Tees, an area hard-hit by the Depression.

prise was to be restricted to declining (and hence unprofitable) industries and fields concerned with the satisfaction of minimum human needs (an area where profit making has often proved socially unpopular). For the rest, private enterprise was to have its way. But there was to be a further refinement. In the expanding (and highly profitable) sectors the activities of private enterprise would be uncontrolled. At a later period industrial sectors should be re-organised under Industrial Councils possessing statutory powers necessary to enforce a common policy.[16] Finally, industries with declining profits could be taken over by the state which would either assume the social costs of operating unprofitable industries or would take the blame for closing them down.

Two major points emerge from this discussion of Keynes and Macmillan. First, they saw state intervention as being basically supportive of the capitalist system. Second, widespread nationalization of industry was rejected as unnecessary and irrelevant and several arguments were advanced as to why this might be the case.

The rejection of nationalization formed a major theme in the writings of social democrats and those liberal-democrats who concerned themselves with the topic, in the post-war period.

Most versions of what became known as social democratic revisionism started from the proposition that Marx's concentration on the ownership of the means of production, whatever its utility in analysing nineteenth century capitalism, had no relevance to the problems facing

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[16] Macmillan, The Middle Way, 202.

mid- and late-twentieth century society.[17]

It was argued that power within enterprises had been transferred from the legal owners (shareholders) of those enterprises to the managers who exercise authority within them. The sources of this transfer of power were to be found in the complexity and large scale of modern factory production.[18]

The separation of legal ownership from factual control led, according to this argument, to a change in the composition and motivation of the entrepreneurial class. Increasingly this class was seen as being recruited either through bureaucratic careers or through the acquisition of specialized education rather than through inheritance. As a result of this changed composition the goals of the controllers of production were said to have changed. The pursuit of profits and profit maximization was of much reduced importance and had been replaced by a concern with efficiency and productivity.[19] In addition, the modern managers were thought to be very sensitive to public opinion, the public interest and the social responsibilities of private industry.[20]

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[17] See, for example, C.A.R. Crosland, The Future of Socialism (New York, 1963), 2-3; John Strachey, Contemporary Capitalism (London, 1956), 35-7; Gunnar Adler-Karlsson, with an introduction by Abraham Rotstein, Reclaiming the Canadian Economy: A Swedish Approach Through Functional Socialism (Toronto, 1970), 1; and Ralf Dahrendorf, Class and Class Conflict in Industrial Society (Stanford, 1959), 41-8, 136-41. Although not himself a social democrat, Dahrendorf's analysis of industrial society seems to have exerted considerable influence in social democratic circles.

[18] See, for example, Crosland, Future of Socialism, 35-7.

[19] Dahrendorf, Class, 45-6.

[20] Crosland, Future of Socialism, 14-19.

The distinction drawn between effective control of property and
its legal ownership opened the way to the proposition that nationaliza-
tion of private industry is no longer a necessary economic tool for a
social democratic government. Instead of nationalization it was said
that state regulation of private industry could be equally effective in
achieving social democratic goals.

Thus, it was argued, control of the economy could be achieved
without ownership (in the legal sense). Nationalization or public
ownership was now seen as one of the many means to particular ends and
not, in most circumstances, the best one.[21]

The consensus view did not rule out the use of nationalization
in certain circumstances. A recent discussion focussed upon four "ends"
to which public ownership might be a "means" and concluded that increased
use of this measure might be justified.[22] The four ends in question were
the transfer of power within society, the promotion of economic equality,
the improvement of national economic performance and improving the social
conduct of private industry. The conclusion that more public ownership
might be justified however, was reached for pragmatic reasons which did
not involve any revision of the theoretical tenets of social democracy
that had gained acceptance in the 1950's.

Nationalization was regarded as being unlikely to have any effect
on the distribution of power in society since bureaucracies in state
enterprises are no more open to dictation from the government than private

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[21] See, for example, David Lewis, "Socialism Today", in Paul Fox (ed.),
Politics: Canada, 4th Edition (Toronto, 1977), 272-5.

[22] Anthony Crosland, Socialism Now and other essays (London, 1975), 26-44.

bureaucracies (power having been transferred into the hands of the managers). This was quite consistent with the argument that ownership of wealth and economic and political power are no longer synonomous.

Similarly, nationalization with "fair" compensation would have little, if any, effect on the existing distribution of wealth. The only redistributive effect, given the payment of compensation, would come from future profits which would accrue to the state rather than to private individuals. Social democrats have always insisted that fair compensation be paid to the owners of capital where legal title to the capital is being transferred. In fact, they have claimed, as an advantage of state regulation, that no compensation need be paid even though certain "functions of ownership" are being acquired.[23]

As far as economic performance and social conduct was concerned neither public nor private corporations were seen as intrinsically superior to the other. But where it was necessary to nationalize certain industries - to carry out structural or management changes or where, for social reasons, they must be run at a loss - this should be done. The real problem was that the managerial revolution had led to a vacuum in accountability and that corporations owed responsibilities to diverse groups in society - workers, customers, shareholders, local communities, and the community as a whole. Ultimately,

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[23] Adler-Karlsson, Functional Socialism, 91-2.

"It is the direct responsibility of the democratic state,
as guardian of the public welfare, to lay down the detailed
ground rules and compel the private (and nationalized) firm
to its own positive views of where the public interest lies."[24]

This formulation assumes that the democratic state is in fact
capable of acting as the guardian of the public welfare. To put it another
way, it denies the radical argument that the state, under capitalism, acts
on behalf of the capitalist class. This is quite logical since according
to the theorists of the "managerial revolution", the capitalist class
(owners of the means of production) no longer exercise either economic
or political power, and their successors (the managers) are much more
cognizant of their social responsibilities. For social democratic
theorists, the import of these changes is so great that the business
class is considered to have lost much of its power to the state and the
primacy of political over economic power is confidently asserted.[25]

The assertion that the state is or can be neutral between classes
rests partly on the social democratic analysis of the class structure
of post-war society. Mention has already been made of the decomposition
of the capitalist class into largely functionless owners and their re-
placement by more socially responsible managers. Parallel to this analysis
is the view that the working class is also becoming diverse, fragmented
and more and more "middle class" in its aspirations and values.

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[24] Crosland, Socialism Now, 42.

[25] Crosland, Future of Socialism, 7-10. Richard Crossman has been
quoted as saying that: "... we now know that the power of the State
is not in the hands of any class. It is a power in itself..." See
David Coates, The Labour Party and the Struggle for Socialism (Cambridge,
Cambridge University Press, 1975), 146.

This argument can be summarized as follows.[26] Manual workers are increasingly taking on middle-class values and life styles. As a result of this, their political views are tending to become more conservative and individualistic. This is seen as being due to three factors.

First, it was claimed that manual workers now received higher real incomes which were often comparable to those of white-collar workers in the "middle income" bracket. Second, advanced technology was said to have reduced the physical effort involved in most jobs, while, at the same time, the mental effort required had increased. This had tended to break down status barriers between management and workers. Third, the migration of many affluent workers from traditional working class communities to newer suburbs was destructive of the distinctive working class culture.

Economic changes leading to increased real incomes resulted in changes in working class consumption patterns. Increased ownership, by workers, of consumer durables, cars and homes led some observers to maintain that although,

> "the existence of a large class of have-nots ... was a
>
> necessary feature of industrial society in its early phases;
>
> ... at the stage of development now being attained ... the
>
> bulk of the population enjoy middle-class living standards."[27]

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[26] For a good review and discussion of these theories of the "embourgeoisement" of the working class, see J.H. Goldthorpe et al., The Affluent Worker in the Class Structure (Cambridge, 1969), Chapter I.

[27] Goldthorpe, Affluent Worker, 8.

It was inferred that cultural changes, corresponding to the economic changes, were also occurring. As workers came to earn middle-class incomes they also came to adopt a middle-class way of life. Some writers advanced the view that real wages for unskilled and semi-skilled workers had increased to such an extent that there was no longer any incentive for work requiring special training or skill.[28]

Technological changes, substituting knowledge for physical toil were seen, in the early stages of their implementation at least, as providing a more meaningful work environment. The replacement of assembly-line tasks by small, problem-oriented teams, within which management-worker demarcation lines were less sharp, would, it was assumed, create harmonious and cooperative relations between management and workforce. It was inferred that lessening job-alienation and increased partnership between management and workers would result in declining class loyalties.

Finally, shifts in residential patterns, by exposing affluent workers to the middle-class values of their new neighbours, were believed to hasten the decomposition of the working class. The physical destruction of many working class communities, through slum clearance and urban renewal, was seen as assisting in this process.

On the basis of this kind of analysis, one prominent member of the British Labour party advocated that the party change its name and generally erase its' working class image in order to remove "the danger of fighting under the label of a class that no longer exists".[29]

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[28] Dahrendorf, Class, 63.

[29] Douglas Jay, quoted in Michael Foot, Aneurin Bevan (St. Albans, 1975), 2, 630.

The argument about the changing class structure of what are frequently termed advanced industrial societies is linked, in social democratic thinking, with a view of the role the state apparatus plays in those societies and with a strong attachment to a particular view of democracy.

Thus, social democratic theorists have concluded that in a society without fundamental class cleavages, the state can act in a neutral way in the sense that its actions can reflect the consensus of a pluralist but not fundamentally divided society,

> "The state is no longer just the "executive committee of the ruling class", but a complex organisation representing a wide spectrum of interests, including the interests of a powerful working class, the latter making its weight felt through being a large part of the electorate and through trade unions. Owners or property, shareholders in private capitalist concerns, have lost their erst-while political influence ..."[30]

Given this view of the state as a relatively impartial institution capable of being directed by electoral and interest group pressures, social democratic theory has strongly supported the norms of parliamentary democracy and has used this attachment to contrast itself with what is termed the "undemocratic left".

The British Labour Party's attachment to such a position has been somewhat cryptically described in the following terms,

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[30] R.N. Berki, _Socialism_ (London, 1975), 95-6.

"Of political parties claiming socialism to be their aim,

the Labour Party has always been one of the most dogmatic -

not about socialism, but about the parliamentary system.

Empirical and flexible about all else, its leaders have al-

ways made devotion to that system their fixed point of re-

ference and the conditioning factor of their political

behaviour."[31]

The concept of democracy underlying this attachment to parlia-

mentarism and electoralism relies less upon the idea that democracy con-

sists of majority rule and more upon the virtues of tolerance for minori-

ties and the achievement of compromises. The classic social democratic

definition of democracy sees it as,

"a continuous search for agreement, through discussion and compromise,

and action on the basis of the maximum measure of agreement ob-

tainable ... Democracy, therefore, is based upon tolerance, and

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[31] Ralph Miliband, Parliamentary Socialism: A Study in the Politics

of Labour, 2nd Ed. (London, 1973), 13. It has often been argued that

it is this commitment to the parliamentary method which determined the

ideological adaptation of social democracy to capitalism. This view can

be detected in the Miliband passage cited above. It is more explicit

in Coates, Labour Party. Similary, Adler-Karlsson, Functional Socialism,

66-7 and 88-9 links his approach to nationalization to the need to maintain

the democratic method.

necessitates compromise."[32]

The method (or "means") of democracy - compromise - was seen as having primacy over the results of the method (or "ends").[33] The failure of certain people to seek compromise was ascribed to psychological problems.[34] Since "political method determines the form of society"[35] those who do not accept the method of compromise should be suppressed.[36]

One interpretation of this approach was that it gave a virtual veto power to the established vested interests since coercion is specifically renounced. Given a recalcitrant ruling class how could progress be made? Thus, it was argued that attachment to the democratic method determined and restricted the ends or goals to be pursued. But this was not the intention of the authors of the theory. The problem of drawing up and implementing a programme was seen as one of striking a balance. The limits within which the balance could be struck were, on the one hand, that the programme should not be so extreme as to drive the opposition into armed resistance or rebellion; on the other hand, that it should not be so emasculated as to lose the support of the reforming party.[37]

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[32] Reginald Bassett, quoted in E.F.M. Durbin, The Politics of Democratic Socialism: An Essay in Social Policy (London, 1940), 233.

[33] Durbin, Democratic Socialism, 271.

[34] ibid., 264-6.

[35] ibid., 278.

[36] ibid., 271-8.

[37] ibid., 283-4.

Four types of policy measures were distinguished - amelioration, socialization, prosperity and egalitarian - and priority placed on measures of socialization - "placing power before benefits".[38] Thus, the transfer of power was given top priority despite a commitment to this particular definition of political democracy.

What happened in the post-war world, on the basis of the theoretical revisions outlined above, was a re-ordering of these priorities such that the notion of transferring power (from capitalist class to working class) ceased to have any meaning, and hence priority, at all.

In the period following the Second World War, the social democratic analysis of society underwent a number of clarifications. The end-product of this process of theoretical revision was a view of society considerably different from that put forward by social democratic theorists

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[38] See, _ibid._, 293-8. _Ameriorative_ measures were defined as those which dealt with the consequences of inequality, such as re-distributing income, but without changing power relations in society. _Socialization_ involved those policies which transferred power (though not income, since compensation would be paid). Nationalization was seen as the chief, but not the only, measure of this type. _Prosperity_ measures were to be aimed at maintaining and increasing the volume of industrial activity through Keynesian techniques of public investment and controls. _Egalitarian_ policies were seen as going further than ameliorative ones in that they were aimed at destroying large concentrations of wealth and thus leaving a permanent mark on the distribution of income and power.

in the 1930's.[39] In the post-war period the existence of an entity known as the working class was questioned and the legitimacy of struggle between it and a capitalist class (whose existence was also questioned) was explicitly rejected. Arising from this analysis was a view of the state as a neutral, impartial institution possessed of objective, rational economic techniques, largely derived from Keynes' theories, to be used in the national interest. The most obvious policy implication of this analysis was the very limited role accorded to nationalization (since legal ownership of industry was not seen as an important matter). It will be argued that this analysis also contains the seeds of future policies of wage controls and of tendencies towards corporatism in social democratic parties.

As the discussion of the ideas of Keynes and Macmillan suggests, bourgeois political economy was quite willing to countenance increased state intervention in the economy provided that such intervention took the form of assuming the social costs of declining industries, of satisfying human needs (or of the cost of the reproduction of labour-power to look at it in another way), and of creating conditions in which private enterprise could profitably create jobs. The extension of state intervention without nationalization was justified by arguments about a transfer of power within what had been known as the capitalist class. This argument was accepted and, indeed, extended in the post-war period

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[39] Even if the theoretical roots of the 1950's can be detected in the writings of the 1930's, they were generally masked and obscured by socialist sounding rhetoric.

by social democratic, and other theorists, who argued that both major social classes - capitalist and working - were in a process of decomposition.

Each of the major tenets of the consensus view of mid-twentieth century society - the transformation of capitalism, the decomposition of social classes, the neutrality of the state, and the adherence to a restricted definition of parliamentary democracy - was challenged to a greater or lesser extent by radical critics.

The Radical Critique

In a nutshell, the radical critique argues that the fundamentals of capitalism have not been transformed or transcended, that the capitalist and working classes continue to exist, as does struggle between them, that the state is not neutral between classes, and that the social democratic view of what is democratic is too narrow and limited. The policy and tactical implications of these positions are therefore considered, from a radical point of view, to be inadequate.

Turning first to the decomposition of social classes, the argument that the capitalist class has disintegrated was usually based upon two postulates. First, as we have seen, the argument was made that a separation of ownership and control had occurred with power having shifted to management and away from ownership. Second, it was said that share ownership had become widely diffused and that capital had been "democratized". The consequence of these two developments was the change in the goals of private corporations referred to previously.

At the empirical level, radical political economists and sociologists attacked the concept of the "democratization of capital". Noting that ownership of even one share was confined to approximately 10% of income earners in Canada[40] and to 6.6% of British adults[41] and that within this small group share ownership is highly concentrated,[42] the conclusion was reached that capital ownership could not be said to be widely diffused.

At a more theoretical level, radicals attacked the notion of a separation of ownership and control since it rested on an unrealistic definition of control as direct, personal supervision of the production process.[43]

A key issue which radical commentators have raised is that of the _type_ of decisions made by managers and owners respectively. Some writers have sought to distinguish between "operational" and "strategic" decision making.[44] It is conceded that decisions concerned with everyday administration and technology, production, and marketing will be made by managers and technical experts. But it is denied that these types of decision are the fundamental ones.

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[40] Wallace Clement, The Canadian Corporate Elite: An Analysis of Economic Power (Toronto, 1975), 19.

[41] John Westergaard and Henrietta Resler, Class in a Capitalist Society (London, 1975), 158-9.

[42] loc. cit.; and Clement, Canadian Corporate Elite, 19.

[43] See, for example, Dahrendorf, Class, 136-7.

[44] Westergaard and Resler, Class, 163-4; see also, Anthony Giddens, The Class Structure of the Advanced Societies (London, 1973), 171-3, for a discussion of "effective power".

The power to investigate performance, to hire and fire top managers and technicians, and to insist on a particular conceptual framework of decision-making seems, from the radical point of view, to be vastly more significant than what or how to produce or how to market a commodity. Technical decisions (including decisions pertaining to growth, technology and size) are capable of being financially evaluated and compared in terms of a common denominator - profit. Where profits are the touchstone of corporate rationality decisions about what to produce and how to produce it become largely instrumental.

The radicals have marshalled evidence suggesting that financial decisions remain the prerogative of the board of directors and top executives or of the controlling group among them.[45] That is, financial decisions remain the prerogative of capital. The function of management and the technostructure is to realise the goal, not to determine it. Those who have the ability to set the boundaries of decision-making, to choose those who will operate within it, and to scrutinize their conduct, have the ability or power to set the goals within which the technostructure operates. This power resides with the controlling owners of capital.

The critique of the consensus analysis of society, then, argues that contrary to power having been transferred from owners to managers it has been centralized within the owners. Companies are not controlled by all their shareholders, nor by their managers, but by their particular group of capitalist-managers who directly, or via nominees, collectively own sufficient stock to dominate annual general meetings. When considered

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[45] Westergaard and Resler, Class, 163.

in conjunction with the concentration of capital, via mergers, takeovers
and holding companies, together with the prevalence of interlocking
directorships,[46] it appears that economic power has become centralized
on an unprecedented scale. And this centralization of economic power
has not rested upon a separation of ownership and control but upon their
fusion at a higher level, a level at which only a tiny minority of share-
holders have control (defined in terms of a quite low percentage of total
stock) but where those who do exercise control, in the name of the cor-
poration, have access to all the finances invested in the corporation.
That is, the majority of the shareholders invest their capital in a col-
lective owner, the corporation, controlled by a minority of large share-
holders.[47]

In this view, then, the function of the manager as manager is to
administer the affairs of the company within broad guidelines set by the
controlling group of owners. In order to perform his function adequately,
the manager will have considerable autonomy and authority within the cor-
poration. But his powers, though very real, are not unconditional.[48]
They are contingent upon his satisfactory achievement of the goals and

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[46] See, for example, Clement, Canadian Corporate Elite, Chapter 4. See
also L. and F. Park, Anatomy of Big Business (Toronto, 1973) Chapters IV and V.

[47] This ties in with an empirical study of big business in the United States,
Britain and France which shows that the true antagonism is not between share-
holders and managers but rather between those shareholders who are "insiders"
and those who are "outsiders", cited in E. Mandel, Marxist Economy Theory
(London, 1971), 541.

[48] "The power of the top executives is quite real, but only so long as
they remain obedient tools of the financial oligarchy", S. Menshikov,
Millionaires and Managers; Structure of the U.S. Financial Oligarchy
(Moscow, 1969), 134.

objectives set for him.[49]

Given this analysis of the location of power within the corpora-

tion it is not surprising that critics of the consensus view deny that

the goals of modern corporations have changed.[50]

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[49] The situation is well-put in the following quotation, "The Chief
Executive Officers of many large corporations are men in flight, harried
individuals driven by the necessity of coming down to their bottom lines
with ever better results. Life becomes an endless sequence of moving
sales and profit targets ... Unlike the wealthy, Chief Executive Officers
have little ambivalence in their feelings about the exercise of power.
They like it. Yet their authority ... is delegated, remaining an in-
herent function of the job rather than the individual. This authority
of incumbency perishes when the holder is removed from his particular desk.
The alert CEO realizes that he is easily replaceable, that there is no
substitute for ownership, that the only real security lies in establishing
a strong equity position in the corporation that employs him", Peter C.
Newman, The Canadian Establishment, 1 (Toronto, 1975), 176-184.

[50] Some proponents of the view that the goals of corporations had
changed have shifted their positions somewhat. For example, John Kenneth
Galbraith's argument to this effect rested on an extremely arbitrary and
unrealistic definition of profit-maximization as a short-term process
heedless of long-term considerations (see his, The New Industrial State,
2nd Rev. Ed. (Scarborough, 1971), 171n, for a denial that growth might
be the best long-run strategy for maximizing profits). In a later book
(Economics and the Public Purpose (Scarborough, 1975), 11n) he conceded
that the conflict between profit and growth diminishes, the longer the
period of calculation.

In fact it has been argued that the modern corporation is, if anything, even more dominated by the logic of profit maximization, then were the old style entrepreneurs.[51] The point is made, however, that "profit maximization" must be interpreted in the sense that,

> "the search for "maximum" profits can be the search for the greatest increase in profits which is possible in the given situation, subject of course to the elementary proviso that the exploitation of today's profit opportunities must not ruin tomorrow's".[52]

Three bodies of evidence are usually cited in support of the contention that the logic of profit maximization dominates the modern corporation. First, the literature of advanced business management contains a systematic focus towards cost reduction, the expansion of revenue and the increase of profits. Second, the growing use, among large businesses, of economists, market analysts, management consultants, and other specialists whose main function is to help the firm reduce costs, find superior methods, choose the most profitable alternatives, and to uncover new profit opportunities. In other words, profit making is becoming more systematic and rational. Third, the rapid growth of analytical and managerial techniques that both stimulate and assist firms to cost reduction and increased profit-

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[51] P.A. Baran and P.M. Sweezy, Monopoly Capital: An Essay on the American Economic and Social Order (Harmondsworth, 1968), 28-9.

[52] Baran and Sweezy, Monopoly Capital, 39.

ability.[53]

Furthermore, empirical studies which accepted the managerial re-volution thesis and compared owner-managed with managerially run companies tended to confirm that there is little difference between the two as far as profit seeking was concerned.[54] This phenomenon was accounted for by the close linkages said to exist between growth, efficiency and profit-making. The argument ran as follows. In order to grow a firm must in-vest. This investment may be financed through borrowing or through ploughing back profits. But in either case a good rate of profit is necessary. Although growth and efficiency may be linked with social responsibility they are also linked, directly and concretely, with the profitability of the enterprise.

The logic of capital accumulation and the market would therefore seem to bear as heavily upon a professional manager as upon an owner-manager, even if one supposes that their personal motivations are in some way different.

"The concept of capital accumulation of reinvestment, of an expan-sionist dynamic, is part of the definition of capitalism. If the capitalist entrepreneur of old was not supposed to maximize profit in the interest of his personal consumption, why should we be sur-prised if we discover that the manager-capitalist is playing out a social role which may well call for maximizing profits".[55]

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[53] The research was conducted by James Earley and is quoted in ibid., 36-9.

[54] See Robin Blackburn,"The New Capitalism," in Blackburn, ed., Ideology in Social Science (London, 1972), 176-7.

[55] A.G. Papandreou, Paternalistic Capitalism (Toronto, 1972), 75.

In this view then, the idea that the capitalist class has been "decomposed" or that its goals have changed finds little favour. The conclusion drawn from this critique of the "managerial revolution" thesis is that power within the enterprise, and by extension, in society itself, remains in the hands of the class which owns, and therefore controls, the major means of production. From this perspective, then, a policy of widespread nationalization of industry remains as relevant as it ever was if power is to be wrested from those who have it and if the goals of production are to be transformed from those of private profit into those of social needs.

Radical critics of the consensus view also reject the notion that the working class is either in a process of decomposition or that it has become bourgeois. The embourgeoisment theorists put forward two related arguments. First, that in contemporary society the sources of tension and class conflict (inequalities of income and opportunity) are being eliminated. Second, that as a result of this, workers' attitudes, values and actions are becoming increasingly the same as those of the "middle class". Both arguments have been attacked as being grossly exaggerated if not actually false.

In the first place it has been pointed out that a considerable part of the reduction in measured income inequality is due to the failure of the measurement technique to take into account the use of tax evasion devices. These devices result in certain incomes not being reported.[56]

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[56] See, J.H. Westergaard, "Sociology, the Myth of Classlessness", in Blackburn, Ideology, 122-3.

Secondly, the statistics usually cited are incomes from earnings only, and exclude earnings from property.[57] Furthermore, the statistics cited are usually pre-tax. While it used to be widely accepted that tax systems in the western world were progressive in the sense that the greater the income received, the greater the proportion of tax paid, considerable doubt has been thrown upon this assumption in recent years.[58]

The notion that there has been a reduction in inequalities of income and wealth has been seriously challenged in recent years. Indeed, to the radical critics, it seems that the distribution of income is becoming less rather than more equal.[59] Allied to this situation is the continuation of marked inequalities of opportunity.[60]

Combined with the emergence of evidence concerning the distribution

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[57] For the way in which statistics of income which exclude property income can be badly skewed, see J.E. Meade, Efficiency, Equality and the Ownership of Property (Cambridge, Massachusetts, 1965), 79.

[58] For Britain, see J.C. Kincaid, Poverty and Equality in Britain: A Study of Social Security and Taxation (Harmondsworth, 1973), 109; and for Canada, John Hutcheson, "Class and Income Distribution in Canada", in R. Laxer, ed., (Canada) Ltd.: The Political Economy of Defendency (Toronto, 1973), 66.

[59] For Britain see Westergaard and Resler, Class, Part II and R.M. Titmuss, Income Distribution and Social Change: A Study in Criticism (London, 1962); for Canada see Leo Johnson, Poverty in Wealth (Toronto, n.d.).

[60] For Britain see Westergaard and Resler, Class, Part IV; for Canada see Dennis Forcese, The Canadian Class Structure. (Toronto, 1975). Chapter 3.

of income was the "rediscovery" of poverty within the affluent society.[61]

Moreover, firm evidence indicated that far from decreasing, the incidence

of poverty may actually be increasing.[62] Although poverty is concentra-

ted among the aged, the chronically sick and disabled, and "welfare families",

it has been pointed out that "their conditions are extreme manifestations

of the wider class-structured pattern of inequality in (the) economy and

society at large".[63] In other words, poverty is viewed not as a con-

dition of all the aged and infirm but mainly of the working class aged

and infirm. There is also the phenomenon of the working poor within

the midst of the affluent society.

Nevertheless, although such evidence casts considerable doubt

upon the existence of the affluent and bourgeois workers, it is con-

ceded that there have been changes in the structure of the working class

under modern capitalism. For example, the closed, homogenous, one-

industry, one-occupation community is no longer typical of working class

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[61] Amongst the literature the following are useful - for Britain,

B. Abel-Smith and P. Townsend, The Poor and the Poorest (London, 1965),

P. Townsend, ed., The Concept of Poverty (London, 1970) and K. Coates

and R. Silburn, Poverty: The Forgotten Englishman (London, 1970); for

Canada, Ian Adams et al., The Real Poverty Report (Edmonton, 1971),

Economic Council of Canada, Annual Review, 1968 (Ottawa, 1968), and

Canada, Senate, Report of the Special Senate Committee on Poverty, Poverty

in Canada (Ottawa, 1971).

[62] Abel-Smith and Townsend, Poor and Poorest, 66.

[63] J.H. Westergaard, in Blackburn, Ideology, 156.

communities if, indeed, it ever was. Today's "typical" worker is likely
to live in a heterogeneous, occupationally mixed residential district,
or suburb. Coinciding with this dilution of working class communities
are changes in the structure of the work force - the relative decline
of manual workers (as a proportion of the work force) and the propor-
tional and absolute increase of white collar and blue collar technical
occupations. From the increasingly non-manual nature of the labour-
force it is often inferred that workers will increasingly take on non-
manual (or "middle class") attitudes and characteristics. But though
the facts of the shifting distribution of the work force are not in
question, the interpretation of the facts is open to debate.

In Britain, for example, it appears that the demise of tradi-
tional mining communities and the forced migration of miners and their
families to other coalfields has broken down the narrow parochialism
of mining villages and contributed to the formation of mass militancy
amongst the British miners.[64]

Others have argued that against the process of embourgeoise-
ment of some sections of the working class must be set the proletariani-
zation of some sections of the middle class,

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[64] I. Rutledge, "Class Consciousness and the British Working Class:
Changes in the Mode of Production and the Growth of "Mass Militancy in
the British Mining Industry", Marxism Today, 18 (1974), 188-92.

"We should guard against the view that the upwardly mobile
are simply moulded into political shape by the pressures
of the stratification system. This system itself, and its
political character, can in turn be modified by those who
cross from one class to another."[65]

This formulation relies upon the idea of individuals passing
from one class to another (that is, social mobility). But it is equally
possible that changes in the life experiences of people who remain in
the same "class" may result in their attitudes changing. For example,
white-collar work is becoming more organised, more mechanized and more
automated. Offices are becoming larger and the division between super-
visors and routine workers is becoming marked. A study of white-collar
unionism in Britain[66] found that the proportion of white collar workers
who were members of a trade union was similar to that of blue collar
workers and was growing at a faster rate than the expansion of the
white-collar labour force. The most significant factor affecting white-
collar union membership was the work environment, in particular the
degree of employment concentration. In Canada similar tendencies have
been observed and it has been predicted that "the process of proletariani-
zation-through-automation that destroyed the crafts workers in the

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[65] F. Parkin, Class, Inequality and Political Order: Social Strati-
fication in Capitalist and Communist Societies (London, 1972), 52.

[66] R. Lumley, White Collar Unionism in Britain: A Survey of the Present
Position (London, 1973), 122-3.

nineteenth century may be repeated among the white collar workers in
the twentieth".[67]

These findings have been used to seriously question the pro-
position that the objective sources of class conflict under modern
capitalism have been removed. Not surprisingly, according to this view,
empirical tests of the embourgeoisement of working class attitudes
have failed to substantiate the theory. Notwithstanding the considerable
effects of economic development on working class social life,

> "there remain important areas of common social experience
> which are still fairly distinctively working class; that
> specifically middle class social norms are not widely
> followed nor middle class life-styles consciously emulated;
> and that assimilation into middle class society is neither
> in process nor, in the main, a desired objective".[68]

In particular,[69] such factors as increased earnings and
improved working conditions do not alter the basic class situation of
the industrial worker in modern capitalism. Similarly, in Canada a
recent study concluded that,

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[67] Leo Johnson, "The Development of Class in Canada in the Twentieth
Century", in G. Teeple, ed., Capitalism and the National Question in
Canada (Toronto, 1973), 165.

[68] Goldthorpe, Affluent Worker, 157.

[69] ibid., 157-9.

"The working class may share in industrial benefits to some
degree, but, especially recalling the concept of relative
deprivation, they do not share to the point of satisfaction,
let alone equity. ... Changes in class affluence have not
altered the fundamental relation of production and control
in Western societies such as Canada's".[70]

Thus, the critique of the consensus model denies that the two
basic classes of capitalist society have disintegrated and does not ac-
cept the consequences that have supposedly flowed from this disintegra-
tion. Understandably, from this point of view, the idea that the state
is a neutral agency, the third characteristic of the consensus view of
society, appears to be unrealistic.[71]

In this view, the state intervenes in economic life to ensure
the stability and maintenance of capitalism. Any benefits which the
working class may obtain through state intervention are secondary to
those gained by the capitalist class.

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[70] Forcese, Canadian Class Structure, 110-111. Forcese continues,
"It is not a matter of rescuing Marxist theory, but of recognizing the
continued salience of his descriptions, however much he may have failed
to anticipate the massive potentials of industrial societies to produce
and distribute wealth and to defer and control class opposition".

[71] The best statement of this position is that of Ralph Miliband,
The State in Capitalist Society (London, 1973). See also a recent Canadian
anthology of articles on the role of the state - Leo Panitch, ed., The
Canadian State: Political Economy and Political Power (Toronto, 1977).

More specifically, the state, in what is still regarded as a capitalist society, is viewed as having three major functions - accumulation, legitimization and coercion. These functions involve the state - broadly defined as the government, administration, military and police, judiciary, and sub-central levels of government - in maintaining or creating the conditions in which profitable capital accumulation is possible, in maintaining or creating the conditions for social harmony and, where necessary, in using its monopoly over the legitimate use of force to maintain or impose social order.[72] These functions are seen as being exercised on behalf of the capitalist class.

Capitalist control over the state is said to be accomplished by close personal and social linkages between the dominant class and the personnel in higher echelons of the state apparatus.[73] A second mechanism of control is the use of economic power to ensure a favourable ideological milieu through use of the mass media[74] and, through political contributions, to influence the outcome of the political process in a desired direction.[75]

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[72] see Leo Panitch, "The Role and Nature of the Canadian State", in Panitch, Canadian State, 8.

[73] See Panitch, Canadian State, Chapters 1 and 8; and Miliband, State, Chapters 2 and 3.

[74] See Wallace Clement, The Canadian Corporate Elite (Toronto, 1975), Chapters 8 and 9.

[75] for a brief but useful discussion of the radical view of the state, see Frank Cunningham, Understanding Marxism (Toronto, 1978), 85-101.

This discussion of the radical view of the functions of the
state is extremely cursory yet it does highlight a number of key dif-
ferences from what has been termed the consensus view. Far from being
an impartial agency standing above or outside society the state is viewed
as a highly partial actor consistently intervening on behalf of one of two
major   antagonistic social classes within society. The radicals define the
state in a much broader way than those adhering to the consensus view
who tend to regard "government" and "state" as synonomous terms.

The differences between the two bodies of theory concerning the
role of classes and the role of the state led to somewhat different
views of democracy. Specifically, the radicals criticised those holding
the consensus view, including the social democrats, for holding an ex-
tremely narrow view of democracy. The assertion was made that limiting
working class activity to the parliamentary and electoral processes pro-
vided in capitalist society was to degenerate into electoralism which
in turn implies "the virtual surrender to underlying status quo forces".[76]
While few among the radicals advocated the use of force or violence in
contemporary capitalist society, most supported the use of industrial
action for political ends by the working class, and envisaged a much
more activist political stance, involving demonstrations and mass mobili-
zation, as being an appropriate and democratic tactic from a working
class perspective.

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[76] see Berki, Socialism, 104 for this definition of "electoralism".

Conclusions

In the post-war period, two broad theoretical interpretations of mid-twentieth century society (both with considerably older roots) took shape in the writings and debates of academics and practising political figures.

The two schools of thought were divided about the nature of contemporary society and of the role of the working class within it. Consequently, they were also divided about what were correct political policies and strategies for the working class to follow.

One body of theory, which included most social democratic writers and politicians, believed that the nature of capitalism had changed, that its class structure had been undermined, and that policies of state regulation and social harmony, to be achieved through parliamentary and electoral methods, would bring the best results from the point of view of the national interest. To the extent that a working class continued to exist its interests were not regarded as being incongruent with the national interest.

The second body of theory rejected the views outlined above and considered that despite the prolonged post-war prosperity, capitalist society remained unequal and polarized. The solutions to this situation, from a working class point of view, involved nationalization of the major means of production to be accomplished through tactics of class struggle (which would include the electoral approach but which would also include the use of the industrial power of the working class). The ultimate aim was a fundamental transfer of power from the capitalist class to the

working class.

        The chapter has attempted to provide an indication of the theoretical perspectives on which each school of thought is based. In the following three chapters, the focus will shift to the ideological battles between adherents of each theoretical position within the working class organisations of the two countries.

CHAPTER IV.   SOCIAL DEMOCRACY AND NATIONALIZATION

Introduction

In Chapter III it was argued that the social democratic and modern capitalist analyses of contemporary society had a number of important features in common.

This common ground included the view that the nature of capitalism had been fundamentally changed if not transcended. As a result of the alleged separation of ownership and control in modern business corporations the old capitalist class was said to have dissolved. As a result of rising living standards and the changing nature of modern production it was said that the formerly homogeneous working class was now increasingly stratified and becoming merged with the "middle class". Given that society had been transformed it was felt that the old sectional appeals to class consciousness were obsolete and should be replaced by appeals to all sections of society, to put the "national interest" ahead of sectional interests. The state, assumed to be neutral between social classes and groups, was seen as an institution capable of expressing the national interest.

Against this broad consensus view of society were ranged Marxist and other radical critics, of contemporary society. The critics argued that capitalism had not been transcended or even seriously changed, that while changes in class structure might have occurred they were not of the kind described by the consensus view, and that the state, far from

being neutral between social classes, continued to act in some way as the agent of a still extant capitalist class.

In the immediate post-war years proponents of both viewpoints were to be found within trade unions and social democratic parties - as, indeed, they still are. The social democratic parties in both Britain and Canada contained a mixture of social democrats proper and more radical socialist elements. This is reflected in the policy statements and programmes of the period which combine cautious reformist policies with the rhetoric of class struggle and opposition to the capitalist system as such.

In the years following the Second World War moves were made within the trade unions and social democratic parties to resolve this contradiction by re-orienting these organisations along the lines of the consensus, social democratic view of society. This re-orientation would have the effect of explicitly rejecting the socialist interpretation of reality and thus clarify the position of social democratic organisations and remove the ambiguities produced by the continued use of socialist rhetoric.

At the core of this ideological re-orientation was the question of nationalization. This is because one of the theoretical foundations of social democracy was the view that the legal ownership of the means of production was no longer important (due to the "managerial revolution" and the "separation of ownership and control"). The theoretical and academic debates about the location of power within the corporation and within

society were to be fought out within working class organisations. It
is to the course of that battle that we now turn. Following on from
some of the concepts raised in Chapter I an attempt will be made to
discuss the role of the apparatuses of the unions and social democratic
parties in bringing about ideological change; the effect, if any, of
the relative strengths of the social democratic parties on the course
of ideological reorientation will be discussed; and an explanation will
be offered for the greater radical resistance to the reorientation in
Britain as compared to Canada.

Britain: The Continuing Struggle Over Nationalization

In Britain the issue of the nationalization of privately owned
enterprises has been an extremely contentious one within the labour move-
ment during the post-war period. The Labour Party fought the 1945
election on a platform which committed them, if elected, to a fairly
extensive programme of nationalization. Industries to be taken under
public ownership were fuel and power, electricity and gas, inland transport -
by rail, road, air and canal; and iron and steel.[1] The justifications
advanced for these measures were of a pragmatic or utilitarian nature with
anticipated gains in efficiency being perceived as one of the strongest
arguments in favour of public ownership.[2] In short, nationalization was
not seen or represented as an attack on the capitalist system as such,
although as recently as 1937 Clement Attlee had written of public ownership
in the following terms:

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[1] Labour Party, Speakers Handbook, 1945 (London, 1945), 27.

[2] ibid., Chapter III.

"The evils that capitalism brings differ in intensity in different
countries but the root cause of the trouble once discerned, the
remedy is seen to be the same by thoughtful men and women. The
cause is private property; the remedy is public ownership." [3]

Labour's wartime experience as a coalition partner in running the
economy had demonstrated to the Labour leadership that government inter-
vention in the economy could lead to greater rationality and efficiency -
to a managed economy rather than the confusion of unregulated private
ownership. The particular form which nationalization was to take - the
public corporation - had been largely designed by Herbert Morrison in
the pre-war years.[4] The election pledges of the Labour Party with
respect to nationalization were honoured by 1949.[5] In addition, the
social services programme, including the establishment of a free and
comprehensive medical service under the National Health Service Act of
1946, was largely carried out. Because the government was seen to be in
the process of carrying out its commitment the amount of criticism
within the labour movement was limited in the early post-war years. The
major exception to this statement was the field of foreign policy and
the 1950 rejection of wage restraint to be dealt with later.

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[3] quoted in | S.H. Beer, British Politics in the Collectivist Age (New
York, 1967), 134

[4] see B. Donoughue and G.W. Jones, Herbert Morrison: Portrait of a
Politician (London, 1973), 355-6

[5] Beer, British Politics, 180

Nonetheless, impatience with delays in the nationalization of iron and steel, and doubts over the cabinet's continued resolve to carry out this measure, prompted the introduction at the 1947 TUC of a motion deprecating the fact that no scheme had yet been announced. The motion was defeated 2,360,000 - 4,857,000.[6] Although a bill to nationalize the industry was passed through Parliament in 1949, the 1947 motion was to prove the first shot in a battle which was to rage within the labour movement, with varying degrees of intensity, until the present day. These years have seen the balance within the labour movement shift from those opposed to further large scale nationalization in favour of those proposing the nationalization of the "commanding heights" of the economy. But owing to the failure of the latter to impose their views upon the apparatus of the Labour Party and thus secure implementation, the struggle can by no means be regarded as concluded.

There was a factual basis for suspicions about the Cabinet's intentions regarding nationalization. By 1948, Herbert Morrison had come to believe that the Labour Party should not pursue further nationalization but should turn to the "consolidation" of the existing publicly owned industries and attempt to create a "better image" for them.[7] In this development Morrison's main concern was his belief that further nationalization would be an electoral liability.[8] This concern provides an example of the pressure towards organisational adaptation in that Morrison placed a higher priority on office holding than on the transformation of society. Thus Morrison, often referred to as the architect of

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[6] TUC, Report, 1947, 528

[7] Donoghue and Jones, Herbert Morrison, 441-2

[8] ibid., 443

public ownership in Britain, can also accurately be described as an architect of social democratic revisionism on that subject.

The conflict over nationalization, like many others, remained latent until after the defeat of the Labour government in 1951. From 1951 the struggle over nationalization became intertwined with the "Bevanite" disputes of the early 1950's.[9] The issue also became complicated by the Cold War. Challenges to the existing Labour Party or TUC leadership were frequently regarded, and widely described in the media, as communist plots. Hugh Gaitskell, later to be the Labour Party leader, made a now famous speech at Stalybridge just after the 1952 Labour Party conference in which he stated that:

> "A most distressing feature of the Conference was the number of resolutions and speeches which were Communist-inspired, based not even on the Tribune so much as on the Daily Worker ... I was told by some observers that about one-sixth of the constituency delegates appear to be Communist or Communist-inspired. This figure may be too high. But if it should be one-tenth or even one-twentieth, it is a most shocking state of affairs to which

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[9] 'Bevanites' were named, by their opponents, after Aneurin Bevan who had resigned from the Labour government when it decided to impose prescription charges for National Health Services. Harold Wilson resigned at the same time. The 'Bevanites' were actually the radical wing of the party and were strongly critical of the leadership's policies on foreign policy and nationalization, in addition to the specific issue of NHS charges.

the National Executive should give immediate attention ....

It is time to end the attempt at mob-rule by a group of frust-

rated journalists and restore the authority and leadership of

the solid, sound, sensible majority of the movement." [10]

Of this early appeal to the 'silent majority', it was said that

"neither the Daily Mirror nor Senator McCarthy himself had ever attempted

a vaguer, more unprovable, and therefore more despicable smear".[11] Around

the same time Will Lawther, the President of the National Union of Miners,

referred to Bevan as "a man with his feet in Moscow and his eyes on

Number 10 Downing St." [12]

Although the anti-communism of the Cold War did not reach as

intense a level in Britain as it did in Canada, it was still a potent

force. The social democrats were able to draw strength from the preva-

lence of anti-communism in society in their internal battles with their

socialist rivals. It was against this societal background that the

battle between those favouring further nationalization and those opposing

it was joined.

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[10] quoted in Michael Foot, Aneurin Bevan, 2 (St. Albans, 1975), 379-80.

It is worth noting in this respect that the Labour Party had expelled

five M.P.'s for alleged "pro-communist activities" during the life of the

Labour Government and that the list of proscribed organisations was growing

by leaps and bounds at this time.

[11] loc. cit.

[12] quoted loc. cit.

In 1952 the radicals at the Trades Union Congress were successful in passing the following motion against the wishes of the General Council:

"This Congress notes the intention of the Tory Government to denationalize the Road Haulage and Iron and Steel industries and declares its support of the Trade Unions directly concerned and the Labour Movement generally in their resistance to this reactionary anti-working class procedure. It endorses the declared intention of the Labour Party to re-nationalize these industries. Congress reaffirms its faith in the principles of social ownership but recognizes that if their application remains restricted to a limited number of industries and services, the full advantage of social ownership will be lost. It therefore welcomes the Labour Party's declaration that it will extend social ownership. Congress therefore calls upon the General Council to formulate proposals for the extension of social ownership to other industries and services, particularly those now subject to monopoly control, such proposals to have due regard to the "Plan for Engineering" of the Confederation of Shipbuilding and Engineering Unions and other proposals submitted by affiliated organisations. Congress further calls upon the General Council to formulate general proposals for the democratisation of the nationalized industries and services calculated to make possible the ultimate realization of full industrial democracy. These proposals should be submitted to the 1953 Congress and, after endorsation, presented to the political wing of our Movement, for inclusion in Labour's General Election Programme." [13]

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[13] TUC, Report, 1952, 438

The motion was carried by a vote of 4,542,000 to 3,210,000. The inclusion of the demand for "democratisation" and for the extension of public ownership in sectors of the economy under monopoly control indicates that the intent of the motion was not only more nationalization but a different type of nationalization and nationalization for different reasons. If implemented the policy would have the effect of attacking the core of capitalist power (the monopoly sector) and changing power relationships at the enterprise level through some form of industrial democracy. A similar resolution was passed at the Labour Party conference. For the next several years, the General Council of the TUC and the National Executive Committee of the Labour Party, both firmly under social democratic control, sought to evade their instructions to "formulate proposals for the extension of social ownership". Their success in doing this, until they felt that the time was ripe for a full-scale revisionist counter-attack, indicates the important tactical advantages to be derived from control of the apparatus in working class organisations.

At the 1953 Trades Union Congress the General Council produced a fifty page Interim Report on Public Ownership.[14] The report set out to trace the history of the TUC's attitude to nationalization; the experience of public ownership since 1945; national requirements; and criteria for the extension of public ownership. While it is impossible, in a brief summary, to do justice to the wealth of argumentation employed by the General Council, the main assumptions and conclusions of the Interim Report were as follows. Firstly, in all the major industries nationalized

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[14] TUC, Report, 1953, Appendix A, 475-526

since 1945 where public ownership "has had time to exert an influence,
it has improved efficiency and aided development."[15] Secondly, national-
ization had resulted in improved wages and conditions for mineworkers and
an all-round improvement in industrial relations.[16] In summary, the
General Council came to the conclusion that "an unprejudiced observer
must conclude that by any reasonable standards, the public corporations
are succeeding." [17]

Despite the great success of the nationalized industries, however,
the General Council did not come out in favour of nationalizing more
industries.[18] In view of Britain's precarious economic situation and
the possibility of temporary reductions (my emphasis) in efficiency during
the takeover phase, the General Council concluded that it was necessary to
see "whether forms of public ownership different from those hitherto
adopted would sometimes cause less administrative disturbance" and of
considering "whether public ownership is in each case the best method of
public control, granted that some public control is required." [19] In

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[15] ibid., 498

[16] ibid., 499

[17] loc. cit.

[18] Except for water supply where there was "a clear case for the complete
public ownership of the industry, in order to provide a universal service
and eliminate waste", ibid., 511.

[19] ibid., 510-11

concrete terms, the General Council advocated the complete public ownership of water supply; some form of public control (unspecified) over the chemical industry; and a Development Council for the shipbuilding and marine engineering industries. In the cases of investment institutions, machine tools, agricultural and civil engineering equipment, mining machinery, electrical equipment, railway equipment, aircraft and textile machinery, "further study" or "further consultations" were considered to be necessary.

Bryn Roberts, of the National Union of Public Employees, commented that "the first sections (of the report) are objective and constitute a complete vindication of nationalization ... The concluding parts of the document, which seem to have been drafted by a different hand, are not in harmony with that conclusion, except with regard to water." [20] Roberts moved the reference back of the report but this was defeated by 2,640,000 - 3,702,000.

The report of the National Executive Committee of the Labour Party followed a similar line and "displayed the passionate concern of its authors for further knowledge and research.[21] J. Griffiths, for the NEC, in reviewing the past performance of the already publicly owned industries stated that "the general case for public ownership is over-whelming", [22] but was rather less than overwhelmed when it came to specific proposals - steel was to be re-nationalized and such firms in

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[20] ibid, 386-7

[21] Miliband, Parliamentary Socialism, 321

[22] quoted, loc. cit.

other industries as was considered necessary. An amendment from two large

engineering unions calling for the nationalization of "aircraft, agricul-

tural machinery, builders and domestic castings and metal fittings, coal

mining machinery, electrical equipment, heavy electrical engineering,

locomotive wagon manufacture and repair, machine tools, marine engineering

including shipbuilding and ship repairing, motor vehicles, radio manufac-

turing, textile machinery, and foundries" was defeated by a substantial

majority.[23] Similarly defeated was a motion from the National Union of

Railwaymen, representing workers in a nationalized industry, which called

for "greater participation in the management and control of nationalized

industries by the workers employed in those industries." [24]

The 1952 motions instructing the General Council of the TUC and

the National Executive of the Labour Party to draw up proposals for further

nationalization had proven extremely embarrassing for the social democrats

in control of those bodies. This was because, for doctrinal reasons con-

nected with the revisions in social democratic theory, neither body wished

to advocate further nationalization. But they were in something of a

bind since nationalization lay at the centre of the record of the recent

Labour government and to repudiate it was barely conceivable. Thus the

General Council and the NEC argued that nationalization was a great

success but that no further nationalization was needed - at any rate, not

until much more research was carried out. This was a somewhat contradic-

tory position.

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[23] Labour Party, _Report, 1953,_ 108-128

[24] _ibid.,_ 129

The revisionist position on public ownership was by no means confined to the British Labour Party. It was a world-wide current within the social democratic parties. In 1951, the Socialist International resolved that "Socialist planning does not pre-suppose public ownership of all the means of production." [25] In actual fact, though, it was not this point which was at the centre of the dispute. As early as 1952 Bevan had accepted the idea of a 'mixed economy' [26] but what Bevan and other radicals did oppose, and what was contemplated by the social democrats though at this early stage they rarely dared to say so, was the complete abandonment of any commitment to public ownership.

It is at this point that the debate within the British labour movement about nationalization begins to merge with the theoretical debate, reviewed in Chapter III about the nature of mid-twentieth century society.

The social democratic position on nationalization found its theoretical underpinning in the arguments that capitalism no longer existed and that class conflict and class rhetoric was therefore no longer necessary. Hugh Gaitskell began the process of attempting to "re-educate" the Labour Party in 1955 when he argued that:

> "Nationalization ... is a means and not an end in itself. It is a vital means, but it is only one of the means by which we can achieve these objects ... If you look at the party constitution... you will find among the seven objects this one: 'To secure for the workers by hand or by brain the full fruits of

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[25] G. Radice, Democratic Socialism, (London, 1965), 44

[26] Foot, Aneurin Bevan, 2, 309

their industry and the most equitable distribution thereof that
may be possible upon the basis of the common ownership of the
means of production" and so on. The first part of that sentence
is the object itself and the common ownership of the means of
production the means. I hope that nobody is going to accuse me
of betraying anything." [27]

Charges of betrayal were to lie at the centre of much of the
opposition to the social democratic revisionists but for the time being,
there was no widespread opposition, and the revisionist position, most
articulately developed in Britain by C.A.R. Crosland,[28] continued to gain
ground.

At the 1957 Annual Conference Harold Wilson argued, for the
National Executive, that steel and road transport should be re-national-
ized and that public ownership should be extended in any industry which
was found to be "failing the nation." [29] Wilson denied that this meant
limiting the criteria for nationalization to purely operational efficiency.
Public ownership, he argued,might be instituted in order to reduce inequal-
ities in wealth and redistribute income and wealth; to lead to a new spirit
in industry; to make the exercise of economic power responsible and
accountable to the nation; to facilitate national economic planning to
fight unemployment and inflation; and to lead to higher productivity

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[27] Labour Party, Report, 1955, 175

[28] See his "The Transition from Capitalism", in R.H.S. Crossman, ed.,
New Fabian Essays (London, 1952); and C.A.R. Crosland, The Future of
Socialism (London, 1956).

[29] Labour Party, Report, 1957, 128

through breaking down monopoly practices.[30]

Despite the plethora of possible reasons for nationalization, however, specific measures would be undertaken only after "thorough enquiry", and for the moment, the only firm proposals remained steel and road transport. The basic reason for this was the "new analysis of contemporary capitalism" advanced by Wilson and the National Executive Committee of the Labour Party. The new analysis, according to Wilson:

> "shows the dominance in the economy of the large firm... (and) ... it shows, in the modern world, the complete divorce of ownership through shareholding from management and control in these large firms: you have the largely functionless share-holders on the one hand sitting back raking in their profits, and above all, their tax free capital gains, and you have on the other hand, the management, an oligarchy responsible in effect to no-one but themselves, appointing themselves and filling by co-option any vacancies which occur from time to time in the oligarchy. So there you have the divorce between ownership and control." [31]

The picture drawn of a divorce between ownership and-control was used to make the inference that ownership was irrelevant and that various types of controls, not involving ownership, could achieve the same ends.

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[30] ibid., 129

[31] loc. cit.

The radical wing of the party moved the reference back of this section of the report and J. Campbell of the National Union of Railwaymen rejected the alleged dichotomy between ownership and control and went on:

> " When you talk of controlling an industry without owning the industry, when you talk about merely buying shares, equity or otherwise, leaving management in the same hands, I say that all you are doing is contriving a clumsy conception of the consolidation of capitalism." [32]

The reference back was heavily defeated. Though not particularly successful in influencing the bloc votes of the conference, Campbell had, however, drawn the main line of division on this subject in the Labour Party - the question of ownership. Those on the radical wing of the party argued that ownership was necessary in order to control the economy. Just after the above debate Bevan wrote in the News of the World, that:

> "It is essential if we are to live in a stable society that the community should take charge of the commanding heights of industry. It is not necessary for public ownership to be universal. It is, however, essential that it should be sufficiently extensive to prevent the whole economy running amok." [33]

The revisionist wing argued that, where control was necessary, it could be obtained without ownership.

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[32] ibid., 131-2

[33] quoted in Foot, Aneurin Bevan, 2, 559 n.

Events in other parties in the world-wide social democratic
movement were running in the revisionist's favour. The West German
Social Democratic Party declared in 1959 that "Private ownership of
the means of production can claim protection by society as long as it
does not hinder the establishment of social justice," [34] and the Swedish
Social Democratic Party in 1960 stated that "Social Democracy supports
the demand for public ownership or public control of natural resources
and enterprises to the extent that it is necessary to safeguard impor-
tant public interests." [35] And in Canada, the Cooperative Commonwealth
Federation had, in 1956, adopted the Winnipeg Declaration, a document
which while calling for the subordination of private profit and
corporate power, represented a considerable ideological moderation for
that party. [36]

Following Labour's defeat in the 1959 election, further moves
were made by the social democrats to dispel any lingering suspicions
in the mind of the public that the Labour Party stood for nationaliza-
tion, socialism, or the working class. Douglas Jay, for example,
advocated that the party change its name; that it should place a complete
ban on further nationalization in general and steel nationalization in
particular; that constitutional changes should be made under which the
authority of the Parliamentary Labour Party over the rest of the party
would be enhanced; and generally, that the working class image of the
party should be erased in order to remove the "danger of fighting under
the label of a class that no longer exists." [37]

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[34] Radice, Democratic Socialism, 44-5

[35] loc. cit.

[36] see below pp. 212-16

[37] see Foot, Aneurin Bevan, 2, 630

At the Labour Party Annual Conference, which consisted of a
post-election debate in which no votes were taken, Hugh Gaitskell,
referring to Clause IV, commented that "It implies that common ownership
is an end, whereas it is a means", and stated that he thought it needed
to be brought up to date. [38] This brought a quick rejoinder from the
General Secretary of the Transport and General Workers Unions (a radical,
Frank Cousins), who said:

> "It seemed a bit peculiar that there had been no consultation
> with the NEC. I think I am a fairly powerful man in my own
> organisation, but if I were going to give a public airing to
> a change in the Constitution of my union, I should wait until
> I had talked to the Executive before doing it. If the idea is
> that all we need to do is to add something to our Constitution
> there could be something to be said in favour of that. But if,
> as I gather, Rule 4 is likely to be revised to make a different
> . reference to our attitude towards public ownership, I would like
> to suggest, with the greatest respect to our Leader, that no way
> (sic) ... is going to change that one." [39]

The outcome of the battle which raged in the party over the
following months was what one observer has termed "a humiliating defeat"
for Gaitskell when, on 13 July, 1960, the NEC decided "not to proceed
with any amendment or addition to Clause IV of the Constitution." [40]
At the 1960 conference the National Executive Committee recommended
that the following statement be accepted as "a valuable expression of the
aims of the Labour Party in the second half of the twentieth century:

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[38] Labour Party, Report, 1959, 112

[39] ibid., 131

[40] R.T. McKenzie, British Political Parties (New York, 1964), 610

"(The Labour Party) is convinced that (its) social and
economic objectives can be achieved only through an expansion
of common ownership substantial enough to give the community
power over the commanding heights of the economy ... Recognising
that both public and private enterprise have a place in the
economy it believes that further extension of common ownership
should be decided from time to time in the light of these object-
ives and according to circumstances, with due regard for the
workers and consumers concerned".[41]

This was accepted by 4,153,000 - 2,310,000. Though this might be
interpreted as a defeat for the radicals in actual fact the reverse is
true. The original intention of the NEC had been to have the statement
adopted as an addendum to Clause IV of the constitution. Only when it
became apparent to them that any such attempt would be defeated did they
withdraw and devise the antiseptic formula of asking for the statement
to be adopted as "a valuable expression of aims".[42]

The situation in 1960 then, was that attempts by the social
democrats to abolish the theoretical commitment of the Labour Party to
widespread nationalization were defeated. On the other hand, attempts
by the radicals over the next decade (for six of which years Labour was
in government) to translate the theoretical commitment of the party into
practice, were firmly resisted by the leadership, with the support of the
majority of the Parliamentary Labour Party.

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[41] Quoted in McKenzie, British Political Parties, loc. cit.

[42] See Beer, British Politics, 224-5.

Indeed the leadership was able to defeat further attempts at extending the Labour Party's commitment to public ownership.[43] But their failure to amend Clause IV of the constitution was an important one since it provided a rallying point for radical opposition to the social democrats and legitimated the existence of a radical opposition.

By 1972 the radicals had gained strength at all levels of the party with the exception of the Parliamentary Labour Party. Their strength at the 1972 conference was such that the National Executive did not oppose a motion instructing,

> "the next Labour government to implement Clause IV in full.
> Such a programme would bring into public ownership any industry
> which is essential to the national interest and initiate state
> industries at growth points of the economy.
> Conference considers that this programme should be the major
> plank for the next General Election manifesto; it believes
> that this is imperative for the survival of the Labour Party
> and the future of socialism in this country".[44]

The motion was carried unanimously after Ian Mikardo, for the NEC, had supported it saying "... we are all Clause IV men now... Today Clause IV is not just a theory and an inspiration. Today it is the only basis on which we can put new inspiration and new vigour into the economic life of Great Britain".[45]

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[43] See Labour Party, _Report, 1961_, 143-4; and _Report, 1962_, 233.

[44] Labour Party, _Report, 1972_, 175-92.

[45] _ibid._, 191-2.

A second motion revealed the trend within the Labour Party in even more definite terms. The full text is given below:

"This Conference declares that the planned development of the productive resources of society is the key to building a socialist Britain.

Conference recognises that the gross inequalities of society, the disparity between the regions, unemployment and poverty can only be removed when the decisive sectors of the economy are taken into public ownership.

Conference calls upon the NEC to formulate a socialist plan of production, based on public ownership, with minimum compensation, of the commanding heights of the economy (my emphasis); such a programme to include the following measures:

(a) the re-nationalization of all hived-off sectors of the publicly owned industries, without compensation (my emphasis)

(b) an enabling bill to secure the public ownership of major monopolies;

(c) public ownership of land, building industry and finance houses;

(d) setting up of industrial enterprises in areas of high unemployment.

Conference, believing that such a programme can only succeed with the active participation of trade unions and working people in general, calls for a plan for the democratic control of industry through workers control and management".[46]

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[46] ibid., 178-9.

Mikardo, speaking for the NEC, said they were prepared to accept the motion subject to taking out the references to building, finance houses, and democratic control of industry which the NEC believed to require further study. The mover refused to accept these deletions and Mikardo then stated that the NEC would have to oppose the motion. Despite this it was carried by 3,501,000 - 2,497,000.

These trends were reflected in the Labour Party's Programme of 1973 which quite clearly recognised that control over private industry can only be gained through ownership:

> "It is now plainly evident that private and public interests
> do not by any means always coincide, and that only direct control,
> through ownership (my emphasis), of a substantial and vital sector
> of the growth industries, mainly in manufacturing, which hold the
> key to investment performance, will allow a Labour government of
> the future to achieve its essential planning objectives in the
> national interests".[47]

In the years after World War II social democrats in the British Labour Party and trade union movement, like social democrats elsewhere in Western Europe and North America, launched a campaign aimed at the ideological reorientation of working class organisations. At the core of this campaign was the issue of nationalizing privately owned business.

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[47] Labour Party, Labour's Programme (London, 1973), 30.

Basing themselves on the theoretical analysis outlined in Chapter III, the separation of ownership and control, the distinction between nationalization as a means and as an end, and the erosion of differences between social classes - the social democrats sought to repudiate the commitment to public ownership which the unions and the Labour Party had held for many years.

In this attempt at ideological reorientation the social democrats had only partial success. For much of the period they controlled the apparatuses of the Labour Party, the Trades Union Congress, and most individual trade unions. In addition they could count on majority support within the Parliamentary Labour Party. With this power base the social democrats were able to ensure that when Labour was in office the government acted in accordance with the major tenets of social democracy. This meant that no large-scale nationalization measures aimed at transferring power in society were undertaken. In addition the social democrats were usually able to obtain the backing of the annual conferences of the Labour Party and TUC in their attempts to ideologically reorient these organisations.

But there were notable exceptions to this. The major exception prior to the 1970's was the failure of the social democrats to legitimate their activities by amending Clause IV of the Labour Party's constitution which committed the party (though not in any immediate sense) to widespread nationalization.

In many respects this was a turning point in the post-war history of the Labour Party since it made tenable the continued existence of a radical opposition. By 1972, as we have seen, the radicals had been able to persuade the annual conference to repudiate social democratic revisionism

and instead to opt in favour of proposals for major extensions of public ownership.

Three factors were important in the relative success of the radical resistance to the social democratic drive toward ideological adaptation to capitalism.

First, there was the communist presence within the trade union movement. As carriers of Marxist ideology the communists were strongly opposed to the theoretical reorientation which the social democrats were attempting to bring about. Although communists were not eligible to be delegates to Labour Party conferences they could be instrumental in deciding how the bloc votes of affiliated trade unions would be cast.

Second, radicals (comprising a broad alliance of communists and left-wing Labour Party members) were successful in gaining partial control of the apparatuses of the two largest trade unions - the Transport and General Workers Union and the Engineering Workers Union.[48] A leading Labour Party radical, Michael Foot, described the impact of radical accession to the leadership of the TGWU in the following terms,

> "No longer were Labour politics set in an unbreakable mould.
> Mo more would the Labour Establishment rely on predictable
> conquests. Never again would a few trade union leaders meeting
> in private behind the backs of the rest of the Party be able to
> distribute offices and determine policy according to their whim.
> Henceforth trade union leaders would increasingly appear not as
> a praetorian guard shielding the leader, but as independent
> forces whose allegiances, and enthusiasm and votes must be enlisted
> precisely because they themselves had become responsive to their
> own rank-and-file: a development most healthy for democracy".[49]

[48] The Engineers underwent a number of name changes during the 1960's and 1970's ending up as the Amalgamated Union of Engineering Workers..

[49] Foot, Aneurin Bevan, 2, 513.

Subsequent developments in the Engineering union intensified this trend. It did not entail an immediate transfer of power from the non-radical to the radical section but it did signify that the latter were to become immeasurably more influential. As a result the atmosphere at annual conferences underwent a dramatic transformation. These effects partly testify to the importance of possession of certain leadership offices and partly reflect a wider process of radicalisation among the organised working class as a whole. One highly visible effect of the shift was that the sabre-rattling speeches of the fraternal delegates to the TUC from the AFL-CIO became increasingly incongruous and subject to frequent heckling and interruptions. In the mid-1950's such speeches had been the norm, not only for the fraternal delegates, but for spokesmen of the General Council.. By the mid-1960's the latter, whatever their private opinions, rarely dared to air them in terms of Cold War rhetoric.

Third, during the 1960's the radicals drew considerable all-round strength from the widespread trade union opposition to the Labour government's wage controls policies and proposals for the reform of industrial relations. For all of these reasons the social democrats, though the largest tendency within British working class organisations, were unable to carry out a thorough-going ideological adaptation of those organisations to the capitalist system. But though their control of most of the apparatus of working class organisations they were able to prevent the implementation of radical proposals.

Canada, Organisational Affiliation and Ideological Adaptation

In Chapter II it was noted that an important feature of social democracy's rise to dominance in Canadian working class organisations was

the purging and exclusion of their radical rivals, particularly the communists, from those organisations. By around 1950 the exclusion of radical opposition was largely complete. But the prospect facing Canadian social democrats was not a particularly positive one.

Canada's social democratic party, the CCF, remained a minor party and one in apparent electoral decline from a wartime peak of support. The trade union movement in English Canada remained split into two major centres - the Trades and Labour Congress and the Canadian Congress of Labour - neither of which was affiliated to the CCF. In Quebec the trade union movement was even more fragmented and less prone to support the CCF. Moreover the violent anti-communism of the post-war years which the CCF had successfully utilized in its drive against radical opponents in the trade union movement, tended to rub off on any organisation such as the CCF itself, which could be depicted as somehow "socialistic".[50]

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[50] In 1962, for example, six years after the Winnipeg Declaration and two years after the formation of the moderately reformist New Democratic Party, Claude Jodoin, President of the Canadian Labour Congress, complained that the Chamber of Commerce had launched a McCarthy-ite campaign against labour. In their campaign - "Operation Freedom" - the Chamber of Commerce made no distinction between socialism and communism. Speaking to the CLC convention, Jodoin commented that he was sure that many delegates would object to this effort to "tar them with the brush of communism" (Canadian Labour (1962), 8-10). On other occasions though, Jodoin himself appeared unable to draw not so fine distinctions where opponents were concerned, "As far as I am concerned, fascists, communists and racketeers are all the same". (Canadian Labour Congress, Report, 1964, 5).

Faced with this situation the social democrats attempted one ideological and two organisational tasks during the 1950's. First, was the successful attempt to arrange a merger between the two trade union centres - the Trades and Labour Congress and the Canadian Congress of Labour. Second, was the partially successful effort to arrange for the new trade union centre - the Canadian Labour Congress - to move toward some form of official support for Canada's social democratic party. Third, the completely successful effort to ideologically reorient the existing social democratic party, the CCF, along lines consistent with the revisions in social democratic theory outlined in Chapter III. All three processes were initiated at the apparatus level of the CCF and the apparatus was able to retain control of all three processes throughout.

The dominance of social democrats within the Canadian Congress of Labour was widely viewed as a barrier to achieving a merger between the two trade union centres. This was because of the weaker position of social democrats within the other centre, the Trades and Labour Congress, and, perhaps more importantly, because of the long tradition of non-partisanship within the TLC. To forestall opposition on these grounds the social democrats adopted a low-key, not to say surreptitious, strategy in effecting the merger.

A key role in this strategy was played by the President of the Trades and Labour Congress, Claude Jodoin. Jodoin had run as a Liberal candidate and was not known as a CCF supporter. In fact, however, he was by no means unsympathetic to the CCF and was willing to cooperate with them and to agree on the main lines of political strategy.[51]

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[51] G. Horowitz, Canadian Labour in Politics (Toronto, 1968), Chapter 5.

Jodoin, in pushing for the merger was careful not to antagonize those who did not support the CCF:

> "I hope... that our Congress as such will never become involved in party politics. We can never hope to serve the real needs of organised labour if this Congress should ever become a subsiduary of somebody's political organisation."[52]

Jodoin was also careful to reassure those who were fearful of the power that a merged trade union centre could wield:

> "They have suggested that our combined membership will be able to wield so much strength and influence as to virtually control Canada. I can assure them that we will yield that strength and influence when it becomes a fact, but not to control. Our purpose is not to control: our purpose, as it always has been, is to obtain the greatest measure of social and economic security for ourselves and all Canadians as is humanly possible".[53]

· The emphasis, then, was very definitely on the conciliation of potential non-radical opposition within the labour movement. The merger and the formation of the new trade union centre, the Canadian Labour Congress took place in 1956.

At the close of Chapter II [54] it was noted that the leading position of social democracy in Canadian working class organisations in

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[52] TLC, *Report, 1955*, 12.

[53] *ibid.*, 15.

[54] See above pp.139-40

the post-war period was highly qualified and subject to challenge by both
more and less radical ideologies. Having defeated their radical opposition,
largely by the use of administrative measures, one might have expected the
social democrats to move to consolidate their position vis à vis their
less radical rivals. But the amount of ruling class and societal support
they had received in their struggle against the radicals would have made
this a difficult option to pursue. In fact the strategy adopted, under
the impetus of the revisions in social democratic theory derived and
imported from Europe, was to ideologically compromise with and adapt to
the dominant societal ideology of liberalism, while at the same time
promoting support for the social democratic organisation (especially with
the formation of a new organisation, the New Democratic Party).

An essential part of this process involved the watering-down (or
"up-dating" as the social democrats preferred to call it) of the programme
of the CCF. The CCF had never been a fully-fledged socialist party. But
it, like the British Labour Party, had always contained socialists, and
the party's original programme, the Regina Manifesto, like the Labour
Party's 1918 Constitution, contained elements which gave some justification
for those who liked to indulge in socialist rhetoric:

> "We aim to replace the present capitalist system, with its
> inherent injustice and inhumanity, by a social order from which
> the domination and exploitation of one class by another will
> be eliminated, in which economic planning will supersede un-
> regulated private enterprise and competition, and in which
> genuine democratic self-government based upon economic equality
> will be possible... (the present depression)... is a sign of

the mortal sickness of the whole capitalist system, and this
sickness cannot be cured by the application of salves. These
leave untouched the cancer which is eating at the heart of our
society, namely, the economic system in which our natural
resources and our principle means of production and distribution
are owned, controlled and operated for the private profit of a
small proportion of our population.

No CCF Government will rest content until it has eradicated
capitalism".[55]

In line with developments in other social democratic parties a
revision took place in the CCF's attitude towards public ownership. In
1948 the party's resolution on the subject stated that,

"The purpose of bringing any industry under social ownership
is to increase the freedom and welfare of all the Canadian
people... It cannot be too often emphasized that the CCF
. regards socialization of industry as a means to an end, and
not as an end in itself. It believes in social ownership and
economic planning because only (my emphasis) through such
policies can we lay the basis in Canada for a much greater
freedom and security for the individual and his family than
exists today. Social ownership will free the people from the
power of private monopoly..."[56]

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[55] From the Regina Manifesto, in M.S. Cross, ed. The Decline and Fall
of a Good Idea: CCF - NDP Manifestoes, 1932-69 (Toronto, 1974), 19, 24.

[56] CCF, Report, 1948, 13.

While the beginnings of a revisionist attitude toward public ownership could be traced in this formulation with its stress on social ownership as a means rather than an end, it would be unfair to place too much emphasis on this since public ownership was seen as an essential means to the end, not merely as one among many.

By 1950 the party apparatus had concluded that the membership should be re-educated as to the role of public ownership and, indeed, the role of social classes and class struggle. These themes should be considered as part of a process leading up to a major redefinition of the CCF programme in the Winnipeg Declaration of 1956. At the 1950 convention F.R. Scott, then President of the CCF, used his opening address to present the following analysis:

"We face the likelihood that liberal capitalism has learned enough from Mr. Keynes and from war planning to be able to avoid any economical crisis as severe as that which gave birth to the CCF... The socialist must be aware of world trends, and must realize that he is no more free than anyone else from the danger of becoming old-fashioned... It is evident that this thing we may call the spirit of man, this light of faith and conscience on which all civilization depends is not primarily dependent on the ownership of property, essential though it is to subject all forms of ownership to social controls. Socialism is most concerned with the human spirit, with its freedom, its growth, its emancipation, and with ownership only in so far as some of its forms are obstacles to this freedom... direction of the economy, consciously selected for humane purposes and brought

about through planning, is so important that the question of

social ownership now seems relatively less important. The aim

of socialist planning has not changed but the emphasis on

nationalization has changed... Nationalization is only one

tool, and we must learn to use all the tools... Within capitalism

itself the control of industry has largely passed from owners to

management and the "sovereignty of economic property" has already

been divided. The essential thing is to subject the decisions of

management to social need. Social ownership is one way, a very

important way, but not the only way of achieving this".[57]

Scott's speech was the first major public shot in the campaign
to bring about an ideological reorientation of the CCF along the lines
of the revised social democratic theory presented in Chapter III. In
an attempt to wean delegates away from the idea that the CCF was primarily
a working class (and farmers) party, Scott continued,

"the trade union movement has increasing responsibilities

commensurate with its growing power, for the interests of

labour are not exactly the same as those of society at large.

The consumer is a very silent partner at the bargaining table".[58]

[57] CCF, Report, 1950, 6-7.

[58] ibid., 7.

Similarly, M.J. Coldwell, the CCF leader, referring to developments within the Socialist International, reported that:

"... the consensus among Western European Socialists... clearly

involved a repudiation of Marxian class war economics and social

change... Experience has shown that great and beneficial changes

in social and economic relationships can be brought about by

education and consent, resulting in ever widening individual

freedoms.

A task that the CCF should now undertake is to redefine our own

philosophy and programme in the light of new developments which

have occurred in the last decade. It seems proper... that in

common with other democratic socialist parties who, like our-

selves, have neither preached nor practiced the class war or

sought to impose dictatorships, we should endeavour to play

our part in clarifying both the ideals and aims of democratic

. socialism".[59]

The process of redefinition, however, was to take longer than expected.[60] It was not until 1956 that the executive was able to bring forward a new manifesto which was "intended to supersede all other statements of principles which have been adopted by previous conventions of the CCF from its foundation to date".[61]

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[59] ibid., 8-9.

[60] See W. Young, The Anatomy of a Party; the National CCF, 1932-61 (Toronto, 1969), 121-30, 172-4. There were several drafts before the apparatus was able to agree on a final document to put before a convention.

[61] CCF, Report, 1956, 5

The document[62] declared that the main aim of the CCF was to establish a society "in which the supplying of human needs and enrichment of human life shall be the primary purpose". For this to take place, "private profit and corporate power must be <u>subordinated</u> (my emphasis) to social planning designed to achieve equality of opportunity and the highest possible living standards for all Canadians". After references to the inequalities which still characterized Canadian society and to the folly of wasted resources (natural and human), the document concluded that capitalism was immoral and that a new and "just society" should be built. In the process of building such a society a central role was assigned to social planning, which would take place in the context of a mixed society:

> "Investment of available funds must be channeled into socially desirable projects; financial and credit resources must be used to help maintain full-employment and to control inflation and deflation.
>
> In the cooperative commonwealth there will be an important role for public, private and cooperative enterprise working together in the peoples' interest. The CCF has always recognized public ownership as the most effective means of breaking the stranglehold of private monopolies on the life of the nation and of facilitating the social planning necessary for economic security and advance. The CCF will, therefore, extend public ownership wherever it is necessary for the achievement of these objectives.

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[62] Cross, <u>Decline and Fall</u>, 30-2.

At the same time, the CCF also recognizes that in many fields there will be need for private investment which can make a useful contribution to the development of our economy. The cooperative commonwealth will, therefore, provide appropriate opportunities for private business as well as publicly-owned industry".[63]

The Winnipeg Declaration was widely greeted as evidence of the ideological convergence of the CCF with the older political parties.[64] In fact, however, rather than convergence it was a matter of ideological adaptation. While the CCF had made explicit its commitment to a "mixed economy"[65] the nature of the mixture was that of a state-assisted capitalist economy. While the traditional political parties moved towards the acceptance of welfare measures and state intervention in the economy, neither policy involved anything dysfunctional to capitalism.[66] While many in the CCF never really accepted the Winnipeg Declaration[67] there was little overt opposition to the direction of change.

Having established, beyond any doubt, the ideological orientation of the CCF, the social democrats now moved to replace the CCF with a new organisational vehicle for their ideology. The new organisational form

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[63] ibid., 31.

[64] See L. Zakuta, A Protest Movement Becalmed: A Study of Change in the CCF (Toronto, 1964), 93-103 for a discussion of this point.

[65] Zakuta, Protest Movement Becalmed, 100.

[66] See Chapter III above, for an amplification of this point.

[67] Frank Cassidy, "The New Party Movement, the Democratic Left, and the Birth of the NDP", Paper presented at the annual meeting of the Canadian Political Science Association, Fredericton, N.B. 1977, 40.

was intended to facilitate the affiliation of organised labour to a social democratic organisation.

The 1958 convention of the CCF issued a call for the "further development and early victory of a broadly based people's political movement".[68] Earlier the delegates had heard Claude Jodoin, then President of the Canadian Labour Congress, deny charges that a new party would be dominated by organised labour,

> "Organised labour does not want to dominate, it wants to co-operate. Organised labour wants unity and cooperation between all classes of our society and we believe this is necessary in order to build a better Canada".[69]

The move to establish a new party first found public expression at the 1958 Canadian Labour Congress Convention where delegates passed a motion calling for,

> "the creation of an effective alternative political force,
> .based on the needs of workers, farmers and similar organisations, financed and controlled by the people and their organisations... There is a need for a broadly-based people's political movement which embraces the CCF, the Labour Movement, farm organisations, professional people and other liberally minded, interested in basic social reform and construction through our Parliamentary system of government... In participating in and initiating the creation of a new political movement, Labour emphasizes that not

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[68] CCF, Report, 1958, 34.

[69] ibid., 12.

only is there no wish to dominate such a development, but there
is the fullest desire for the broadest possible participation
of all individuals and groups genuinely interested in basic
democratic social reform and the democratic planning necessary
to such reform..."[70]

The electoral debacle of the CCF in 1958 strengthened the hand
of the proponents of a new party within the CCF. In 1960 the New
Democratic Party was formed. The Canadian Labour Congress, in welcoming
the formation of the new party, decided that affiliation to it by its
affiliated   organisations and local unions should be on a strictly
voluntary basis and that the CLC itself would not affiliate but that it
would encourage its affiliates to do so.[71] This position indicates the
desire of the NDP to avoid a backlash from supporters of the old parties
and advocates of non-partisanship within the labour movement. That such
a low-key approach was well-advised can be seen from the very partial
nature of union affiliations to the new party.

There were 631 union delegates to the founding convention of the
New Democratic Party. These represented 38.1% of the total number of
delegates. The union delegates were unevenly distributed, however, with
three unions - Steel, Auto and Packinghouse - accounting for 46.5.% of
these delegates. The same three unions donated 61.6% of the union

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[70] CLC, _Report, 1958_, 45-6.

[71] CLC, _Report, 1960_, 44.

financial contributions to the Founding Fund.[72]

Similarly not many unions heeded the CLC's advice to affiliate to the new party. Over time, the percentage of union members affiliated through their organisations declined from 14.6% in 1964 to 11.0% in 1973.[73] Those members who were affiliated were heavily concentrated in Ontario (80% of the total in 1974) and in three unions - Steel, Auto and the Canadian Food and Allied Workers (68% of the total in 1974).[74] Electorally the NDP did somewhat better among trade unionists obtaining 30.9% of their votes in the 1968 Federal election (the previous high was in 1949 when 34.2% of union members voted CCF).[75]

In ideological terms the founding document of the New Democratic Party[76] provided further evidence of social democracy's adaptation to capitalism and modern liberalism. This adaptation did not preclude a certain amount of criticism of the effects of capitalism such as unemployment and an allegedly declining quality of life. But the New Democrats' claim that they could alleviate these effects rested on better management and more rational administration of the existing economic system rather than its transformation.

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[72] See Fred F. Schindeler, The Formation of the NDP, unpub. M.A. thesis, University of Toronto, 1961, Appendices C and D.

[73] R.U. Miller, "Political Affiliations of the Trade Unions", in S.M.A. Hameed, ed., Canadian Industrial Relations (Toronto, 1975), 62.

[74] loc. cit. The CFAW was the successor organisation to the Packinghouse workers union in Canada. Despite its name the CFAW remains an international union.

[75] N.H. Chi and G.C. Perlin, "The NDP: A Party in Transition", in H.G. Thorburn, ed., Party Politics in Canada (Scarborough, 1972, 3rd edition) 179.

[76] Cross, Decline and Fall, 33-42 for the complete text of the policy document.

The founding policy document of the NDP drew attention to a perceived malaise in Canadian society - "unemployment, waste, political corruption and commercialization of tastes and values". This situation was mainly attributed to a lack of economic planning and to monopoly control of the economy.[77] The purpose of the NDP was seen to lie in uniting, for democratic political action:

> "all Canadians who put human rights and human dignity above the mere pursuit of wealth, and public welfare before corporate power... the New Democratic Party will translate into practical federal and provincial programmes the idealism and democratic faith that are now so frustrated. It adopts and will carry forward to new levels of achievement the best objectives of the farmer and labour, cooperative, and social democratic movements for which so many progressive Canadians have striven in the past".

In more specific terms the new party committed itself to full employment (to be achieved through economic planning and the use of government expenditures to provide social capital); continuous economic growth; to a policy of seeking to break monopoly control of Canadian industry resources and, where these were controlled by foreign corporations, to selectively repatriate control; controls over the prices and quality of goods; to end monopoly control over farm machinery, fertilizers, chemicals and other supplies; to establish a comprehensive, far reaching and systematic programme of social security; to establish a National Labour Code including the right to picket and free collective bargaining

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[77] ibid., 33.

for public employees Throughout the document the emphasis is on control

rather than ownership. The implicit theoretical assumption, therefore,

is that ownership is irrelevant to control.

The new party was not unambitious as to who it sought to represent:

"Everyone in Canada is a consumer. The NDP truly represents the consumers..."

Underlying this type of claim was an ambiguous   analysis of contemp-

orary society. Though there might be divisions within society none were

regarded as being fundamental. The NDP believed that it had a set of

policies which were in the interests of <u>all</u> Canadians. The mechanism for

putting these policies into effect was increased state intervention:

> "A New Democratic government will accept the challenge of being
>
> the architect of Canada's economic future. It will plan for
>
> continuous growth, for a dynamic, expanding economy... It is here
>
> that the New Democratic party differs fundamentally from the other
>
> parties. They have been forced by events into increasing inter-
>
> .vention in the economy, but their tinkering has been reluctant.
>
> They still believe in the discredited nineteenth century super-
>
> stition that a host of unrelated, unplanned, private decisions
>
> will somehow "work out" in the public interest. That this is
>
> not so is tragically clear. Old party governments suffer from
>
> yet another superstition: they continue to speak piously of
>
> "free enterprise". In its name they have weakened the economic
>
> strength of Canada and her people. The truth is that the economy
>
> is effectively in the hands of corporate giants, and true freedom
>
> of enterprise has been stifled...
>
> All major economic groups will be consulted in the planning process.
>
> Their participation will be enlisted through an Economic Advisory

Council representing agriculture, other primary producers,

commerce, industry, labour and consumers. The plans will be

laid before Parliament... Private groups and individuals will

be in a position to adapt their own plans to those of the

government.

Planning will be democratic. The Cabinet, responsible to

the people through Parliament, will be the ultimate planning

authority".[78]

There was some opposition to the ideological reorientation represented by the NDP's founding policy statement. The opposition centred around four main points.[79] It was asserted that the whole project was an apparatus level initiative which was being imposed on the rest of the CCF; that the Canadian Labour Congress was the real power behind the new party movement; that the new organisation would have a liberal platform and only a weak commitment to socialism; that the scheme was not likely to result in electoral success, which was seen as being the main motive in the formation of the new party.[80]

There was considerable tension at its founding convention concerning the NDP's commitment to socialism.[81] But the apparatus had little real

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[78] ibid., 34.

[79] See Cassidy, "New Party Movement", 30.

[80] For other criticisms of the CCF apparatus voiced at the founding convention see the account by Kenneth McNaught, "J.S. Woodsworth and the New Party", Canadian Forum, XL (1961), 280-81.

[81] Cassidy, "New Party Movement", 38.

difficulty in persuading the majority of the delegates to endorse its
ideological position,

> "Despite the passionate pleas of a few old time socialists
> the party turned right towards planning and controlled
> capitalism rather than keeping left on the path of national-
> ization".[82]

The NDP went on to call for the establishment of a fully-fledged
system of indicative planning utilizing a full-time Planning Board,
reporting directly to the Cabinet through the Prime Minister; a permanent
Federal-Provincial Planning and Development Council made up of personnel
from Ottawa and the provinces; an Economic Advisory Council; and a
Canadian Development Fund to mobilise the funds of insurance and trust
companies and channel them into investments serving the public interest.

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[82] Paul Fox, giving one of "Three Views of the New Party Convention",
Canadian Forum, XL 1 (1961), 126.

The New Democrats were to add little to this basic orientation in the course of the 1960's despite the emergence of a radical opposition the late 1960's and early 1970's.

The emergence of the so-called Waffle Group at the 1969 Federal NDP convention indicated and initiated a temporary growth of radical strength within the NDP. The radical opposition was not confined to the Waffle but increasingly the fortunes of all radicals in the NDP became tied up with the dispute over the right of the Waffle to exist as an organised faction within the NDP.

The basic theme of the Waffle Manifesto[83] was that of socialism and Canadian independence,

> "Our aim as democratic socialists is to build an independent,
> socialist Canada. Our aim as supporters of the NDP is to make
> it a truly socialist party...
> The NDP must be seen as the parliamentary wing of a movement
> .dedicated to fundamental social change. It must be radicalized
> from within and it must be radicalized from without....
> Capitalism must be replaced by socialism, by national planning
> of investment and by the public ownership of the means of
> production in the interests of the Canadian people as a whole.
> Canadian nationalism is a relevant force on which to build to
> the extent that it is anti-imperialist. On the road to
> socialism such aspirations for independence must be taken into

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[83] The 1969 NDP convention rejected the Waffle Manifesto by a vote of 499-268. But the widespread support for it prompted the NDP apparatus to bring forward a policy resolution which recognised some of the concerns of the Wafflers.

account. For to pursue independence seriously is to make visible the necessity of socialism in Canada... Central to the creation of an independent socialist Canada is the strength and tradition of the Canadian working class and the trade union movement. The revitalization and extension of the labour movement would involve a fundamental democratization of our society... Relevant instruments for bringing the Canadian economy under Canadian ownership and control and for altering the priorities established by corporate capitalism are to hand. They include extensive public control over investment and nationalization of the commanding heights of the economy... Within that programme, workers' participation in all institutions promises to release creative energies, promote decentralization, and restore human and social priorities. The struggle to build a democratic socialist Canada must proceed at all levels of Canadian society. The NDP is the organisation suited to bringing these activities into a common focus".[84]

The stated intention of those supporting the Waffle Manifesto to transform the New Democratic Party, to "revitalize" the trade union movement, to build a socialist Canada (implicitly in the Marxist rather than the social democratic sense of the word), and the endorsation of extra-Parliamentary action constituted a clear challenge to the social democratic apparatus of the NDP. The desire for an "independent" Canada and the espousal of a strident Canadian nationalism, when considered in

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[84] Cross, Decline and Fall, 43-5.

the context of international unions and proposals to revitalize
them constituted a similar challenge to the social democratic leader-
ship of those unions affiliated to the NDP.

It was the Waffle Group's labour activities which precipitated
the counter-attack within the NDP. In its early days the group was
supported by a number of radical trade unionists, many of whom were
leadership figures at the local level. These participated in a Waffle
Labour Caucus which lobbied for Waffle policies at conventions of the
Canadian Labour Congress and the provincial federations of labour.

The vague demand for a revitalization of the trade unions had
become fairly well-defined by 1971,

> "The right wing establishment in the trade union movement
> leads us off the fields of battle. They have failed to
> mobilize our movement in the fight against the corporations.
> They have attempted to replace rank-and-file militancy with
> ·bureaucracy. They have tried to substitute submissions to the
> government for industrial action. Our task is to revitalize
> the labour movement by mobilizing for rank-and-file control...
> under a right wing bureaucracy, the official trade union
> movement has become a major institution buttressing private
> corporate enterprise".[85]

Similarly the programme envisaged a different relationship
between organised labour and the NDP:

> "Our affiliation must involve more than a platform for the
> right wing trade union leadership and a collection agency for

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[85] NDP-Waffle Labour Committee, A Socialist Programme for Canadian Trade
Unionists (Toronto, n.d., c. 1971), 1,6.

the NDP... (we must)... participate.... to make felt the
voice of the rank-and-file in the councils of the party".[86]

In Britain it was noted that an important factor in the relative
success of the radicals in resisting the social democrats drive to
ideologically re-orient the labour movement was radical control of the
apparatuses of some of the large trade unions. Possession of these
apparatuses was a vital factor in gaining conference majorities in
favour of extended nationalization and in the resistance to wage control
policies. In Canada possession of most trade union apparatuses remained
securely in the hands of the social democrats or others hostile to radicalism.

This was partly the result of the constitutional bans and pro-
scriptions enacted during the Cold War. But the fact that no serious
challenges were made to the incumbents was also due to the inability of
the Waffle to cooperate with already existing radical caucuses in a
number of trade unions. In addition no ongoing organisation was able
to politically harness the explosion of industrial militancy in the
mid-1960's.

Even if a united radical opposition had been formed within
particular trade unions the task of dislodging the social democratic
apparatus would have remained formidable given the resources available
to the apparatuses of North American unions. But the fact that such
apparatuses were not dislodged or even seriously challenged made the
Waffle's demise almost inevitable once it began attacking the estabi-
shed union leadership.

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[86] ibid., 2-3.

Between November, 1971 and June, 1972 a campaign was waged, principally within the Ontario New Democratic Party, to oust the Waffle Group. The solution favoured was an administrative one rather than the defeat of Waffle policy proposals.

A motion submitted to the Ontario NDP's Provincial Council called for the exclusion of those:

> "who adhere to any clearly identifiable ongoing political
> group who organize, solicit funds, employ staff, hold press
> conferences to expound their own point of view instead of
> operating within and supporting democratically arrived at
> decisions of the Party through Convention and Council action".

The concern of the motion was to deprive an ideologically hostile group of an apparatus with which to fight the incumbent social democratic apparatus.

In response to this motion the Ontario NDP Provincial Council set up a committee to inquire into the activities of the Waffle. The committee was headed by the President of the Ontario NDP, Gordon Vichert. The Vichert report denied that the committee had viewed the issue in terms of structures but was forced time and again, to return to that perspective:

> "We began to see that the Waffle presents a direct and
> fundamental challenge to the whole structure, direction,
> purpose and leadership of the party... In effect, the Waffle
> is claiming the right to a continuing existence as an un-
> official formal opposition within the party, in order to take
> over the party and fundamentally reshape it... The question

has therefore become whether our party, which has had a long

history of acceptance of dissent within its ranks, is pre-

pared to accept a group organised on a continuing basis for

the expressed purpose of securing fundamental changes in the

structure, leadership and policies of the party... It is im-

possible for us to see what such a group has left in common

with the party or why it should itself any longer wish to

remain within the party, except that it is presumably more

convenient to inherit a full-blown political machine than to

create a new one from scratch".[87]

The Vichert Report triggered a period of intense ideological

debate and tactical manoevring within the NDP. In June of 1972 the

issue came to an administrative solution when the Waffle group was

ordered to dissolve at the Orillia Provincial Council meeting. (The

vote was 214-88). With the assistance of a much higher than usual

number of trade union delegates, (many of whose expenses were paid by

the national offices of the respective unions), the social democrats

remained in comfortable control of the NDP apparatus.

No serious challenge to that control has emerged in recent years

and the ideological orientation of the New Democratic Party remains

substantially the same as it was at the foundation of the

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[87] Report to the Ontario NDP Provincial Executive, from G. Vichert,

J. Brewin and G. Caplan, 4, 8, 9.

party. [88]

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[88] At the 1977 Federal NDP Convention, for example, a discussion document was submitted which dealt with the role of nationalization in meshing a public planning process with the decision making of private business,

"First, an NDP government would want to escape from the sterile government-business concentrations which now characterize economic life in Canada. We anticipate that the wide prior participation in the planning process of business groups, along with the rest of the community, would mean that public and corporate planning would reach some medium term consensus in working out national priorities for a given period.

Second, an NDP government would recognize that there are a wide variety of means by which private business may be influenced to follow community priorities. The NDP is not wedded to any particular means among these - such as nationalization. As a social democratic party, the NDP would use those instruments which appear most viable in a given situation to achieve planning objectives efficiently ....

Unlike other parties, however, the NDP has no philosophic objection to using public ownership when it represents the most efficient way to achieve planning objectives. This country has a long tradition of using state enterprise ... and the NDP respects that tradition ....

Thus there are cases where new policy instruments should be established to permit planning through the use of public ownership. In the petroleum sector, for instance, it is absolutely clear that we need to have a large, Canadian-controlled oil corporation to guarantee that Canada has accurate information on energy developments and has the capacity to accelerate domestic exploration; the discussion study on that sector therefore concludes it is senseless not to take over a large multinational, like Imperial Oil, to achieve this requirement", NDP, National Priorities: An Overview, A Discussion paper prepared for the 1977 Federal Convention, 25-26.

The level of opposition to social democratic revisionism was much less than was the case in Britain. The social democrats achieved a much more thoroughgoing ideological re-orientation of their organisations than in Britain. There are a number of reasons for this.

First, the Communist Party, which in Britain was able to play a significant role in resisting social democratic revisionism through its influence in the Trades Union Congress and affiliated unions, had, in Canada, been largely excluded from the trade union centres and driven underground in many unions through the anti-communist clauses in union constitutions. The existence of these clauses had an inhibiting effect on the development of radical oppositions within unions. Consequently, this source of resistance to the new trends in social democracy was significantly weaker than in Britain.

Secondly, the apparatuses of the major trade unions remained firmly in the hands of social democrats, or in some cases of supporters of the traditional parties. There was no parallel to the developments in Britain where radicals gained hegemony in the two largest trade unions. This is partly due to the effectiveness of the Cold War and the ensuing purges and constitutional barriers to radical activity. In addition, the fact that many unions were international had its effect since the American head offices, most of which retained considerable constitutional and real powers, were even less prone to radicalism than their Canadian counterparts. An important contributory factor is the nature of the industrial relations system established in Canada by federal and provincial governments of the traditional parties. One of

the features of this system was a highly formal system of bargaining with elaborate certification procedures, legally enforceable contracts, no-strike provisions for the duration of a contract, and union and unionists liability in the case of illegal strikes. The effect of these measures, wholly absent in Britain, was to strengthen the full-time apparatus of the union vis a vis its local unions and members. Because the union was liable for damages and fines if its members took illegal strike action, the union apparatus was encouraged to "police" its membership and to penalize any radical opposition which developed. In Britain, with its much less formal industrial relations system, effective power within trade unions came to rest much closer to the shop floor. When conditions favored radicalism, it was much easier for this to be transmitted to the apparatus of a union than in Canada where the power of an apparatus to block, ignore or destroy opposition remains formidable.

A third factor in the more total ideological adaptation of social democracy in Canada was that the social democrats, with the exception of three provinces, have never been the incumbents. A major consequence of non-incumbency has been that the blame for worsening economic conditions could not be laid at the door of the social democrats. In

Britain, where Labour governments in the last fifteen years have presided over rising unemployment, inflation and deteriorating social services, their responsibility has contributed to the rise of radical opposition to the social democratic policies being implemented.

On the whole, however, it does not appear that the relative weakness of the CCF as a social democratic party was the major factor in its more total ideological adaptation to capitalism. A weak social democratic party might be expected to react to remoteness from office in one of two opposite ways. It might, perceiving that its chances of forming a government were not great, place great priority on its principles or ideological purity. Or, conversely, if it perceived that the cause of its remoteness from office lay precisely in its principles and ideological purity, it might proceed to rapidly shed both. The second possibility obviously plays a part in explaining the motivations of some of the CCF's apparatus. But as a complete explanation it is unsatisfactory.

. In the case of the British Labour Party which, though out of office during the 1950's, was always the major opposition party, the social democratic attempt at ideological reorientation was no less intense than in Canada. Its _relative_ failure was not the result of the relative strength of the Labour Party[89] but rather of the strength of resistance encountered within its own ranks and within the British trade unions. In many ways the Labour Party is the exceptional case among social democratic parties since the strong social democratic parties and unions of West Germany and Sweden underwent a

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[89] Except insofar as incumbency hindered the social democrats in the ways discussed above .

thorough ideological reorientation in the 1950's. The strength of
this resistance must be accounted for by reference to the history and
traditions of the working class movement in Britain. Similarly, in
Canada the failure of the radical opposition can be accounted for in
terms of the historical development of its working class organisations
outlined in Chapter II .

The Nationalization Issue: An Assessment

The question of the extensive nationalization of privately
owned industry was and is one of the focal points of the battle
between social democrats and radicals within working class organisations.

The social democrats were not opposed to limited nationaliza-
tion for pragmatic reasons and, as was seen in Chapter III, the same was
true of mainstream capitalist political economy. Indeed, nationaliza-
tion was seen as beneficial in some sections of the economy, notably
in the provision of minimum human needs and in taking over basic
industries, which were no longer profitable. By taking over such
industries and paying generous compensation, the state could release
privately owned capital for investment in more profitable areas.
Similarly, the state could bear the opprobrium associated with either
closing down unprofitable industries (and hence creating unemployment)
or running them at a loss. In these and other circumstances, national-
ization can clearly be functional for the capitalist system.

Radical enthusiasm for nationalization measures, therefore,

did not rest on restricting then to these functional areas. Indeed part of the radical critique of the British Labour Government's nationalization record in 1945-51 was that with the exception of the steel industry, it was precisely this type of industry which was taken into public ownership.

The main industries nationalized by the 1945-51 Labour Government were energy and raw material producing industries and transport, all of which service the rest of industry remaining in private hands. The output of these industries, then, forms part of the production costs of all other industries. In the main it was these capital-intensive, least-profitable, obsolete, but necessary industries which were taken into public ownership. The state henceforth assumed the financial burden of compensating the former owners of these industries and of developing and financing the infrastructure necessary to the efficient operation of privately owned industry. The effect of this, one radical trade unionist noted, was that the Labour government,

> "took certain "liability" industries off the hands of private owners and by so doing, and by handsomely compensating them, effectively strengthened the eighty percent of industry left in private hands". [90]

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[90] Clive Jenkins, Power at the Top (London, 1959), 13-14

The one major exception to this assessment of Labour's post-war nationalization programme was the steel industry. This proposal was vigorously opposed by the British industry and the opposition Conservative Party since "it seemed like a challenge to the central citadel of private enterprise. If that fell, everything else was threatened." [91]

This brings us to the crux of the battle between social democrats and radicals over nationalization. It helps to explain radical enthusiasm for and social democratic hostility to, nationalization.

Beyond certain limits proposals for nationalization involve a direct attack on \capitalism by reducing the scope for profit making activity. If, as in the case of radical proposals in both Britain and Canada, they called for nationalization of the "commanding heights" of the capitalist economy, and combined these with demands for workers and democratic control over these commanding heights, then nationalization demands threatened the very core of capitalist power.

For an ideology which accepts the fundamental arrangements of capitalist society the question of private ownership versus public ownership is therefore crucial. From the point of view of those who wish to preserve capitalism the defence of private property on the basis of its intrinsic merits or an attack on public ownership on the basis that it is unnecessary, irrelevant or obsolescent, take on the characteristics of alternative strategies, to be used according to need.

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[91] W.A. Robson, _Nationalized Industry and Public Ownership_ (London, 1960), 38.

It is in this sense that it is argued that the active acceptance of one of these strategies by social democracy is evidence of its ideological adaptation to the capitalist system.

Summary and Conclusions

Basing themselves on the theoretical re-orientation of social democracy outlined in Chapter III advocates of the revised version of social democracy within the trade unions and social democratic parties sought to bring about an ideological re-orientation of those organisations. At the core of this drive to ideologically re-orient working class organisations was the issue of nationalization.

In Britain the issue has been an extremely controversial one for most of the post-war period. The social democrats were largely successful in ensuring that policy platforms of the Labour Party contained only limited references to nationalization up to the late 1960's. In the early 1960's, however, they had failed in an attempt to amend Clause IV of the Labour Party's constitution which contained pledges of wide-ranging nationalization. The radical success in successfully resisting the attempted amendment of Clause IV was critical in that it legitimated a radical opposition and constituted a base on which radical victories on the question of nationalization could be built at annual conferences in the late 1960's and 1970's. But this radical success was offset by their failure to secure implementation of their policy victories by Labour governments which remained firmly social democratic in orientation.

In Canada the social democrats had virtually unchallenged success in dropping nationalization as a major plank in their policies.

But this greater success in ideologically re-orienting their own organisations took place in the context of societal weakness and cautious moves to unify the trade union movement and win its affiliation to a new social democratic party.

The somewhat greater success of the radicals in Britain was attributed to three factors, themselves the result of the different historical development of the labour movements in the two countries. In Britain, communist influence within the trade union movement remained stronger than in Canada. This is mainly a function of the greater impact of the Cold War upon the Canadian labour movement. Secondly, it was possible in Britain for radicals (mainly an alliance of communists and left-wing Labour Party members) to gain possession of the apparatuses of some of the large trade unions. In Canada, due to the more extensive system of bans and proscriptions and to the industrial relations system which strengthened the position of the apparatus vis à vis the rank and file, this development did not prove possible. Finally, the Labour Party's social democratic policies, when that party formed the government, stimulated the formation of a radical opposition. This was particularly true of policies of wage controls to be examined in the next chapter. The remoteness of the New Democratic Party from federal office meant that there was no parallel development in Canada.

CHAPTER V.   SOCIAL DEMOCRACY AND INCOMES POLICIES

Introduction

In the closing months of the Second World War both British and Canadian governments issued policy statements dealing with economic policy in the post-war period.[1] Both governments, influenced by Keynesian economic theory, anticipated extensive state intervention in the economy in order to maintain a high level of employment.

The policy documents made it quite clear that state economic intervention was to play a secondary role to the private sector. In Britain it was noted that "public investment, both in timing and in volume, must be carefully planned to offset unavoidable fluctuations in private investment" (my emphasis).[2]

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[1] Britain, Minister of Reconstruction, White Paper on Employment Policy (Cmd. 6527, London, 1944), hereafter referred to as British White Paper; and Canada, Minister of Reconstruction, White Paper on Employment and Income (Ottawa, 1945) hereafter referred to as Canadian White Paper.

[2] British White Paper, 18.

The Canadian government was even more explicit,

> "The Government does not believe it to be either desirable or
> practicable to look to the expansion of government enterprise
> to provide, to any large degree, the additional employment
> required. It follows that a major and early task of recon-
> struction is to facilitate and encourage an expansion of
> private industry ... The decision to invest private funds in
> capital goods will depend on the businessman's view of the
> prospective margin of profit to be made on the investment.
> The demand for consumer goods will be high and everything
> which the Government is doing, and plans to do, to enlarge
> external markets and stabilize consumer income, will contribute
> to the prospective profitableness of new investment".[3]

Here we have the essence of Keynesian economics - the use of the
state to create the conditions in which private business can profitably
create jobs.

The documents pledged the respective governments to maintain a
high level of employment in the post-war situation. In working towards
this goal, government would require the understanding and support of all
elements within the community.[4] This would involve subordinating "all
sectional or group interests" to the national interest.[5] This would
particularly be thecase with the relationship between prices and wages.

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[3] _Canadian White Paper_, 3, 11

[4] loc. _cit_; and _British White Paper_, 3

[5] _Canadian White Paper_, 23

If the new policy goal of full-employment was to be achieved, both governments considered that wage levels should be related to labour productivity. From labour's point of view then, there was to be a trade-off between full-employment on the one hand, and the restriction of wage increases to a level compatible with increases in productivity, on the other.

The commitment to full-employment policies on the part of governments was widely welcomed. For those who adhered to the social-democratic consensus view of society this departure from the practices of the 1930's was an indication that the state was indeed responsive to all sectors of society.[6] In return each sector of society, including the working class and organised labour, had an obligation to fulfill its side of the bargain in ensuring the success of the new policies. For those subscribing to the radical interpretation of society the (equally welcome) commitment to full-employment policies could be explained in terms of the legitimization functions of the capitalist state.[7]

It has been argued that the adoption of Keynesian full-employment and social welfare policies was part of a post-war settlement between capital and labour which took place in all the advanced capitalist countries.[8]

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[6] for the social democratic view of the role of the state see above, 145-6, 156, 163.

[7] for the radical interpretation of the role of the state see above, 177-9.

[8] David Wolfe, "The State and Economic Policy in Canada, 1968-75", in Leo Panitch (ed.) The Canadian State: Political Economy and Political Power, Toronto, 1977, 258.

In Britain, according to the former economics editor of <u>The</u>
<u>Times</u>[9] the White Paper on Employment Policy enunciated the four
central features of a consensus[10] on Britain's post-war political
economy. The four features were that government should be by renew-
able popular consent; that governments should be committed to a full-
employment policy; that there was an economic necessity for stable
prices or, at least, for stable or predictable rates of inflation;
and that incomes should primarily be determined by free collective
bargaining. The relationship between wages and prices is spelled out
in the following extract from the White Paper:

> "If we are to operate with success a policy for maintaining
>
> a high and stable level of employment, it will be essential
>
> that employers and workers should exercise moderation in wage
>
> matters ... The principle of stability does mean ... that
>
> increases in the general level of wage rates must be related
>
> to increased productivity due to increased efficiency and
>
> effort ... The stability of these two elements (wages and
>
> prices) is a condition vital to the success of employment
>
> policy; and that condition can be realised only by the
>
> joint efforts of the Government, employers and organised

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[9] Peter Jay, "How Inflation Threatens British Democracy with its
Last Chance Before Extinction: Doomwatch Report on the State of
the Economy", <u>The Times</u>, 1 July, 1974.

[10] The White Paper was the product of the wartime coalition government
which included Labour Party representatives.

labour..."[11]

Though the stability of wages and prices was seen as a joint responsibility perhaps a heavier onus lay on labour since it was easier for employees to exercise "moderation" in wages matters. In addition, the restriction of general wage increases to the level of increases in productivity implied a static national distribution of income between wages and profits.

Jay considered that the combination of full-employment and free collective bargaining had shifted bargaining power in favour of labour to such an extent that price stability had been undermined to a dangerous degree. Writing in the aftermath of the defeat of the Conservative government's Industrial Relations Act he considered that government attempts to regulate free collective bargaining had failed, and would continue to fail. Since no government hoping for re-election could renege on the commitment to full-employment the prospect he saw was one of continued inflation leading ultimately to the collapse of democratic government.

Parts of this gloomy scenario had been anticipated in economic theory by the Polish economist Michal Kalecki as early as 1943.[12]

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[11] British White Paper, 19. In the Canadian document it was put in the following way, "Labour, which will benefit most from high levels of employment, will make an essential contribution to the solution of the post-war problem by assisting management in making high labour earnings compatible with low costs through skilful, abundant and efficient production," op. cit., 5.

[12] for a summary of the relevant parts of Kalecki's theories see Wolfe op. cit., 254-7.

Full-employment policies were seen as having a contradictory impact.

On the one hand they fulfilled the capital-accumulation function of

the capitalist state through ensuring a high level of demand which

in turn stimulated investment.[13] Through the avoidance of phenomena

such as mass unemployment the policies served to legitimate the

existing economic and social order. On the other hand conditions

of full-employment strengthened labour movements through removing

the discipline produced by the existence of an industrial reserve army.

The assumption that the price of full-employment consists of

moderate productivity related wage increases has been common to both

major parties in Britain and to the majority of the General Council of

the Trades Union Congress. The prevalence of this assumption goes a

long way towards explaining the propensity of both Labour and Conserva-

tive Party governments to institute policies of wage restraint and

attempts to restrict collective bargaining in inflationary situations.[14]

In Canada the same tendencies can be observed but with three

important differences. First, the state of the Canadian economy has

generally been sounder than that of Britain in the post-war period.

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[13] ibid. 254.

[14] "At the root of all incomes policies is the belief that
rising labour costs make a major or at least significant
contribution to the general rate of inflation. The main
driving force behind the upward movement of labour costs is
collective bargaining. Since the onset of full-employment
over thirty years ago trade unions have used their bargaining
power in order to secure wage increases for their members well
in excess of the underlying rate of productivity. The result
has been a persistent tendency for labour costs to rise which
has in turn found its way through to the resale price index."
Kevin Hawkins, British Industrial Relations, 1945-1975
(London, 1976), 123.

To the extent that the economy has been stronger, pressures towards direct state intervention in the wages area have been much weaker. After wartime wage controls were removed in 1946 there were no serious moves to institute wage controls in Canada until the late 1960's and none were actually instituted until 1975. In Britain proposals for and attempts to institute policies of wage control have been a constantly recurring factor throughout the post-war period.[15]

The second difference is that the meaning of "free collective bargaining" is considerably different in the Canadian context than it is in Britain. In Britain the industrial relations system is marked by "voluntarism" or by the absence of state intervention in the process of bargaining and unionization. The Canadian industrial relations system involves considerable state regulation of the procedures for union certification and rules under which collective bargaining is conducted.[16]

In Britain in the late 1960's and early 1970's both Labour and Conservative governments made attempts to reform the industrial relations system along North American lines.[17] The anticipated benefits would have included increased state regulation of union activities and increased power of union apparatuses over their members. It was

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[15] In Britain the crunch really came in the early 1960's when increasingly fierce foreign competition made the upward shift in labour costs more and more difficult to bear. Michael Moran, The Politics of Industrial Relations (London, 1977), 26.

[16] Labour legislation is a divided jurisdiction between Federal and provincial levels of government in Canada. Although there are considerable differences between labour legislation in the various jurisdictions the phenomenon of substantially greater state regulation and restriction of union-company relations is common to all.

[17] for the influence of the U.S. industrial relations system on Conservative Party thinking on the subject see Moran, Industrial Relations, 83-85.

hoped that this would reduce the incidence of unofficial strike activity. In the event the attempted reforms provoked unprecedented working class militancy and proved impossible to implement. In Canada there was no need to attempt such reforms. The machinery was already in place. This situation reflects the relative historical weakness of trade unions in Canada which, lacking the economic power to force recognition and bargaining from employers, were forced to rely on state assistance in establishing a bargaining relationship.[18] The price of state assistance was state regulation.

The degree of state regulation of industrial relations is part of a broader phenomenon. In Canada the state's legitimization function is relatively underdeveloped when compared to the coercive and capital-accumulation functions.[19] This has resulted in a generally lower level of social services and a generally higher rate of unemployment in Canada as compared to the U.K. Similarly there has been little attempt to integrate or incorporate the trade unions into state decision-making in Canada.[20] The ease with which the state's legitimization function has been neglected in Canada can be attributed in large part to the relative weakness of Canada's labour movement.[21]

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[18] Laurel Sefton MacDowell, "The Formation of the Canadian Industrial Relations System During World War II", Paper Presented to the Annual Meeting of the Canadian Political Science Association, Fredericton, N.B. 1977, 5.

[19] see Panitch, State, 18-22 and Wolfe in ibid. 258.

[20] Panitch, op. cit. 21.

[21] analyzed in Chapter II above.

The third difference between the two countries was that in Britain, as a result of their relative societal strength, social democrats had participated in the formulation of plans for the post-war political economy. Correspondingly, as a government party from 1945-51, 1964-70, and 1974-79, they have had to take responsibility for administering the system they helped create. This has meant that the social democrats in Britain have initiated policies of wage control and industrial relations reform. This has resulted in much greater tensions between them and their trade union backers than is the case in Canada where, as a result of the weakness of the New Democratic Party federally, social democrats have not acted as policy initiators. Even in Canada, however, the wage control issue has been a source of strain between the NDP and its trade union supporters.

Britain: Incomes Policies and the Crisis of Social Democratic Hegemony

The years since 1945 have seen an increasing involvement by the state in the process of wage bargaining. This state involvement has occurred under both Conservative and Labour governments. The involvement has taken two main forms. The first consists of attempts to alter the framework within which collective bargaining takes place. Examples of this approach were the "In Place of Strife" proposals of the Labour government in 1968,[22] and the Conservative Government's Industrial Relations Act of 1971. The second type of approach has been variously described as policies of wage restraint or prices and incomes policies.

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[22] U.K., Department of Employment and Productivity, In Place of Strife: A Policy for Industrial Relations (Cmnd.3888), London, 1969.

In the latter part of our period the two approaches become very much intertwined, but for most of the post-war period the dominant form of state intervention has been that of spasmodic attempts at wage control.

Incomes policy has been defined as "an attempt by a government to alter the level of wages and salaries, or to alter the pace of their change".[23] While it is possible to conceive of incomes policies aimed at raising wage rates and the share of wages in the national income, the normal occurrence is an attempt to hold back the rate of increase of incomes at times of rising or full-employment. An analysis of the British record of incomes policies has isolated three different versions of this type of policy.[24] But whatever the version chosen, if the policy is successful it will have one of two effects — if the rate of change of wages is equal to the rate of change of productivity plus the rate of increase in prices, then the existing distribution of income will be maintained; if the rate of change of wages is lower than the rate of change of productivity plus the rate of increase of prices, the share of wages in the national income falls.[25] Thus the purpose and, if successful, the effect of incomes policies is to achieve a general weakening of the bargaining position of wage earners... to leave wage earners in a weaker position vis a vis

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[23] H.A. Clegg, The System of Industrial Relations in Britain (Oxford, 1972), 413.

[24] D.M. Nuti, "On Incomes Policy", in E.K. Hunt and J.G. Schwartz, A Critique of Economic Theory (Harmondsworth, 1972), 433-7.

[25] ibid., 438.

employers than would otherwise be the case".[26] It is around these

points that the radical critique of incomes policies has centred.

A central feature of the TUC attitude toward incomes policies

has been its ambivalence. In some periods the TUC has acquiesced

in and cooperated with policies of wage restraint without ever

giving blanket endorsation to such policies. In other periods

the TUC has opposed incomes policies without opposing them in

principle.

During the Second World War the TUC practiced wage restraint.

This can partly be seen as a contribution to facing a national

emergency. But concessions such as price controls, subsidies,

rationing and unprecedented government economic planning were

obtained.[27] In the post-war period there was considerable support

for wages policies. The major part of this support was based on

the Keynesian consensus regarding the conditions necessary to

maintain full-employment and stable prices.[28] A significant

minority view was that a planned wages policy would be an integral

part of the transition to a socialist Britain.[29] Arguments for

incomes policy could, therefore, be based on social democratic or

radical principles. In each case the arguments for such a policy

were conditional. The content of each ideological position defined

the conditions which would make a wages policy acceptable.

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[26] Ralph Miliband, The State in Capitalist Society (London, 1969), 81.

[27] Leo Panitch, Social Democracy and Industrial Militancy: The Labour Party, the Trade Unions and Incomes Policy, 1945-1974 (Cambridge, 1976), 8.

[28] see above, 239-45.

[29] Panitch, Social Democracy, loc. cit.

Up until 1948, however, the TUC's response to proposals for
a national wages policy was unfavourable. The traditional attachment
to "voluntarism" in collective bargaining, suspicion of the motives
of those advocating wages policies, and doubts about its effective-
ness outweighed the argument that such a policy would facilitate
economic planning and play an important role in the transition to
socialism.[30]

In February 1948, the Labour government published a White Paper
on Personal Incomes, Costs and Prices[31] which called for a wage freeze.
The TUC responded positively to this request and successfully "policed"
the agreement for approximately two years. Two factors explain the
compliance of the Trades Union Congress with respect to the wage
freeze. The Attlee government had a good record in delivering on
its election promises - these included the nationalization programme,
better schools, subsidized meals for schoolchildren, a general free
health service, improved social security benefits and, most important
of all, the maintenance of full employment.[32] In addition to this,
and partly because of it, there was displayed "a strong feeling of
identity by the General Council members with the Labour government.
It was "their" government ... the ties of personalities, doctrines,
common experience, and sentiment bound the TUC's loyalty to the

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[30] ibid., 16-18.

[31] U.K., Personal Incomes, Costs and Prices (Cmd. 7321), London, 1948.

[32] A. Glyn and B. Sutcliffe, British Capitalism, Workers and the
Profits Squeeze (Harmondsworth, 1972), 36.

Labour government".[33] Because of these close ties Labour governments
were able to rely on a much greater degree of co-operation from the
trade unions than governments formed by the Conservative Party.
It was a period in which the apparatuses of the Labour Party and
the TUC were close to being interlocking organisations.

The TUC General Council was largely successful, in 1948, in
presenting the wage restraint bargain as an issue of loyalty to the
Labour government. Tom Williamson of the General and Municipal
Workers Union, and a member of the General Council, moved a motion
praising the achievements of the Labour government and recognising,

> "that the social reform and industrial standards which
>
> have been gained after years of bitter struggle can
>
> only be maintained and brought to fruition if there
>
> is the fullest cooperation and loyalty on the part
>
> of the workers of the nation... Congress condemns
>
> the disloyal activities of small factions of the
>
> Movement which are... undermining trade union
>
> solidarity and responsibility".[34]

The final reference was to unofficial strikes opposed to the
policy of wage restraint. Although the motion was approved on a show
of hands, this came only after an attempt to move the previous question,
the effect of which would be to terminate debate without moving to a

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[33] G. A. Dorfman, Wage Politics in Britain, 1945-67; Government vs.
the TUC (Ames, Iowa, 1973), 71-2.

[34] TUC, Report, 1948, 336-40.

vote, was defeated 3,860,000 - 2,364,000. The size of this minority did not auger well for the long term success of the General Council's policy.

Radical opposition to wage restraint was based on a perception that the Attlee government had run out of steam as far as the implementation of socialist measures was concerned.[35] and that the government's policy did not meet the condition (of being part of a transition to socialism) upon which radicals had voiced support for an incomes policy.

A motion from the Electrical Trades Union (ETU)[36] declaring "that the present level of wages is insufficient to maintain a reasonable or an adequate standard of living and (the TUC) cannot, therefore, support a policy designed to stabilise wages at their present levels" was defeated by a substantial majority.[37] The important factor here, however, was the statement the General Council was obliged to make in order to obtain a comfortable majority over the ETU motion:

> "Having regard to the effect of the rise in living
>
> costs since the date of the special conference of
>
> Trade Union Executive Committes on March 24 last,[38]

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[35] see above, 186-7.

[36] A union in which the Communist Party of Great Britain had a considerable presence.

[37] TUC, Report, 1948, 491-505.

[38] The meeting referred to had approved the Government's White Paper on Personal Incomes, Costs and Prices.

Congress calls upon the Government vigorously to pursue
a policy designed to maintain the purchasing power of
wages. Congress urges the Government to take more
effective action to control price movements in order
to effect a substantial reduction in consumer prices;
to maintain and, if need be, to extend the cost of
living subsidies; to review the effects of the
purchase and other taxes on commodities entering
into ordinary domestic use; and to impress stricter
limitations on profits".[39]

Thus the appeal of the General Council was twofold – a call to
loyalty to the movement and to its government combined with an
implied promise that real wages would not decline. The dual appeal
was effective until real wages began to decline drastically after
the 1949 devaluation. From that point the incomes policy "crumbled
away".[40]

A basic cause of the collapse of the Labour government's
wage restraint policy was the inability of the (predominantly
social-democratic) TUC apparatus to withstand pressure from below
in favour of wage increases.[41] It would be incorrect to attribute
all or even most of this pressure from below to radical influence.
Clearly the Labour government's policy was, and was seen to be,

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[39] TUC, Report, 1948, 486.

[40] Clegg, Industrial Relations, 414.

[41] Panitch, Social Democracy, 38.

in contradiction with the aspirations of many of its working class

supporters.

Working class opposition to wage restraint found expression

at the 1950 Trades Union Congress. The ETU moved that, as a

result of climbing prices and profits and of declining living

standards for large sections of the working class, the General

Council should "abandon any further policy of wage restraint, and

at the same time urge the Government to introduce statutory control

of profits."[42] This was opposed by the General Council and before

the vote was taken the Congress chairman announced that the resolution

was "diametrically opposed" to the General Council's Report and that

therefore delegates could not vote for both. The ETU motion was

carried by 3,949,000 - 3,727,000.[43]

This not only marked a repudiation of the General Council's

policy but also of that adopted at the special conference of trade

union executives in January, 1950 which had agreed to hold back wage

claims and to suspend sliding scale agreements without any stipulation

about government action on prices or profits.[44]

In 1951, the last TUC of the 1945-51 Labour government, the

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[42] TUC, Report, 1950, 467 ff.

[43] After the passage of the ETU motion the Chairman put paragraph 368
of the General Council Report to the vote, amid protests, after
remarking that his previous comments (that delegates could not
vote for both) were not a ruling and therefore did not apply.
Despite this piece of chicanery paragraph 368 was defeated.
The paragraph in question contained a review of the history of
wage restraint and a review of the world economic situation.
The conclusion drawn was that there was a need for continued
voluntary restraint but for greater flexibility in its application.

[44] V.L. Allen, Militant Trade Unionism (London, 1966), 53.

General Council confined itself to calling for more effective controls

on prices and profits, increased subsidies, and the removal of purchase

taxes on certain items in return for the recognition, by the trade

unions, that greater productivity was required if inflation was to

be avoided.[45] In addition to securing the adoption of this motion,

the General Council were able to persuade Congress to reject a more

radical ETU resolution declaring that "further wage increases are

essential for all sections of the workers, and that the standards

of living of the people must be improved".[46]

Though willing to cooperate with a Labour government in the

implementation of a policy of wage controls the TUC General Council

did not extend the same assistance to the Conservative governments of

the 1950's and 1960's.[47] For example the Trades Union Congress

refused to cooperate with Conservative policies of wage restraint

in 1956 and 1961-2. But the General Council was careful not to

reject wage controls as a matter of principle.

In 1952, under the new Conservative government, the General

Council came out in opposition to wage restrictions, but it was

opposition of a very conditional sort as the following excerpt

makes clear:

"...In the light of the Government's present policy

and until adequate price controls and food subsidies

have been restored... to reject attempts to restrict

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[45] TUC, Report, 1951, 515.

[46] ibid., 519.

[47] Dorfman, Wage Politics, 6-7.

justifiable wage increases necessary to ease the

burden of rising living costs"[48] (my emphasis).

The ETU called on Congress to express "its support for the
efforts of Unions to defend the living standards of their members
by the submission of wage claims. It rejects the Tory Government's
policy of so-called 'restraint' or 'moderation'".[49] The General
Council were successful in obtaining the defeat of this motion.

The debate between the General Council and the radical wing
of the TUC over the question of wage restraint intensified over the
following year. The General Council accepted a motion rejecting
"any form of wage restraint which might interfere with the freedom
of collective bargaining and independent arbitration"[50] but called
for and obtained the rejection of the annual ETU motion which read
as follows:

> "Congress declares its complete opposition to wage
> restraint and agrees that it is the responsibility
> and, in fact, the fundamental concept of the Trade
> Union Movement to uphold and improve the living
> standards of the working people, and will actively
> support the efforts of unions to defend the living
> standards of their members by vigorous campaigning

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[48] TUC, _Report, 1952_, 486.

[49] _ibid._, 489.

[50] TUC, _Report, 1953_, 440.

in favour of higher wages. Congress further declares

that increased productivity should be reflected in

improved living standards".[51]

In 1954 the TUC called upon the government to reduce the

cost of living and took the stand that any increases in productivity

within an industry should be reflected in higher wages for the workers

in that industry.[52] The ETU motion calling on the TUC to declare "its

firm opposition to any form of wage restraint and (to) support any

efforts made to improve the wages and conditions of employment of

the working people"[53] was rejected by 4,564,000 - 3,002,000.

A close reading of the motions on wage restraint _after_ the

defeat of the Labour government in October, 1951 reveals the extent

to which the leadership of the TUC were prepared to go to resist

policies proposed by the radical wing of the movement. This appears

to include a denial that it was the role of the trade unions to

improve the living standards of their members and other such anomalies.

Such a standpoint can only be understood in the context of the Cold

War, McCarthyism and the widespread anti-communism of the period.

Arthur Deakin of the Transport and General Workers Union, for

example, made it quite clear why the 1953 ETU motion should be

rejected:

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[51] _ibid._, 442.

[52] TUC, _Report, 1954_, 479.

[53] _loc. cit._

"If you accept the motion you are invited to set
out on a disastrous adventure... (the motion) is
designed to protect the policies of certain political
factions within our midst. It has no other purpose
at all. I know perfectly well that your desire is an
attempt to create a vested interest in chaos, not to
serve the interests and purposes of ours".[54]

However, even when this prevailing hysteria is taken into account,
it alone does not provide a satisfactory explanation of the position
taken by the General Council and, at their behest, by the TUC.

It must also be recalled that the revisionist wing of the
Labour Party was engaged in a bitter struggle with the more
radical Bevanites, and, that during the early and mid-1950's the
revisionists gradually strengthened their position. At the core
of the revisionist position was the theory that capitalism had
undergone a fundamental change - in some versions of the theory
the alleged change was so fundamental that it was said that
capitalism no longer existed.

As we have seen this theoretical position had several
consequences. Firstly, it was argued that the public ownership
of an industry was no longer necessary to obtain public control
of that industry. Secondly, the continued existence of the working
and capitalist classes and hence of struggle between them was
denied. The practical result of these can be seen in the General

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[54] TUC, _Report, 1953_, 444-5.

Council supported motions regarding wage restraint. Implicit in these motions is the idea that the existing distribution of income was in some way a "fair" one and that any increases in wages had to be "justifiable". The criteria as to what was "justifiable" was defined as increases in living costs and, later, increases in productivity. By definition neither criteria implies any redistribution of income.

With regard to proposals concerning wage restraint it should be noted that radical opposition had resulted in the General Council shifting its position during 1952-4, although it always managed to secure the defeat of radical motions and to avoid coming out in opposition to wage restraint as a matter of principle. The strength of the radicals on this question, however, combined with a growing militancy within the movement as a whole,[55] and a traditional distrust of the Conservative Party, if not of the State as such, impelled the General Council and the TUC to reject Conservative proposals on wage restraint in 1956,[56] and proposals for a "pay-pause" in 1961-2.[57] With this *de facto* rejection of wage restraint the issue subsided. Following the election of a Labour government in 1964 it was to be renewed.

The Labour government, 1964-70, followed in succession the following versions of incomes policies: a voluntary prices and incomes policy under which price or wage increases could be referred.

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[55] Dorfman, *Wage Politics*, 94.

[56] *ibid.*, 73-96.

[57] *ibid.*, 97-115. See also Clegg, *Industrial Relations*, 415-417.

to a Prices and Incomes Board for examination; a voluntary "early
warning system" under which advance notices of pending wage claims
were to be referred to a TUC committee for "vetting"; a statutory
prices and incomes "standstill" to be followed by a period of
"severe restraint" under which wage increases were to be linked
to increases in productivity; and proposals to alter the system
of industrial relations. Each new policy was the consequence of
the perceived failure of the previous one.[58]

The Conservative government of 1970-74 followed a policy of
changing the system of industrial relations (the Industrial Relations
Act of 1971), at first without an incomes policy, later in conjunction
with a statutory incomes policy. The Labour government elected in
March, 1974 and re-elected in October of that year, repealed most of
the Industrial Relations Act and attempted, with some success,
to institute an incomes policy under the terms of a "social contract"
with the Trades Union Congress. In return for certain legislation
the TUC was persuaded to acquiesce in and "police" a policy of wage
restraint.

The 1964 Labour Government's first move in the direction of
incomes policy consisted of securing the agreement of the TUC's
General Council and employers representatives to a Joint Statement
of Intent on Productivity, Prices and Incomes.[59] The Government
defined its main economic objectives as being a combination of

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[58] See Clegg, Industrial Relations, 418-40, for an account of these
gyrations in policy.

[59] The full text is reprinted in Allen, Militant Trade Unionism, 75-77.

increased output and real incomes with full employment. Its social
objectives were stated to be to ensure that the benefits of any
increased output would be distributed in a way consistent with "social
need and justice". The essential conditions for achieving these goals
were seen as a raising of productivity, keeping increases in money
incomes in line with increases in real national output, and the
maintenance of a stable general price level. Unless these conditions
were satisfied the Government foresaw both slower growth rates and
lower levels of employment. Employers and unions agreed that the
major objectives of national policy must be

> "to ensure that British industry is dynamic and that
>
> its prices are competitive; to raise productivity and
>
> efficiency so that real national output can increase,
>
> and to keep increases in wages, salaries, and other
>
> forms of incomes in line with this increase; to keep
>
> the general level of prices stable".[60]

Government, management and unions declared that they felt
confident that this could be achieved by "cooperating in a spirit
of mutual confidence".[61] The Statement of Intent thus committed
the TUC General Council to an acceptance of the existing distribution
of national income. Similarly the document referred to British
"industry" without reference to the ownership of such industry.
Clearly no redistribution of wealth was intended either. And,

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[60] ibid., 76.

[61] ibid., 77.

given the lack of relationship between the ownership of economic wealth and the possession of political power in social democratic eyes, such a policy was entirely logical.

In 1966 Prime Minister Wilson made it clear that balancing Britain's balance of payments without resort to devaluation of sterling was the government's prime economic policy and that an incomes policy had a vital role to play in achieving this:

"We cannot compromise on our programme to get

into balance by the end of this year... the one

thing that can stop us is a rise in industrial

costs... so be clear, the Prices and Incomes

Policy is not a whim of a Government Department,

not a bright idea that has occurred to George

Brown and me. It is a necessary condition of

maintaining full-employment."[62] (my emphasis)

In pursuit of the stable prices necessary to balance international payments the Labour government declared itself willing to abandon one of the four elements of the post-war consensus (either free collective bargaining or full-employment.) The government proposed a system of advance notification of income and price increases. The implementation of this "early warning system" was delayed for some time but was finally introduced in the 1966 Prices and Incomes Act. Under this act the government could require thirty days notice of proposed changes in wages or prices and could

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[62] quoted in Panitch, Social Democracy, 106.

refer them to the National Board for Prices and Incomes (NBPI) for an investigation and a report. This would involve a further delay of up to three months. There was, however, no legal obligation to follow any recommendation the Board might make.

In July, 1966 under the pressure of another sterling crisis, the government introduced deflationary measures and called for a six month standstill on prices and incomes to be followed by a period of severe restraint. Although voluntary compliance was appealed for, statutory measures were put "on the books" and were invoked in October, 1966.

It was the element of compulsion or statutory enforcement,[63] that eventually triggered major TUC and Labour Party opposition on the issue. But in 1966 the General Council argued that the best interests of the trade union movement would be served by cooperation with the Labour government rather than by allowing the latter to act unilaterally. The justification for this position

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[63] Harold Wilson has very clearly, if somewhat disingenuously, pointed out that the move towards a statutory incomes policy was undertaken under international, particularly American, pressure:

> "Joe Fowler, the American Secretary of the Treasury...
> was extremely helpful to us, but was anxious both about
> sterling and for the dollar... Looking to the future,
> he was afraid of an inflationary situation developing
> and in particular doubted whether the voluntary prices
> and incomes policy which George Brown had negotiated
> would be able to withstand the pressure for wage increases
> to which we were subject. While he did not attempt
> in any way to make terms or give us orders, he was
> apprehensive that if further central bank aid were required
> it would be difficult to mount if we had no better
> safeguard against inflation than the voluntary system.
> It was in these circumstances that we began first to
> think in terms of statutory powers".

Harold Wilson, The Labour Government, 1964-70 (Harmondsworth, 1974), 177-8.

was that if trade unionists were prepared "to play their part in

helping to moderate the excessive increase that has been taking

place in incomes, they will be making a positive contribution to

economic expansion and to full employment and thus helping to promote

their own real interests".[64] This part of the Report was narrowly

carried by a vote of 4,567,000 - 4,233,000.

A motion from the Engineers Union, still under the social demo-

cratic leadership of Lord Carron, and supported by the General and

Municipal Workers Union in support of the government's policy carried

more comfortably by 4,936,000 - 3,814,000. This was because the

motion included prices and dividends along with incomes and because

it made support conditional upon special measures to assist lower

paid workers. A motion from the Transport and General Workers Union

urging withdrawal of the pay freeze and the Prices and Incomes Act[65]

was defeated by 5,037,000 - 3,903,000; and one from the Miners'

Union expressing opposition specifically to the early warning

system and to the vetting system being made compulsory[66] was

defeated by 4,683,000 - 4,209,000.

In all cases the minority anti-government vote was substantial.

The same general pattern emerged at the Labour Party Conference where

a TGWU resolution opposing the legislation arising from the White

Paper on Prices and Incomes Standstill garnered nearly 40% of the vote.[67]

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[64] TUC, Report, 1966, 326.

[65] ibid., 463.

[66] ibid., 466.

[67] Labour Party, Report, 1966, 221-48.

Opposition to the prices and incomes policy as such, and especially to its statutory components, continued to grow throughout 1967 and 1968. At the 1967 TUC a resolution which, although very moderately worded, came out in support of "the present efforts of the Labour Government to achieve an acceptable policy which will apply to prices, wages, salaries, dividends, and profits and all other company distributions", and went on to say that "Congress regrets the need for the standstill and the period of severe restraint, but realises that these were necessary to overcome the economic difficulties at the time",[68] was defeated by 4,277,000 - 4,109,000.

Following this defeat for the General Council other resolutions were carried, without card votes, which declared the opposition of the TUC to "restrictive and negative incomes policies"; called for a national minimum wage to solve the problems of the low paid; and called for the repeal of the Prices and Incomes Act.[69]

At the Labour Party Conference a motion calling for the withdrawal of the prices and incomes policy[70] was defeated quite comfortably by 3,860,000 - 2,535,000; but a general motion of support for the government's economic policies was only able to scrape through by 3,213,000 - 3,091,000.

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[68] TUC, Report, 1967, 528-43.

[69] See the resolutions of the Transport and General Workers and the Boilermakers unions in ibid., 533, 536 respectively.

[70] Labour Party, Report, 1967, 171.

In 1968 the TUC General Council was able to secure a small
majority for a motion pledging full support for a TUC voluntary
incomes policy as being in the best interests of trade unionists.
A voluntary policy was described as "the only feasible alternative
to growing legislative interference in the field of wages
negotiations."[71]

The fragility of the social democratic majority and an
indication of the growth in radical strength can be seen from the
overwhelming support (7,746,000 - 1,022,000) for a transport workers-
engineers motion which, recognising "the extent to which legislation
restricting wage and salary movements has hindered legitimate trade
union activity, economic expansion and improvements in industrial
efficiency, calls for the repeal of this legislation. It also
rejects any further legislation the aim of which would be to curtail
basic trade union rights".[72]

In an attack upon the Labour government and the TUC General
Council Frank Cousins, General Secretary of the TGWU and, until
1966 Minister of Technology in the Labour cabinet, commented,

> "we are being driven to the conclusion that to continue
>
> to talk as if you want a higher standard of living for
>
> workers is somehow incompatible with socialist ideology...
>
> I do not care what political background the Government
>
> has... We are asking the government to keep out before

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[71] TUC, Report, 1968, 522-5. The motion carried by 4,266,000 to
4,232,000.

[72] loc. cit.

they destroy not only themselves but us."[73]

A further indication of the trend towards the radicals was the emergence of Hugh Scanlon as the President of the Engineering Union.[74] Britain's two largest unions were thus now under radical leadership - a development which opened the way for the transmission of the rank and file militancy to the centre of events.

This trend was not confined to the industrial wing of the labour movement. The Labour Party conference in 1968 passed the transport-engineers motion by 5,098,000 - 1,124,000 despite the opposition of the National Executive Committee. At the conference Cousins further developed his attack upon the Labour leadership and played on the anti-leadership tradition which has a long history within the British labour movement:

"...Governments appear to adopt postures related to
Governments rather than to philosophies. They blame
the workers. We are, I should think, almost as sick
of hearing some of our own people telling us about
"the horrible workers" as we were of the other side
telling us about "the horrible workers". It seems
as if Governments, from the fact of getting into
Government, assume that they are on the other side."[75]

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[73] ibid., 555-6.

[74] Formed out of an amalgamation of the AEU and AUFW (Foundry Workers). It has now undergone a further series of amalgamations and is now known as the Amalgamated Union of Engineering Workers (AUEW).

[75] Labour Party, Report, 1968, 123.

Similarly Daniel McGarvey, President of the Boilermakers Union, and a long-time Labour Party stalwart, called on the "voice of the movement against the voice of the establishment on this issue".[76]

The necessity for the government to rely on compulsion and statutory enforcement of its incomes policies obviously indicates that appeals for voluntary restraint in wage demands had not had the desired effect. Indeed, large numbers of shop stewards and rank and file trade unionists, plus some members of the General Council itself, registered their disapproval of the General Council's policy by pressing for, and obtaining, wage increases far above those "in line with" growth rates.[77]

The Donovan Report of 1968[78] sought to explain this in terms of Britain's dual system of industrial relations - the formal and the informal systems. The Report argued that the keystone of the formal system was the industry-wide collective agreement, but found that these agreements were founded on the unrealistic assumption that each side could see that its members honoured the agreement. The informal system - created by the actual behaviour of trade unions, managers, shop stewards and workers - recognised that central organisations, whether of trade unions or companies, were weak as far as the enforcement of industry-wide agreements was

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[76] ibid., 125.

[77] Dorfman, Wage Politics, 116-7.

[78] Royal Commission on Trade Unions and Employers Associations, Report, (Cmnd. 3623, London, 1968), hereafter referred to, after its chairman, as the Donovan Report.

concerned.[79] This fact coupled with the pressures of full employment, had induced the decentralisation of collective bargaining and thus the primacy of the informal system[80] - or the "challenge from below".

The Report saw this process as having occurred simultaneously with a "shift of authority" within the trade unions, away from the central leadership and towards the shop stewards.[81] Much evidence was also uncovered however which demonstrated that the power of the shop steward rested upon, and, in many cases, was nothing more than a reflection of rank and file militancy.[82] In fact many shop stewards viewed themselves, and were viewed by managers, as a moderating influence.[83]

The Donovan Commission came to the conclusion, as far as the two systems of industrial relations were concerned, that in a situation where "the practices of the formal system have become increasingly empty, while the practices of the informal system have come to exert an even greater influence on the conduct of industrial relations throughout the country", that the informal system "cannot be forced to comply with the formal system".[84] The Commission, as a result,

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[79] ibid., 12. On the formal and informal systems of collective bargaining see Clegg, Industrial Relations, Chapters 1, 6 and 7.

[80] Donovan Report, 20.

[81] ibid., 29.

[82] ibid., 27-9.

[83] "For the most part the shop steward is viewed by others, and views himself, as an accepted, reasonable and even moderating influence; more of a lubricant than an irritant", W.E.J. McCarthy and S.R. Parker, Shop Stewards and Workshop Relations (London, 1968), 56.

[84] Donovan Report, 37.

did not recommend penalties for failure to carry out the suggestions made by the Commission. This was because they felt that the reform of industrial relations in Britain could best be carried out by means of educating the participants in good industrial relations practices. Until such an educational process was carried out the Commission considered that "all attempts to make procedure agreements legally binding are bound to defeat themselves".[85]

Thus, although the Donovan Commission considered that major changes in the law were necessary it firmly rejected penal sanctions as a means for bringing these reforms about.

In January, 1969 the Labour government published their White Paper entitled In Place of Strife - a somewhat ironically named document as events turned out. The White Paper generally followed the analysis of the Donovan Commission but went beyond it in demanding legal sanctions to enforce the proposals. These legal sanctions were to be of three kinds.[86] The government proposed to establish a Commission on Industrial Relations (CIR) to investigate inter-union disputes - unions failing to comply with the CIR's recommendations would be liable to a fine. In cases of unconstitutional strikes the Secretary of State for Employment and Productivity could issue a back-to-work order backed by financial penalties. Thirdly, in the case of official strikes which "would involve a serious threat to the economy or public interest" the Secretary of State had the

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[85] ibid., 128.

[86] U.K. Department of Employment and Productivity, In Place of Strife: A Policy for Industrial Relations (Cmnd. 3888), London, 1969

discretionary power to require that a secret ballot be taken.

In addition trade unions would be obliged to register or pay a fine; certain types of collective agreement were to be registered; state financing was to be provided for the modernization of unions; and continuous cooperation was foreseen between the TUC, the employers organisations, the Commission on Industrial Relations, and the government.[87] Taken together the proposals amounted to the dismantling of the voluntarist tradition in British industrial relations.

By June 18 massive pressure within the trade unions and the Labour Party forced the government to withdraw the legal sanctions.[88] The dispute was so intense that at least one Labour M.P. believed that there was a serious possibility the trade unions would break away from the Labour party.[89]

The proposals were introduced at a time when radical opposition to statutory incomes policies was gaining strength. This opposition was successful in carrying motions at both the TUC and Labour Party conferences. Adherence to voluntarism in all aspects of industrial relations remained a major force within the British labour movement.[90] Although the government had communicated a sufficient sense of national

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[87] loc. cit. For a summary of In Place of Strife see Clegg, Industrial Relations, 456-60.

[88] for a lively, blow by blow account see Peter Jenkins, The Battle of Downing Street (London, 1970).

[89] E. S. Heffer M.P., Class Struggle in Parliament (London, 1973), 17.

[90] Moran, Industrial Relations, 39-40.

crisis in July 1966 to obtain the consent of the General Council to a

statutory wages freeze, support had steadily declined from 1966 onwards.[91]

The Labour government attributed the failure of its incomes policies,

a major aim of which was to tie wage increases to increases in product-

ivity, to a loss of authority by the official union organisations.[92]

To a considerable degree this interpretation - the "challenge from

below" leading to "wage drift" - had been borne out by the investigations

of the Donovan Commission. But the Donovan Report had cautioned against

the use of coercive measures in bringing about compliance with its

suggested reforms. The Labour government chose to ignore this aspect

of the Donovan Report.

In defiance of TUC and Labour Party conference decisions

and in opposition to the recommendations of its own Royal Commission,

the Labour government launched its proposals to reform British

industrial relations.

The battle against In Place of Strife was fought at every level

of the official labour movement - General Council, National Executive

Committee, Parliamentary Labour Party and Cabinet.[93] Nor was the

struggle confined to the official movement - there were large

scale one-day strikes on May 1 and June 5 and numerous rank and

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[91] Hawkins, British Industrial Relations, 128-34.

[92] Moran, Industrial Relations, 37.

[93] Heffer, Class Struggle, 89, 111, 127-8.

file demonstrations.[94]

Trade union opposition to the government's proposals crossed
the usual factional lines and at a special conference of the TUC
a programme of action was carried by an overwhelming majority.[95]
Within the Labour Party the pressure from below induced the National
Executive Committee to challenge the Government. Trade Unionist
members of the NEC, mostly solidly social democratic in orientation,
played an important role in this re-invigoration of the NEC.[96] The
Cabinet was divided in its support of the proposals and in a parliament-
ary vote on 3 March 1969, 57 members of the Parliamentary Labour Party
openly opposed the government whilst an estimated 30 - 40 abstained.[97]
The NEC ultimately voted by 16 to 5 against accepting legislation based
on the proposals in In Place of Strife.[98] In the face of this opposition
the government was forced to withdraw its proposals:

> "The crisis was eventually resolved when it became
>
> clear that the Government could not muster a
>
> majority of its (parliamentary) supporters in
>
> support of a short bill embodying some of the

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[94] For an account see the report by E. Marsden of the AUEW in Labour
Monthly, 51 (1969), 354. In many of these "unofficial" actions
an organising role was played by the Communist-led Liaison Committee
for the Defence of Trade Unions, see Panitch, Social Democracy, 179, 181.

[95] by 7,908,000 to 846,000, Jenkins. Battle, 138. See also Panitch,
Social Democracy, 191-203.

[96] Lewis Minkin, The Labour Party Conference: A Study in the Politics
of Intra-Party Democracy (London, 1978), 297-8.

[97] David Howell, British Social Democracy: A Study in Development
and Decay (London, 1976), 262-3.

[98] Minkin, Labour Party, 302, 307.

contentious features of the White Paper. The role of the

Parliamentary Labour Party was, therefore, the vital

ingredient in changing Government policy. But its

role was not defined in a political vacuum. The

determined stance of the General Council of the

TUC and of individual trade unions was a major

factor affecting the behaviour of MPs."[99]

In the aftermath of the withdrawal of In Place of Strife the

radicals continued to mobilize opinion within the trade union movement

against both legislative interference in collective bargaining and

incomes policies. At the 1969 TUC a motion was carried by 4,652,000 –

4,207,000 which linked anti-trade union legislation and incomes policy

and repudiated both:

"Congress reaffirms its opposition to anti-trade

union legislation and other forms of interference

in trade union affairs. We, therefore, demand the

repeal of the Prices and Incomes Act of 1966. It

calls on the General Council to lead affiliated

unions in aggressive opposition, organising all

forms of appropriate action until we achieve this

aim."[100]

The call upon the General Council to organise "all forms" of

action to pursue this goal was an important breakthrough for the

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[99] ibid., 306.

[100] TUC, Report, 1969, 561.

radical wing of movement. Since at least 1929 the official leadership

had been vehemently opposed to any form of extra-Parliamentary action.[101]

As their strong opposition to this motion made clear the majority of

the official leadership remained opposed to this type of political

action. The passage of the motion, however, cleared the way, at least

symbolically, for the mass struggles against the 1971 Conservative

Industrial Relations Act.

The motion also served to legitimize the "wage and strike

explosion" which began in the winter of 1969.[102] In the 1970

election the Labour government was defeated and replaced by a

Conservative administration under Edward Heath.

By the end of the 1960's the relationship between the trade

unions and Britain's social democratic party was severely strained,[103]

though not to breaking point.[104] The major cause of the tension was

that the Labour government had pursued policies which the British

working class and its organisations perceived as being hostile to

them. These policies - of wage restraint and industrial relations

reform - were the product of the social democratic consensus view

of society which had achieved hegemony within the Labour Party

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[101] see above, 96, 100-102, 159-161.

[102] see Panitch, Social Democracy, 213-221 for an account.

[103] see Lewis Minkin, "The Party Connection: Divergence and Convergence in the British Labour Movement", Government and Opposition, 13.4 (1978), 468-472.

[104] Panitch, Social Democracy, 220-21.

during the 1950's.[105] Faced with an incompatability between the

provision of benefits to its working class base and the efficient

operation of the 'mixed' economy of the 1960's the Wilson government

consistently pursued policies inimical to the organised working class.[106]

Though external economic and financial constraints clearly had an effect

on the behaviour of the Labour government the primary explanation of its

policy is to be found in its ideological character.[107] The process of

mending this relationship in the period 1970-74 will be considered in

the next section of the chapter.

The period 1970 to 1974 was one of unprecedented working class

militancy sparked by opposition to the Conservative government's

incomes and industrial relations reform policies.

Six years of Labour government policy had reaffirmed the trade

unions traditional belief in voluntarism in industrial relations.

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[105] that Heath's Conservative government pursued strikingly
similar policies in the 1970-74 period is merely an
indication of the adaptation of social democracy to the
dominant societal ideology outlined in Ch. III above.

[106] see Howell, British Social Democracy, 251-2 for a statement
of the social democractic dilemma; and Hawkins, British
Industrial Relations, 134 for the relationship between
rising profits, dividends, prices and unemployment and
the failure of incomes policies.

[107] Minkin, Labour Party Conference, 291. Minkin's main focus
is on the internal power structure of the Labour Party and
the schism which appeared between the Government and
Conference (and the rank-and-file of the party). In
explaining the actions of the leadership he notes their
desire to prove themselves "responsible", above sectional
(especially trade union) pressure, and of being prepared
to follow unpopular policies in the national interest.
ibid., 298.

True to its election promises the government lost little time in
introducing an Industrial Relations Bill.[108] The Bill, which became
law in 1971, required trade unions to register with a central Registrar.
The Registrar had the power to instruct unions to modify their rules
as a condition of registration. Unregistered unions would lose tax
concessions and face legal sanctions in strike situations. The closed
shop and sympathetic strikes were made illegal as "unfair industrial
practices". Other provisions enabled the Minister of Employment to
impose a "cooling off" period prior to strike action and the Courts
had the power to impose a secret ballot before a strike was called.
Collective agreements were to be legally enforceable and unions were
made liable to severe fines for failing to prevent "unofficial" actions
by their members. A National Industrial Relations Court was established
to enforce the provisions of the law.

Trade union opposition to the Industrial Relations Bill was
on an even broader scale than the opposition to In Place of Strife.
The inhibiting effects of loyalty to a Labour government were absent
in dealing with Conservative legislation. The content of the
legislation was abhorrent to most of the union leadership and
opposition to the Bill was further unified by the manner of its

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[108] the following summary of the provisions of the Industrial
Relations Bill is drawn from Ken Coates, "Introductory
Review: Converting the Unions to Socialism", in Michael
Barratt Brown and Ken Coates (eds.), Trade Union Register: 3
(London, 1973), 12-13. Coates considered "The strategic
intention of this legislation was to compel the unions
themselves to "discipline" their members, to decrease the
volatility of factory-based industrial relations, and thus
to minimize the effective bargaining power of the rank-
and-file shop stewards organisations".

introduction. There was a minimum of consultation and negotiation
with the TUC:

> "for a generation the unions had been encouraged
>
> to believe that, whatever the outcome of elections,
>
> they would have a considerable say over any policies
>
> which affected them. Now, this was being denied to
>
> them over the most important piece of legislation
>
> in living memory. In a real sense the unions thought
>
> the legislation illegitimate and unconstitutional, not
>
> just because of its content but because of the way it
>
> had been prepared and passed. As a result appeals to
>
> the unions to respect the constitution and the rule of law
>
> met less response than otherwise might have been the case,
>
> precisely because of this feeling that it was the
>
> Government which had first been in breach of the
>
> constitution".[109]

The Parliamentary Labour Party, eager to mend it's fences with
the trade union movement, vigorously opposed the Industrial Relations
Bill's passage through the House of Commons. Though the PLP was
united in its opposition to the Bill it is worth noting that two
different justifications were advanced for that opposition.[110]
The social democratic wing of the PLP (the majority) tended to
argue that excessive legalism was inappropriate in the industrial

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[109] Moran, _Industrial Relations_, 93.

[110] see _ibid._ Chapter 6 and Panitch, _Social Democracy_, 230-31.

situation and would actually cause rather than reduce conflict. In this view the Tory proposals were a product of ignorance. The radicals within the PLP tended to view the Bill as class legislation serving the employers interests and based opposition to it on the argument tha it tilted industrial power too far in the employers direction. The conversion of the social democrats to voluntarism in industrial relations should therefore not be taken to imply conversion to a radical interpretation of capitalist society, but rather a pragmatic response to the experience of the late 1960's.

The extra-Parliamentary campaign against the Bill was considerably more significant than that inside Parliament. The trade union movement engaged in mass action in an (unsuccessful) attempt to prevent the Bill from becoming law. Activities included work-place meetings, mass demonstrations and large scale advertising and leafletting campaigns. There were a number of one-day political strikes. On March 1, 1971 an estimated 1.75 million engineering workers struck[111] and on March 18 an estimated 3 million workers joined the protest.[112] Despite these actions and prolonged parliamentary debates the Industrial Relations Bill became law on 6 August 1971.

Trade union opposition to the legislation continued after its enactment. In itself this was a remarkable departure from the strict constitutionality which the TUC had observed since the

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[111] Annual Register of World Events, 1971 (London, 1972), 7.

[112] Labour Monthly, 53 (1971).

defeat of the General Strike.[113] The TUC promoted a campaign for unions

to refuse to register under the Act. Despite considerable pressures

on individual unions to register the campaign was a success.[114]

There is little doubt that the TUC's campaign of non-

registration was a key factor in rendering the Act ineffective.

Of even greater importance was the response of rank and file trade

unionists in two cases where attempts were made to implement the law.

In pursuit of a wage claim the National Union of Railwaymen

ordered an overtime ban and work to rule.[115] In April 1972 the

Secretary of State applied to the National Industrial Relations Court

for a cooling-off order. This was granted. Subsequently the Minister

applied to the N.I.R.C. to order a ballot to determine whether the

membership of the NUR wished to take strike action. In granting

the application the NIRC commented:

> "We are satisfied that in present circumstances any
>
> ballot must be conducted by post and an opportunity
>
> given to all those eligible to vote, to do so in
>
> their own homes, if voting is to be secret and if
>
> those taking part are to be entirely free from
>
> pressure from any quarter and thus able to exercise
>
> a free and genuine choice".[116]

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[113] as Moran, Industrial Relations, 125-7, makes clear there were
considerable shades of emphasis within the General Council
on the degree and nature of opposition to the Act.

[114] only 32 relatively small and unimportant unions registered.

[115] for an account see Norman Lewis, "Railroading the Workers —
One way or Another", in Barratt Brown and Coates (eds.), Trade
Union Register: 3, 74-88.

[116] ibid., 80.

The 129,190 to 23,135 vote in favour of industrial action undermined the theory that militants were manipulating rank and file trade unionists and also cast doubts on the value of cooling-off periods. [117]

The second case involved an unofficial dockers' boycott. The case resulted in the imprisonment on July 21, 1972 of five of the dockers shop stewards.[118] Sympathy strikes broke out in other docks, and in other industries. The General Council of the TUC voted in favour of a one-day general strike to secure the release of the dockers. On July 26 a higher court decision made possible the release of the imprisoned dockers.

In both these cases attempts to implement the Act resulted in humiliating failures. In the face of determined working class opposition the Industrial Relations Act was proving unenforceable. Any effort to enforce it would have carried the Heath government further down the road to an authoritarian state than it was prepared to travel. Although the Act remained on the books and continued to act as a major irritant to the unions[119] it ceased to be a major part of the government's strategy.[120] The attempt to reform the industrial relations process having failed the Heath government, after a brief attempt at securing union cooperation, turned to a statutory incomes

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[117] ibid., 86.

[118] who became known as the Pentonville Five.

[119] Moran, Industiral Relations, 144-8.

[120] ibid., 124.

policy as a means of regulating the outcomes of the process.

The reversion to incomes policy was a significant change of direction for the Conservative government. In February 1971 the Chancellor of the Exchequer had indicated Conservative opposition in the following terms:

"We do not believe that a freeze on pay and prices

is the answer to inflation ... nor do we believe that

the answer lies in detailed statutory control of wage

settlements."[121]

The defeats which the government encountered in implementing the Industrial Relations Act plus its defeat in the National Union of Mineworkers strike in 1972 largely account for the policy reversal.

In the winter of 1972 the National Union of Mineworkers called their first national strike since 1926. The mood in the country at the time has been described as "an atmosphere of bitterness, lawlessness, and even violence which permeated British society and manifested itself in strike meetings, in Ulster and even in the House of Commons."[122] On February 3, 1972 a picketer was accidentally killed by a lorry breaking through a picket line. On February 10 violent clashes occurred at a Birmingham coke depot where a crowd of 6,000 workers (mainly car workers) defied 1,000 police and successfully prevented coke supplies from being moved. By February 15 sympathetic industrial action by railway and electric power workers had resulted in the closure of ten generating stations.

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[121] The Times, 21 February, 1971.

[122] Annual Register, 1972, 1.

Many demonstrations of support for the miners were held in various

parts of the country. By February 28 the strike was over on terms

highly favourable to the miners. The strike played a large role in

forcing the Heath government to abandon its policy of resisting wage

claims through confrontation. In November a pay freeze was introduced.

The Conservative government's incomes policy unfolded in three

stages.[123] The General Council of the TUC adopted a policy of passive

non-cooperation. At a Special TUC held in May, 1973 this policy was

rejected and the General Council was instructed to organise a one-day

general strike against the statutory incomes policy.[124] The resort

to industrial action for political ends was the first since the

General Strike.

In the autumn of 1973 the government introduced Phase III of

their incomes policy which limited wage increases to 7% or £2.75 per

week. Against a background of the energy crisis and rapidly rising

food prices the government moved towards a confrontation with the

miners once again, with the Prime Minister Heath declaring on

November 22 that there could be "no surrender" by the government.

To this the communist Vice-President of the National Union of Mine-

workers, Mick McGahey, retorted in a classic statement of the

miners' position, "You can have Phase III and no coal, or coal and

no Phase III. You cannot have both".

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[123] The details can be found in A Programme for Controlling Inflation:
The First Stage (Cmnd. 5125), London, 1972 and A Programme for
Controlling Inflation: The Second Stage (Cmnd. 5205), London,
1973. A useful summary can be found in Hawkins, British Industrial
Relations, 145-50.

[124] Panitch, Social Democracy, 226.

By February, 1974 the NUM moved from the tactic of overtime
ban to that of a national strike. The vote in favour of the move
was 81% compared to 58% in 1972. Arthur Scargill a Labour Party
member of the National Union of Mineworkers Executive stated, prior
to the vote, that "The choice for the men is either to support their
union or the Heath's government policy which weakens their union".
The Sunday Times commented that "put that way, the miners whose loyalty
to their leadership has never been questioned, could only vote one way".[125]
The comment recognizes the degree of autonomy which working class
organisations in Britain had been able to retain from ruling class
influence. Other miners' leaders made clear the political nature of
the strike and the extent to which the miners would rely on sympathetic
action from other trade unionists.[126]

The implications of the miners' strike were almost universally
seen as being political. An editorial in the Times argued that:

"Mr. Heath's government cannot survive if they are seen

to be defeated by the NUM. Such a defeat would not

only destroy the authority of the Conservative

government, for the last Labour government were

similarly defeated by the trade unions on "In

Place of Strife". Defeat for this government now

would involve damage to the constitutional principle

on which the authority of all governments in Britain

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[125] Sunday Times, 27 January, 1974.

[126] "We will make sure that not only coal production is stopped but that
coal distribution is also stopped. We intend to stop the movement,
not only of coal, but of other essentials for power stations", Mick
McGahey, quoted in the Sunday Times, 27 January, 1974.

is based".[127]

With eighteen months left in a normal term of office, Heath called an election which he fought largely on the issue of "who rules the country - the government or the unions"? A minority Labour government was returned in March, 1974.[128] In October, 1974, Labour transformed this into a small majority.

With the increasing involvement of the state in industrial relations - as an employer, as a would-be regulator of industrial relations behaviour, and as a would-be wage regulator, almost every industrial action came to involve a challenge to the government as well as, sometimes instead of, a challenge to the employer. Industrial relations became politicized to an extent not seen before in Britain.

Strike statistics point to an increased use of this weapon in the late 1960's and early 1970's (see Table V.1. on p. 286). From the early 1960's onwards the vast majority of stoppages occurred in industries such as motor vehicles, engineering, the docks and ship-building, which had strong shop steward organisations.[129] By the late 1960's, however, strikes began to occur among sections of the working class not traditionally noted for militancy - garbage workers, clothing workers, post office personnel and glassworkers.

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[127] The Times, 9 January, 1974.

[128] A Times editorial commented: "This has been an historic dispute. It is the first time that an industrial stoppage has provoked a General Election and indirectly brought about the downfall of a Government", The Times, 7 March, 1974.

[129] D. Coates, The Labour Party and the Struggle for Socialism (Cambridge, 1975), 120.

TABLE V.1. BRITISH STRIKE STATISTICS[130]

Year	No. of Stoppages	No. of Workers Involved (000)	No. of Working Days Lost (000)
1900	633	185	3088
1913	1459	664	9804
1919	1352	2591	34969
1926	323	2734	162233
1933	357	136	1072
1940	922	299	940
1963	2068	590	1755
1964	2524	872	2277
1965	2534	868	2925
1966	1937	530	2398
1967	2116	731	2787
1968	2378	2255	4690
1969	3116	1654	6846
1970	3906	1793	10980
1971	2228	1171	13551
1972	2497	1722	23909
1973	-	1513	7197
1974	-	1601	14740

[130] Sources: Britain, Department of Employment and Productivity, British Labour Statistics, Historical Abstract, 1886-1968 (London, 1971), 396: Britain, Department of Employment, British Labour Statistics, Year Book, 1972 (London, 1974), 303; and Britain, Central Statistical Office, Monthly Digest of Statistics, January, 1975.

Up until 1969 most strikes (about 95%) were unofficial, short, and involved relatively small groups of workers. After that date there tended to be a shift to major official stoppages.[131] This shift in the type of strike coincided with the height of trade union opposition to statutory incomes policies.

The prevalence of rank and file unofficial strike action did not indicate a rejection of the trade union as an organisational form. Union membership grew from 10,254,000 in 1966 to 11,315,000 in 1972, an increase of over 10%.[132] In the same period the total working population of Great Britain declined from 25,554,000 to 24,849,000.[133] The membership of the unions was increasingly concentrated in large amalgamated unions. At the end of 1972, 61% of trade unionists were members of the largest 11 unions, and 85.6% were members of the largest forty.[134]

Thus, in organisational terms, the organised sections of the British working class were, in the early 1970's, larger and more unified than ever before. The evidence concerning the proportion of unofficial strikes[135] and rank and file militancy indicates that the increased organisational unity was combined with a considerable

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[131] Hawkins, British Industrial Relations, 136.

[132] British Labour Statistics Yearbook, 1972, 302.

[133] ibid., 116.

[134] ibid., 302.

[135] The fact that a strike was unofficial does not necessarily mean that the union opposed the strike. Owing to their short duration many were over before the necessary procedures to make them official had been completed.

degree of factory floor autonomy. Similarly the breaking of the taboo against the use of industrial action for political ends and the degree of working class solidarity evident in the struggles around the Pentonville Five and the Miners in particular indicated that with the politicization of industrial relations had occurred considerable radicalization. In contrast to the struggles of the 1920's the working class mobilization of the early 1970's was successful in frustrating the policies of the government.

Britain: Social Contracts, 1974-78.

The success of the trade unions' opposition to the Conservative governments policies created exaggerated hopes and fears of the unions' future impact on policy. In actual fact the advent of a Labour government in 1974 resulted in a change from policies of confrontation with the working class to policies of cooperation and attempted incorporation. In return for substantial legislative concessions the Trades Union Congress agreed to policies of wage restraint under what was called the Social Contract. But the concessions did not fundamentally alter the capitalist status quo, though they did increase the relative power of the unions vis a vis other groups.

In 1972 the Labour Party and the TUC set up a Joint Liaison Committee[136] to rebuild the bridges between the two organisations. In the face of the Conservative government's assault on free collective bargaining (as traditionally understood in Britain)

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[136] The committee was composed of representatives of the TUC, the Parliamentary Labour Party and the National Executive Committee of the Labour Party.

the unions felt the need of parliamentary allies and the parliamentary

leadership, still shaken from the strains of 1969-70 were concerned

to minimize internal differences and to improve the party's electoral

prospects.[137] The radical union leaders who had emerged in the

1967-70 period[138] had a significant impact on party policy which

became more radical. The policies included a commitment to extensive

public ownership and the future repeal of the Industrial Relations

Act. Probably as significant as the content of the policies,

however, was the scope of the process of discussion and negotiation

between the party and trade union leadership. The full involvement

of the trade union leadership, including the radicals of 1967-74, in

the formulation of Labour Party policy, created a commitment, on their

part, to the outcome of the discussions. This took the form of an

agreement that a future Labour government would repeal offending

Conservative legislation and institute a programme of economic and

industrial reform. As a _quid pro quo_ the unions would exercise voluntary

wage restraint.[139]

The programme of economic reform to which a future Labour

government was to be committed advanced five major objectives:

a fundamental and irreversible shift in the balance of power and

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[137] Minkin, "The Party Connection", _Government and Opposition_, 476.

[138] notably Scanlon (AUEW), Jones (TGWU), Daly (NUM) and Seabrook
(Shopworkers), Lewis Minkin, "The Labour Party Has Not Been
Hi-Jacked", _New Society_, 42.783 (1977), October 6, 1977, 6.

[139] Minkin, _Labour Party Conference_, 337.

and wealth in favour of working people and their families; the

elimination of poverty; far greater economic equality in incomes,

wealth and living standards; increased social equality; and

environmental improvements to produce a better quality of life.[140]

The trade unions agreement to voluntarily restrain incomes

was, therefore, conditional on the pursuit of a fairly far reaching

programme of economic and social reform.[141]

Labour's manifesto for the February 1974 election laid

much stress on the reciprocal nature of the deal that had been

worked out:

> "measures affecting prices and taxation policy will
>
> prove by deeds the determination of the new Labour
>
> government to set Britain on the road towards a new
>
> social and economic equality ... as it is proved
>
> that the Government is ready to act ... so we
>
> believe that the trade unions voluntarily (which
>
> is the only way it can be done for any period
>
> in a free society), will cooperate to make the
>
> whole policy successful. We believe that the
>
> action we propose on prices, together with an

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[140] Labour Party, Labour's Programme for Britain, 1973 (London, 1973), 7.

[141] Tony Benn, for example, considered the programme in its entirety "the most radical since 1945", The Times, 1 October, 1973. Against this it has been argued that the 1974 (February) Election Manifesto, based on the 1973 Programme, limited itself to proposing measures which were quite compatible with continued capitalism. The shift to the left was "within the orbit of the dominant integrative ideology" and therefore much less radical than it may have appeared. Panitch, Social Democracy, 229-230.

understanding with the TUC on the lines we have

already agreed, will create the right economic

climate for money incomes to grow in line with

production. That is the essence of the new social

contract..."[142]

On winning the general election the new Labour government

proceeded to dismantle the Industrial Relations Act and the apparatus

set up to enforce it; permitted a free settlement in the coal mining

dispute which was acceptable to the NUM; increased pensions, implemented

tax changes which favoured low income people; increased subsidies on

foodstuffs and introduced a rent freeze. In assessing the record of

the Labour government the TUC General Council considered that these

measures "demonstrated (its) commitment to implementing the agreed

approach" and justified the further development of the social contract

to "enable the Government to proceed with progressive policies in the

industrial, economic and social fields."[143] Specifically the General

Council considered that:

"although the ground work is being laid for increasing

consumption and living standards in the future, the

scope for real increases in consumption at present

is limited, and a central negotiating objective is

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[142] from *Let Us Work Together - Labour's Way Out of the Crisis*,
reprinted in F.W.S. Craig (ed.), *British General Election
Manifestos, 1900-1974* (London, 1975), 402-3.

[143] TUC, *Collective Bargaining and the Social Contract* (London,
1974), 11.

in the coming period will therefore be to ensure that real incomes are maintained".[144]

An agreement to do no more than maintain real incomes clearly involves no redistribution of income as critics were quick to point out. At the 1974 TUC Ken Gill (AUEW-TASS) attacked the social contract in these terms:

"With the General Council's policy, when it stands

bare and unadorned, wage restraint is once again

revealed... After a dose of State-imposed wage

restraint a new but old cure appears: no compul-

sion this time. Instead of their refusing, we do

not ask ... It is a retreat by the unions from

the objective of the redistribution of wealth.

On the contrary it accepts at best the same

share of the cake."[145]

Gill was speaking to a motion[146] which would have given TUC agreement to a "social compact" only <u>after</u> the government had made substantial progress on the alternative strategy agreed upon by the TUC-Labour Party Liaison Committee. The alternative strategy had included such items as a large-scale redistribution of income and

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[144] <u>ibid.</u>, 10. The General Council proposed that wage claims should be formulated within the increase in cost of living since the previous wage settlement. Twelve month intervals between settlements were to be maintained.

[145] TUC, <u>Report, 1974</u>, 429.

[146] <u>ibid.</u>, 428.

wealth; a wide-ranging and permanent system of price controls; vast improvements in social services; substantial increases in public ownership and public enterprise; and substantial cuts in defence expenditures. Clearly the majority of delegates felt that the Labour government had given sufficient indication of good faith to justify ratification of the social contract.[147] The motion was eventually withdrawn in the interests of TUC unity on the anticipated eve of a general election and upon the assurances of Len Murray, General Secretary of the TUC, that the contents of the motion would be pursued in General Council negotiations with the government.[148]

Labour's election manifesto – Britain Will Win With Labour[149] – described the social contract as covering the whole range of national policies, not just wages, and dealt with the spirit in which dis-agreements would be resolved as well as with the content of the agreement with the TUC:

> "It is about cooperation and conciliation, not
>
> conflict and confrontation .... Labour describes
>
> the firm and detailed commitments which will be
>
> fulfilled in the field of social policy, in
>
> the fairer sharing of the nation's wealth, in
>
> the determination to restore and sustain full-

---

[147] for an expression of this sentiment see the speech by Harry Urwin (TGWU), ibid., 433.

[148] ibid., 439.

[149] reprinted in Craig, Election Manifestos, 451-67.

employment. The unions in response confirm how they

will seek to exercise the newly restored right of

free collective bargaining."[150]

The stress on consultation and cooperation was a corollary

of the conviction of the social democratic leadership of the Labour

Party that statutory incomes policies could not be made to work.[151]

The extent of the consultation the government was prepared to carry

out can be gauged from the following extract from the Parliamentary

Report to the 1974 Annual Conference of the Labour Party, dealing

with the desired relationship between the Department of Industry and

the unions:

> "It is a major and fundamental objective of the
>
> Department of Industry that it should open up,
>
> establish and maintain at official, as well as
>
> Ministerial level, the same close relationship
>
> as now exists between the Department and manage-
>
> ment ... This intimate consultative policy over
>
> the whole range of industrial policy and problems
>
> must be seen as our contribution to the social
>
> contract ... This consultation covers:
>
> (a) all the major policy initiatives;
>
> (b) the ongoing industrial and regional policy
>
>   of the Department;

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[150] ibid., 452, 454.

[151] see the speeches of James Callaghan and Harold Wilson in
Labour Party, Report, 1974, 151 and 204 respectively.

   (c) individual industrial problems affecting major

        firms, including threatened redundancies;

   (d) the development of corporate strategies within

        the nationalised industries ...;

   (e) the trade union role in planning agreements;

   (f) the development of experiements in industrial

        democracy, especially in our nationalised

        industries."[152]

In contrast to the late 1960's and especially in contrast

to the 1970-74 period the unions were being offered significant

opportunities to influence government policy. Given the attachment

of British trade unions to consultative processes[153] this type of

undertaking was warmly received. In addition the Labour leadership

could still (in the Autumn of 1974) claim that the three substantive

parts of the social contract - social justice and greater equality;

regeneration of British industry; voluntary guidelines on wages as

laid down by the TUC - were all being implemented.[154] If the social

contract failed Harold Wilson said, the alternative could only be

higher unemployment.[155]

   By 1975 it was increasingly difficult to justify trade union

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[152] Labour Party, Report, 1974, 118.

[153] Moran, Industrial Relations, Chapter 5. See 93, in particular.

[154] Labour Party, Report, 1974, 150.

[155] ibid., 204.

support for the social contract with the argument that the government was keeping its side of the bargain. The economic strategy of the government made clear the government's commitment to maintaining a "vigorous, alert, responsible and profitable private sector of industry" and contained the government's assurance that "it accepts as a major objective of economic policy the ability of industry to earn a reasonable rate return on capital."[156] There was no corresponding emphasis on measures to bring about a "fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families." Such a shift could have been brought about by extensive nationalization and by redistribution of incomes. The government's industrial strategy included no provisions to implement the former. And, as the April 1975 Budget, and the development of the government's incomes policy were to make clear, the latter was also lacked priority. Budgetary measures announced in April 1975 included cuts of £900 million in public expenditures including cuts in food and housing subsidies. The measures did little to prevent higher levels of unemployment.[157]

From May to July 1975 the TUC General Council met informally with representatives of the employers and the government. It is clear that the threat of still higher levels of unemployment was used to pressure the TUC towards stricter incomes guidelines within the context of the social contract.[158] On July 1st as pressures on

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[156] Britain, Treasury and Department of Industry, An Approach to Industrial Strategy (Cmnd. 6315, London, 1975).

[157] for which the government was criticized by the TUC, see TUC, Report, 1975, 268.

[158] ibid., 272.

sterling intensified the Chancellor of the Exchequer proposed a 10%

limit on wage increases and threatened legislation to force employers

to comply unless voluntary agreement from the unions was forthcoming.

Eight days later the TUC General Council approved a document - The

Development of the Social Contract - which substituted for the 10%

limit a flat-rate maximum increase of £6 per week. The flat rate

increase was judged to be fairer to lower paid workers. The £6

proposal was subsequently adopted by the government.[159] The government

pledged to keep to the guidelines within the public sector and to

employ economic sanctions against local authorities and private

sector employers who exceeded the limits. In addition if the

government found "that the policy needs to be enforced by applying

a legal power of compulsion they will not hesitate to do this."[160]

For its part the General Council agreed, if it became necessary, "to

legislation to relieve employers of contractual obligations which

would compel them to increase pay above the limits set out in this

document."[161] Although the new pay policy was claimed to be voluntary

it was clear that compulsion and statutory enforcement lay just below

the surface.

Yet at the annual TUC the chief defenders of the policy included

those who in the past had been most vehemently opposed to enforced

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[159] U.K., Cabinet Office, The Attack on Inflation (Cmnd. 6151),
London, 1975.

[160] ibid., 5-7.

[161] ibid., 13.

incomes policies. The Development of the Social Contract was approved
by 6,945,000 to 3,375,000 and two critical motions were defeated.[162]
Jack Jones (TGWU) defended the document by referring to the depth
of the economic crisis, the worst since the 1930's, and argued that
the only alternatives were incomes policy or mass unemployment. Of
these the former was preferable and within that option a flat-rate
incomes policy was preferable to percentage increases. Jones defended
the record of the Labour government, given the severity of the
economic problems it faced, and invoked the spectre of the new
Conservative Party Leader, Mrs. Thatcher, as an additional reason
to support it:

> "The lesson we have learnt is that at all costs
>
> (my emphasis - SM) we have to keep a Labour
>
> government in office when it is there."[163]

Ken Gill, the Communist secretary of AUEW-TASS, was chief
spokesman for the opponents of the social contract and summed up
the alternative policy for dealing with inflation:

> "the way to deal with inflation must surely be
>
> price control. But that must mean challenging
>
> the establishment".[164]

Whatever their past records, the erstwhile radicals of the
early 1970s were unwilling to pursue this course while Labour
remained in office.

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[162] see TUC, Report, 1975, 455-480.

[163] ibid., 459-61, 477.

[164] ibid., 478.

As part of the build-up for another year of wage restraint the April 1976 Budget contained 'conditional' tax cuts of £370 million and unconditional cuts of £1,300 million. The condition was that the TUC agree to a new pay increase limit of 3% for the next year of wage controls. At a special congress on June 16, 1976 the TUC approved The Social Contract 1976-77[165] by an overwhelming majority. The new policy provided for average increases of 4 1/2%. The General Council argued that both sides had kept their parts of the social contract - the unions through adhering to the £6 pay policy and the government through its legislative record.[166] On 30 June the government published its White Paper - The Attack on Inflation - the Second Year[167] which endorsed the TUC proposals and incorporated the pay guidelines in an appendix.

On July 22 the Chancellor of the Exchequer announced a package of public expenditure cuts totalling over £1,000 million. Although the General Council was critical of the level and timing of these cuts[168] and at the slow progress being made in the implementation of planning agreements (originally intended to be an important part of the government's industrial strategy) their overall assessment of

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[165] TUC, Report, 1976, 404-415.

[166] through such measures as the Trade Union and Labour Relations (Amendment) Act, Employment Protection Act, Social Security Pensions Act, Sex Discrimination Act, Capital Transfer Tax, Community Land Act, establishment of the National Enterprise Board, and introduction of legislation nationalizing aircraft and shipbuilding.

[167] U.K., Treasury, The Attack on Inflation: The Second Year (Cmnd. 6507), London, 1976.

[168] TUC, Report, 1976, 309-312.

the government's record remained positive. In any case, the only

alternative, according to TUC General Secretary Len Murray, was "to

lurch back into the morass of confrontation".[169] The TUC continued

to emphasize the value of cooperation and consultation in a TUC –

Labour Party Liaison Committee statement – The Next Three Years and

the Problem of Priorities:

> "The process of close consultation and understanding,
>
> which has been so vital in meeting the difficult
>
> problems of the past two years will remain the
>
> lynch-pin of the social contract."[170]

Though opposition was muted in 1976, by the following year it

was clear that rising unemployment and declining working class living

standards in the years after 1974 were straining the loyalties of

organised labour despite support for the social contract at the

apparatus level.[171] At the 1977 TUC the government's proposed 10%

pay ceiling was rejected and delegates demanded the immediate return

of free collective bargaining. In practice, however, the damage to

government policy was minimized by the TUC's acceptance, by a vote

of 7.13 million to 4.34 million, of the concept of 12 month gaps

between pay agreements.[172] In addition, the TUC evolved what one

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[169] ibid., 518.

[170] ibid., 424.

[171] For an account of the way the annual conference of the Transport and General Workers' Union rejected its apparatus' advice to extend the wage control policy for another year, see Eric Jacobs, "After Jones – the Deluge?", Sunday Times, 10 July, 1977.

[172] The Economist, 10 September, 1977.

writer has termed a "nod and wink" arrangement with the government.

This involved formal opposition to wage restraint but an absence of

mobilization against government policy.[173] Though the pressure to

end wage restraint was strong there was no tendency toward more

radical leadership in the unions as had occurred in the late 1960's.[174]

Indeed the tendency was in the opposite direction.[175] Over the next

eighteen months the "nod and wink" system was itself eroded as a

result of pressure for higher wages. In 1978 the government pushed

hard for a 5% limit on wage increases but this was rejected by the

big unions and by the TUC. The new leader of the TGWU declared

that his union would not "be bound by the 5% limit either in the

public sector or the private. There is no ambiguity at all and no

qualification. The TGWU does not support pay restraint."[176] At the

1978 TUC a mineworkers motion instructing the General Council to

"oppose any arbitrary pay limits and insist on a return to normal

and responsible collective bargaining" was carried despite an appeal

from the Prime Minister for the unions to agree to a 5% limit.[177]

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[173] Minkin, "The Party Connection", Government and Opposition, 477.

[174] ibid., 481.

[175] In 1975 The Economist, using admittedly rule of thumb definitions, estimated the composition of the General Council of the TUC to be as follows: 14 "militants", 10 "floaters" and 14 "moderates". In 1977 they saw the General Council line-up as being 9 "militants", 15 "floaters" and 17 "moderates". See The Economist, 6 September, 1975, 22 and 10 September, 1977, 25, respectively.

[176] The Times, 4 September, 1978.

[177] The Times, 7 September, 1978.

There was something of a resurgence of radical opposition to
government policy at the 1978 Labour Party Conference. In previous
years radical strength had broken down as union leaders such as
Jones, Daly and later Scanlon became voices of moderation.[178]
In 1978 a motion highly critical of Labour's record on incomes
policies was carried over the opposition of the NEC by a vote
of 4,017,000 to 1,924,000 and a motion favourable to the government's
efforts was defeated 3,626,000 to 2,806,000.[179]

In contrast to the winter of 1977-78 the unions proceeded
to act upon their opposition to pay restraint. By December 1978
it was reported that pay settlements were running at 15%[180] and by
January it seemed that the strike wave was harming the re-election
prospects of the Labour government since it was "rapidly eroding
the claim by Mr. Callaghan that only the Labour Party because of
its special relationship with the workers can handle the unions."[181]
It is a matter of record that in the general election in May 1979
the Labour government was defeated and replaced by a Conservative
cabinet under Mrs. Thatcher.

Reviewing the experience of the 1960's and 1970's a number
of points stand out. The first is the ubiquity of the issue of
incomes policy (and of the related issue of industrial relations

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[178] Minkin, The Labour Party Conference, 348.

[179] Labour Party, Report, 1978, 214-230.

[180] The Economist, 23 December, 1978, 89.

[181] Globe and Mail, 9 January, 1979.

reform until 1974). Second, is the consistency of the social

democratic wing of the Labour Party is advocating some form of

incomes policy as a solution to inflation. Thirdly, the intensity

of trade union opposition to statutory incomes policies and to the

reform of industrial relations processes in the period between

1968 and 1974 is notable. Perhaps even more notable, fourthly,

is the relative ease with which the early radical opponents of

incomes policies were persuaded to cooperate with such policies from

1974 to 1978. And, fifth, is the fact that all attempts at incomes

policies have ultimately collapsed in the face of working class

pressure for improved living standards.

Of special significance for this section of the chapter are

the last two of these points and it may be appropriate to discuss

these in more detail.

In explaining the integration of radical union leaders such

as Scanlon and Jones, and their role in dissipating the radicalism

of the early 1970's, five inter-related factors seem to have played

a part.

First, is the limited scope of the changes the union leader-

ship sought to bring about in the Labour Party in the period 1970-74.[182]

Although the union leaders played a part in the Labour Party adopting

more radical policies in that period the issues on which they were

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[182] This phenomenon has been noted by Ralph Miliband, Parliamentary
Socialism, 2nd Edition (London, 1973), 374-5; and Minkin, "Labour
Party, New Society, 6 October, 1977, 6-8.

prepared to push hard were largely confined to the economic - industrial

category.[183] In their disputes with the Parliamentary leadership they

showed remarkable restraint and were unwilling to exploit their full

resources to bring about the compliance of the Parliamentary Labour

Party. There were, for example, no attempts to engineer leadership

changes or to use much pressure against union-sponsored M.P.'s.[184]

Second, and closely related to the above, the radicalism of

the early 1970's did not imply a complete breach with the dominant

social democratic ideology within the Labour Party. Attachment to

liberal-constitutional norms played a role in the absence of serious

challenge to the independence of the Parliamentary party (whose

majority remained solidly social democratic). Opposition to the

use of industrial power for political purposes remained strong despite,

perhaps partly because of, the experience of 1970-74. The unions

willingness to engage in extra-parliamentary and unconstitutional

activity in that period must in retrospect be viewed as an aberration

from a stronger attachment to parliamentarianism.[185] A more general

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[183] Minkin, New Society, 7.

[184] loc. cit.

[185] A number of writers have focussed on the attachment to parliamentary
methods on the part of the "Labour Left" as an explanation for their
failure to push the Labour party as a whole to the implementation
of socialist policies. The Labour Left has been unable "to conceive
of a coherent alternative strategy. It has been wedded to parliament-
arianism albeit with radical embellishments. Thus in its battles it
has suffered from a self-inflated (sic) handicap, accepting its
opponent's criteria for success. There has been little readiness to
suggest that parliamentary action is only one dimension, and that a
challenge to existing power structures should be generated on a
variety of fronts". Howell, British Social Democracy, 299. See
also, Miliband, Parliamentary Socialism, 375-6; Panitch, Social
Democracy, 255-6; and Coates, Labour Party, 229-30.

willingness to use the industrial power of the working class for
political ends remained confined to the non Labour Party radicals.
This group within the radicals was always a minority, albeit a
vocal and significant one.

At the height of the struggle against the Industrial Relations
Act in 1972 Hugh Scanlon had outlined his view on trade unions defiance
of the law:

> "generally speaking the trade union movement accepts,
> operates and conforms with the law of the land. Our
> opposition and determination is quite specific. It
> is to this law, to this Act and to the courts set up
> thereunder. The courts which are active under the
> Act, particularly the NIRC, are brazenly political
> and do not appear to operate under the ordinary
> rules applying to other courts".[186]

Union opposition to the Industrial Relations Act <u>did</u> represent
a radical departure from previous TUC practice. But there were clear
and finite limits on the departure.[187] With Labour in office the
combination of the union leaders' attachment to constitutional
methods and their concentration on industrial issues meant that
they lacked a "coherent strategy relating their industrial militancy
and support for free collective bargaining with a transition to

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[186] TUC, <u>Report, 1972</u>, 428.

[187] Scanlon's later comments that "The use of (union) power to bring
about political change is wrong", <u>Globe and Mail</u>, 19, May, 1978,
seem quite consistent when considered in this context.

socialism during a period of economic crisis".[188]   In such circumstances

the TUC leadership put its new found radicalism on the back-burner for

the duration of the crisis and concentrated on making Labour's

traditional solutions to economic problems as palatable as possible.

Third, this change of course was certainly facilitated by the

extensive efforts of the Labour government to consult with the union

leaders and to win their cooperation over a broad and extensive range

of issues. This systematic incorporation of the unionists into

decision making processes may be said to have three influences on

the evaporation of their radicalism. Through access to privileged

information it gave them insight into the severity of the economic

problems facing Britain. These were undoubtedly profound.[189]

Through involvement in the making of decisions the union leaders

came to feel a responsibility for them and for their implementation.

And out of their own responsibility for the decisions came the belief

that the _quid pro quo_ obtained from the government in exchange for

wage restraint, was the best possible in the prevailing circumstances.[190]

The intimacy of the relationship between the government and the TUC

leadership probably also increased the susceptibility of the latter

to the prevailing societal view of the causes of inflation (wage costs)

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[188] Minkin, _New Society_, 7.

[189] On the effects of decision-making Minkin has observed that as
a result of their participation in the World War II coalition
government the Labour leaders became more appreciative of the
"difficulties" of government resulting in greater caution and
moderation and a loss of their zeal for change, see his _Labour
Party Conference_, 21.

[190] hence the repeated assertions that the government had kept its
side of the social contract.

and the best solution to it (wage restraint) as disseminated through the mass media and other channels of communication.

A fourth influence on the union leaders which pushed them into the arms of the Labour government was their fear of the Conservative Party alternative:

> "The unions were willing to accept from this Labour
>
> government policies normally associated with
>
> Conservative governments because they feared
>
> that the next Conservative government would be
>
> worse than its predecessors".[191]

Fifthly, the integration of the (formerly) radical leadership of 1970-74 into the decision-making processes of a decidely non-radical Labour government served to undermine and confuse the radicals within both the unions and the Labour Party. Similarly the control by this leadership group of the apparatuses of the major unions inhibited the development of opposition to the wage control policies of the Labour government.[192]

At the close of the 1970's British working class politics had entered a state of peculiar immobility. The radicalization of working class organisations which had been widely predicted in mid-decade had proved still-born. Social democracy retained its hegemonic position within the British working class. Yet the

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[191] Minkin, Labour Party Conference, 348. Note also Jack Jones' remarks that at all costs a Labour government must be kept in office, TUC, Report, 1975, 477.

[192] Though possession of the apparatuses was not able to prevent the emergence of such opposition in 1977-78 nor to prevent the breakdown of incomes policy in 1978-79.

persistance of wage restraint policies and working class opposition to their effects demonstrated that the contradiction between the ideology and working class interests remained. In this sense the hegemony of social democracy remains in a state of crisis which is no closer to resolution than it was in 1970.[193]

Canada, Incomes Policy and the Problems of Social Democracy

In Canada, as was noted in the introduction to this chapter, the issue of incomes policies has not dominated the recent political history of the country in the way that it has in Britain. In fact, with the exception of the Second World War and the immediate post-war years, it is only since the late 1960's that the issue has assumed any importance at all. Similarly the efforts to reform the structure of the industrial relations system have not been significant in Canada for the simple reason that the system established in Canada at the close of the war already contained most of the features which the British reforms were designed to bring about. Then too, the social democrats have not acted as initiators of wage control policies and, therefore, due to their relative weakness, have been able to avoid much of the conflict with their working class supporters that has been the lot of the British Labour Party's social democratic leadership. Nevertheless, the imposition of wage controls by the Liberal government of Pierre Trudeau in 1975 did result in considerable tension between the New Democractic Party and the leadership of the Canadian Labour

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[193] Though whether its crisis is more or less severe than that afflicting the radical minority within the British working class is a moot point.

Congress and debate on the ideological alternatives facing organised

labour reached heights unknown since the late 1940's and early 1950's.

Canada's entry into the Second World War resulted in an

unprecedented expansion in state intervention into the economy. One

aspect of this intervention was regulation of wage levels. After a

period of tentative agreement to wage controls in the early years

of the war organised labour became increasingly hostile to them.

Factors in this hostility included an early recognition of the fact

that the effect of tying wage increases to increases in the cost of

living was to "chain Labour forever to its present inadequate share

in the wealth of the country";[194] the failure of the policy to give

consideration to low wage industries; the detrimental effects of the

policy on collective bargaining, and the discrepancies in the

sacrifices demanded of labour and business.[195] Associated with

these criticisms was concern at labour's lack of input into government

decisions, especially those affecting workers.[196] With the removal

of wage controls in November, 1946, however, the issue faded from

the scene until the late 1960's.

In 1969 the Federal government established a Prices and Incomes

Commission which for the next several years advocated the introduction

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[194]   Resolution submitted to the 1940 convention of the Canadian
        Congress of Labour from the Steel Workers Organising Committee
        in Sydney, N.S., quoted in H.A. Logan, Trade Unions in Canada
        (Toronto, 1948), 529.

[195]   MacDowell, "Formation of the Canadian Industrial Relations
        System", 13.

[196]   loc. cit.

of a voluntary programme of prices and incomes restraint.[197]

The Federal government's interest in incomes policy came at a time when increased militancy on the part of labour, in conditions of relatively full-employment, was increasing its share of the national income.[198] For the federal government a successful incomes policy seemed to offer a way of limiting wage costs in the economy without the high economic and social costs, with their anticipated electoral consequences, of allowing the unemployment rate to rise.

Anticipating the introduction of wage "guidelines" the 1968 convention of the Canadian Labour Congress rejected these as "totally unacceptable" from the standpoint of trade unionists. Two reasons were given. First, the statistics which such guidelines would be based upon were suspect. Secondly,

> "if labour accepted that wage rates should never
>
> advance faster than productivity this would mean
>
> that labour's share of a rising national income
>
> should never increase" ... In other words this
>
> arrangement would protect the status quo of
>
> relative income shares. We see no reason why

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[197] See W.D. Walsh, "The Canadian Experiment with Voluntary Incomes Restraint, Degree of Labour Organisation, and Cyclical Sensitivity of Employment", Industrial Relations Industrielles, 30 (1975), 390; George V. Hawthorne, "Prices and Incomes Policy: the Canadian Experience, 1969-72", International Labour Review, 108 (1973), 485-503; and G.A. Berger, Canada's Experience with Incomes Policy, 1969-70 (Ottawa, 1973).

[198] see David Wolfe, "The State and Economic Policy in Canada, 1968-75", in Panitch, State, 260-63.

labour should accept such a rigid proposition".[199]

While the Executive Council rejected the view that wage settlements were to blame for inflation[200] they did not absolutely reject the concept of some relationship between wages and productivity. Within the context of an incomes policy which included wages, salaries, prices, profits, rents and interest, and which aimed at an ordered increase in incomes under full-employment with some redistribution of income, the CLC made it clear that a productivity-related wage policy would be considered. But an incomes policy based on the principle "when in doubt, blame wages" was to be rejected.[201]

The Prices and Incomes Commission convened a series of meetings with business, labour and government representatives in the summer of 1969 in an attempt to bring about a consensus

> "on a comprehensive 'package' of voluntary commitments
>
> plus governmental measures designed to put under
>
> specified limits the extent of increases during
>
> 1970 in each of the main forms of income in Canada -
>
> wages and salaries, professional incomes, profits,
>
> rental and investment income and taxes."[202]

After some initial optimism that such a consensus would be developed the Commission recognised that it would be a difficult

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[199] Economic Policy Resolution of the CLC, quoted in *Canadian Labour*, 13 (1968), 35.

[200] *ibid.*, 49-50.

[201] *ibid.*, 35-6.

[202] Berger, *Canada's Experience*, 3.

process. This was attributed to "the admission of guilt" complex
among the various parties amongst whom agreement was being sought.[203]
This increasing pessimism about the possibilities of reaching an
agreement was confirmed for the Prices and Incomes Commission when
the CLC and CNTU issued a joint press release on October 17, 1969,
rejecting the approach:

> "... We believe that the time has arrived for governments
>
> to impose ... a freeze on all prices. Price increases
>
> should be permitted only in the case of those business
>
> firms which can properly justify such increases ...
>
> We reject outright the idea that voluntary guidelines
>
> can cope effectively with the current inflation ...
>
> they are highly inequitable. A standard wage and
>
> salary formula is highly discriminatory against
>
> people with low incomes, and would only result in
>
> the creation of income inequalities. For guidelines
>
> to be at all fair it would require all non-wage and
>
> salary forms of income, including profits, rent,
>
> interest, professional fees, unincorporated business
>
> income, speculation in real estate prices, and so on,
>
> to be effectively restrained ... We have ... taken
>
> issue with the Commission in that it is attempting
>
> to extract major policy commitments from unions,

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[203] ibid., 9. In other words there was disagreement between business, labour and government as to who bore the prime responsibility for inflation.

business and governments before it has had an

opportunity to undertake the necessary research

to identify what these inflationary causes are".[204]

The CLC-CNTU joint statement effectively ruled out a voluntary

incomes policy at that time. In refusing such a policy to the Liberal

government, Canada's labour organisations were behaving in a similar

fashion to the British TUC, which consistently refused Conservative

governments voluntary agreements on wage restraint. Canada's social

democratic party, the NDP, was so remote from office federally that

the question of a voluntary agreement under a social democratic

government was not seriously on the agenda. The rejection of a

voluntary policy was not absolute however and left open the

possibility of agreement if stated conditions (in this case the

inclusion of all forms of income) were effectively met. This too

was similar to TUC policy in Britain. The TUC had avoided, even

under Conservative governments, coming out in total opposition to

the _principle_ of incomes policies.

Despite labour's opposition the PIC was encouraged by business

and government to continue its work[205] and obtained business agreement

to a policy of price restraint.[206] Having failed to obtain labour's

agreement to extend the restraint programme to wages the PIC unilat-

erally proposed a 6% per year limit but the proposal was not taken

up by the government. At the 1970 CLC convention the Executive

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[204] the full-text of the release is reprinted in _ibid._, 10-11.

[205] _ibid._, 11.

[206] The programme had some limited success. The Commission claimed that
over 100 firms postponed or modified price increases during the
restraint programme,_ibid._, 30.

Council was able to report that,

"The outstanding problem confronting the Congress

during the period was that of inflation and the

attempts of the federal government, through a

Prices and Incomes Commission, to induce labour

to accept the principle of wage-restraint as a

means of reducing price inflation. The Congress

and its affiliates categorically refused to

participate in or endorse any wage restraint

programme believing it to be inappropriate,

inequitable, ineffective and economically unsound.

It was also the firm conviction of the Executive

Council that, at the time voluntary wage restraints

were advocated, a more serious and more pressing

issue - that of unemployment - had displaced

inflation as Canada's most serious economic problem".[207]

Having failed to resolve "certain tensions (which) developed

in the relations between the organised labour movement and the

Commission"[208] the Prices and Incomes Commission terminated its

activities at the close of 1970. In its final report the Commission

foresaw a potentially useful role for a temporary controls policy,

"In conjunction with demand policies aimed at

creating and maintaining a more stable demand

environment, temporary resort to controls would

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[207] Canadian Labour, 15 (1970), 31.

[208] Berger, Canada's Experience, 15.

seem to offer a means of bringing cost and price

increases more promptly and reliably into line

with the change in demand conditions."[209]

The failure of the Prices and Incomes Commission took the

question of an incomes policy off the political agenda for a period

of four years. By 1974, however, Finance Minister John Turner

expressed concern about the struggle of organised economic groups

for greater shares of the national income:

"Given the inflation which has occurred, no group is

willing to exercise restraint unless it knows that

others will also exercise restraint... The hard truth

remains, however, that in this struggle the sum total

of all the claims on the nation's resources ... clearly

exceeds what in fact is available to be shared. No

group is likely to suceed in getting the full share

of the real national pie to which it feels entitled...

We have to find a better way of reconciling the

competing interests of the various groups which make

up our society ... This is why we need a national

consensus about what the various groups can safely

take from the economy over the next few years."[210]

With talk of wage controls once more in the air CLC President

Donald McDonald used his opening address at the 1974 CLC convention

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[209] Prices and Incomes Commission, Inflation, Unemployment and
Incomes Policy: Summary Report (Ottawa, 1972), 48.

[210] quoted by Wolfe in Panitch, State, 274.

to outline the Congress' position:

"... general wage and price controls... are not the
answer to combatting inflation... we have long been
conscious of the fact that if a controls programme
were put into effect, it would only be at the expense
of the average wage and salary earner".[211]

Similarly, the Executive Council reported that,

"We did not oppose _general_ wage and price controls without
giving the matter great thought, without studying the
experiences of other contries where such controls had
been applied. In every case, and there are _no_
exceptions, a control's programme affected only, and
quite adversely, the welfare of the average wage and
salary earner. Furthermore, they were never effect-
ive in really combatting inflation"[212] (emphases in
original).

In the first half of 1975 Turner initiated talks with business
and labour in an attempt to bring about the national consensus he had
referred to. Despite the veiled threat of a compulsory policy if no
voluntary agreement was reached, the talks proved unsuccessful.[213] Once
again it was labour which rejected the government's overtures. The
CLC made it clear that agreement to an anti-inflation programme
would only be forthcoming if all forms of income were controlled

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[211]
    Canadian Labour, 19 (1974), 8.

[212] ibid., 31.

[213] Panitch, State, 278-80.

and if equitable arrangements were made for low income people. But, the CLC noted, "the government is unwilling or incapable of bridging the gap between their concept of equity and ours."[214] Notwithstanding organised labour's proclaimed opposition to policies of wage controls, the Federal Government, in October, 1975, instituted a compulsory three year programme of wage restraint.[215]

There have been four aspects to labour's reaction to the introduction of wage controls. All aspects involve opposition to the package of measures announced by the federal government in October 1975. The first was vehement verbal opposition to the controls combined with mass demonstrations and a one-day general strike against the policy and the withdrawal of CLC representatives from tripartite bodies on which they served. The latter move was motivated by a fear that the Anti-Inflation Programme represented a first step toward a corporate state.

The second aspect involved the CLC advocating a tripartite power sharing arrangement between business, labour and government. This period of CLC policy dates from the May 1976 Convention and the adoption of Labour's Manifesto for Canada.

The third aspect was the existence and expression of considerable tension between the CLC and the NDP. The fourth aspect involved a rejuvination of CLC support for Canada's social

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[214] Canadian Labour, 20.2 (1975), 28-30.

[215] for an accessible reprint of the government's policy statement introducing the controls programme (Attack on Inflation: A Programme of National Action, 14, October, 1975) see K.J. Rea and J.T. McLeod (eds.), Business and Government in Canada, 2nd edition (Toronto, 1976), 418-439.

democratic party and the provision of unprecedented organisational
and financial support for it in the 1979 federal election.

The CLC's initial reaction to the controls took the form
of an Executive statement[216] which rejected the programme as
inequitable and, as far as its price control measures were concerned,
unworkable.[217]

In January, 1976 Canadian Labour Congress President Joe Morris
warned of the dangers of a corporate state resulting from the govern-
ment's anti-inflation policy. He alleged that the wage control
programme had converted employers into an extension of the state
which was being used to exert control over a free trade union
movement and went on to argue that the anti-inflation programme
assumed a tri-partite presence at the federal level which did not
exist. In order for such a presence to become a reality the state
was compelling both the corporate sector and the labour movement
to adopt structural reforms which would enable central organisations
to speak for and commit their clientele.

> "It is not surprising to find the business community
>
> succumbing to the state since industrial and business
>
> enterprises are based upon authoritarian concepts
>
> and principles... The only organisation which stands
>
> between the preservation of Canada's democratic way
>
> of life and total capitulation is the trade union

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[216] endorsed on Oct. 30 by a special conference of officers from
affiliates.

[217] "CLC Statement on Wage and Price Controls", Canadian Labour,
20.4 (1975), 25-6, 46.

movement. It is the single organisation which fully
recognized the danger to individual and collective
rights when private institutions become an arm of
the state... (The attempt to induce structural
reforms) is a direct intervention into the internal
affairs of the trade union movement to which it
vigorously objects".[218]

The campaign of mass militancy in response to the wage controls
got underway on 22 March 1976 with a rally of 15-30,000 trade unionists
in Ottawa to back the CLC leadership's annual memorandum to the Cabinet.[219]
The Memorandum attacked the government legislation for dividing
Canadians along class lines[220] and alleged that the principle, impact,
administration and enforcement of the programme were "loaded against
workers and their organisations."[221] Fearful of encroaching
authoritarianism, the CLC pledged to oppose any move to a corporate
state.[222] Following the presentation of their brief the CLC withdrew
from its participation on the Economic Council of Canada and the
Canada Labour Relations Council.[223] Demonstrations occurred in
provincial capitals as provincial federations of labour presented

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[218] Joe Morris, Towards A Corporate State (Ottawa, 1976), 3.

[219] Globe and Mail, 23 March, 1976

[220] CLC, Memorandum to the Government of Canada, March 22, 1976
(Ottawa, 1976), 1.

[221] ibid., 12-13.

[222] loc. cit.

[223] Globe and Mail, 24 March, 1976.

annual briefs to the provincial cabinets. The mass actions against wage controls led to calls for a general strike and the May 1976 CLC Convention adopted a document authorizing the Executive Council to call such a strike. A "National Day of Protest" - in reality a one-day general strike - was called for October 14, 1976 and an estimated 1,054,744 workers participated.[224] Despite the relative success of the day of protest the CLC leadership showed no desire to continue with militant protests against the controls.

In fact, by the time of the May 1976 Convention the CLC's Executive Council, with Morris at its head, had become committed to a version of tripartism and to the necessity of structural reform to strengthen the position of the Canadian Labour Congress vis a vis its affiliates. The Executive Council put forward a document entitled Labour's Manifesto for Canada, intended to provide organised labour with a long-term strategy. Linked to the manifesto was the document authorizing the Executive Council to call a general strike in support of the principles of the Manifesto, if and when necessary.[225] The manifesto's stated aim was to move labour from a purely defensive opposition to wage controls to a more offensive position - "to formulate a labour programme for the political, economic and social

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[224] Globe and Mail, 15 October, 1976.

[225] Technically, therefore, the October 14 National Day of Protest took place in support of Labour's Manifesto for Canada. In fact, however, the document was little known or understood outside the apparatus level of the trade union movement and, as the term "Day of Protest" indicates, the October 14 general strike can best be understood as being against wage controls rather than for the manifesto.

[226] CLC, Report, 1976, 9.

future of this country".[226]   The Executive Council considered that

the key question was that of power,

> "How much power do we have? If we do not have the power
>
> to resist wage controls then we will ultimately be coopted
>
> into serving the government's intentions. In this case,
>
> we would have a liberal corporatism... In this develop-
>
> ment tri-partism would mean that the institutions of
>
> organised labour would function to ensure the acquiescence
>
> of workers to decisions taken by new institutions in which
>
> their representatives have no real power. However, if
>
> we do have the power to resist wage controls, then we
>
> also have the power to create social corpratism.[227]
>
> But for this result to occur, organised labour needs
>
> to develop national bargaining power to deal with the
>
> national economy managers and a national social and
>
> economic programme – a bargaining position".[228]

(emphases in the original).

The document called for full partnership between business,

government and labour in national planning which would include

authority over investment and pricing policies.[229] Warning against

the dangers of unions being turned into instruments of social control

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[226] CLC, Report, 1976, 9.

[227] Some delegates objected to the term "social corporatism" and at
the suggestion of President Joe Morris it was changed to "social
democracy", ibid., 22.

[228] ibid., 11.

[229] loc. cit.

because of the "close identity between business and government," the manifesto continued

> "Labour has always set the price at which it would support "the system". At the local or plant level labour, through collective bargaining, negotiates the price at which it agrees to support the plant enterprise. At the national level the price of labour's support has been legislative measures in the field of social security such as the universal right to education for all, pensions, unemployment insurance, old age security, family allowances and others. The price of labour's future support must be an equal share in the economic and social decision-making on a national basis with the other partners - business and government".[230]

. In June and July 1976 the CLC proposed to the Liberal government that a tripartite economic and social planning council be established which would be responsible through a Minister to Parliament. The Council would make recommendations on the distribution of income, preview draft legislation and recommend improvements in law and administration. Beneath the main council would be boards and agencies such as a Labour Market Board which would report to it. The proposal clearly indicated that the CLC desired a decision-making body rather than a consultative one.[231] If the government were willing to create

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[230] loc. cit. The CLC's Economic Policy Statement, ibid. 84-7 indicated the same willingness to participate in tri-partite formulations of national economic policy if treated as a full and equal partner.

[231] Richard W. Phidd and G. Bruce Doern, The Politics and Management of Canadian Economic Policy (Toronto, 1978), 546.

a tripartite structure, to remove existing wage controls and to redress the country's unacceptable record in redistributing income the CLC made it clear that it would be willing to cooperate in future incomes policies provided that investments and corporate profits were similarly planned.[232] In the absence of a satisfactory response from the government the CLC went ahead with its National Day of Protest in October 1976.

In accounting for the CLC's conversion to tripartism a number of factors play a part. The imposition of wage controls against the objections of organised labour brought home to the CLC the relative weakness and lack of influence of labour in Canadian society. In presenting the 1976 CLC memorandum to Federal government Joe Morris had observed:

"... one of the things that has been wrong in this
whole exercise from the start is that we've never
been part of the planning process. Yes, we've
been invited into discussions... but when the
decisions were being made we were not part of
that decision making process".[233]

One aspect of the CLC's response to wage controls was the search for a method of obtaining political influence. The campaign of mass demonstrations was a part of this search. But the CLC leaders were not radicals who viewed extra-parliamentary mass action as a legitimate

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[232] Canadian Labour, 21.4 (1976), 25-7. See also Lynn R. Williams, "New Challenges in Industrial Relations", Canadian Business Review, 4.2 (1977), 32-5 for a discussion of the proposed role of the tripartite Social and Economic Council.

[233] Globe and Mail, 23 March, 1976.

and normal part of political activity. On the contrary they had been firmly wedded to a combination of legally sanctioned collective bargaining, pressure group activity through the CLC, and support for the social democratic NDP.[234] After an initial willingness to use mass demonstrations the CLC leadership steadily lost enthusiasm for this method and searched for others.

A corollary of the realization of their societal weakness was their perception that the NDP's minor party status meant that little help could be expected from that source in the forseeable future:

> "The CLC is committed to supporting the NDP. The
> great dilemma for the CLC was: should it wait for
> an NDP government to be elected in Ottawa, or should
> it develop a long-term strategy to protect the
> interests of workers and the Canadian community in
> general? It opted for the latter course. The impact
> of this decision is that the NDP must now readjust and
> rethink its relationship to organized Labour."[235]

It was in these circumstances that the CLC reassessed its position on tripartism.

The reorientation drew considerable fire from radical opponents. In the debate on the Manifesto C. S. Jackson (United Electrical Workers)

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[234] Phidd and Doern, Canadian Economic Policy, 47.

[235] Ronald Lang, "Labour's Manifesto for Canada: A New Independence?", Industrial Relations Research Association Series, Sept. 16-18, 1976, 97. Though the NDP-CLC relationship subsequently became closer than ever, the perception of the federal weakness of the NDP does seem to have been a factor in the growing attractiveness of tripartism to the CLC. See also, Desmond Morton, "Labour's New Political Direction: Is the CLC Serious?", Canadian Forum LVII (1977), 11-13.

accused the CLC leadership of attempting to "cut the heart out of the growing movement for a general strike ... Corporatism under any name is just another name for fascism."[236] Except on the issue of constitutional reforms, however, the radicals were unable to muster sufficient support to defeat the perceived shift in strategy.

The proposed constitutional amendments to change the basis of representation at CLC conventions were interpreted by the radicals as an attempt to shift control of the Labour movement away from the rank and file and further towards the apparatus level of individual unions and the CLC.[237] The negative vote on the proposals reflected a suspicion that the CLC apparatus was attempting to strengthen central authority within the trade union movement in order to more convincingly bargain on behalf of its affiliates in favour of tripartism.[238] Certainly the degree of opposition to strengthening the central authority within the union's must have created doubts in government about strength of the CLC's mandate in consultations on tripartism. A second factor in the government's negative reaction to CLC proposals may have been its inability to make significant concession in any of the areas advanced by the CLC as conditions

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[236] CLC, Report, 1976, 21.

[237] see the speech by D. Werlin (CUPE) in ibid., 50.

[238] for a successful tripartite system to be set up it would be necessary, as Joe Morris had recognized in January, 1976 to carry out structural reforms to enable the Canadian Labour Congress to bargain on behalf of its clientele.

for its cooperation.[239]

Despite this initial lack of success the CLC leadership has persisted in pressing for and participating in tripartite talks albeit on a more limited scale than originally envisaged. Considerable criticism of this strategy was encountered at the 1978 CLC convention[240] but this apparently had little impact as the CLC has continued to practice, though no longer to preach, tripartism.[241] Union representatives have participated, along with representatives from business, government and the academic world, on twenty three sectoral consultative task forces established to make recommendations to the provincial and federal governments. In addition a high level CLC delegation served on the Second Tier Committee established "to identify and make recommendations about factors and policies that cut across sector lines."[242]

> "That is the first time business and labour under
> government auspices, have jointly worked on major
> economic problems and come up with specific

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[239] see Wolfe, in Panitch, State, 283.

[240] see the debate in CLC, Report, 1978, 49-52 on the CLC Executive Council proposals on Technological Change and Jobs, especially the speeches by Jean-Claude Parrot and Dan Heap. The response of the Executive Council was to withdraw a reference to a proposed Labour Market Board from the policy paper.

[241] "While publicly accusing the Federal government in recent months of 'economic illiteracy and complete idiocy', Mr. McDermott nevertheless is actively cooperating with business and government in tripartite discussions seeking solutions to Canada's industrial problems", Globe and Mail, 10 January, 1979.

[242] A Report by the Second Tier Committee on Policies.

recommendations."[243]

The shift to support of tripartite arrangements has proved
to be an ongoing one, although extensive criticism of the Manifesto
in the period after 1976 resulted in a modification of tactics.
Joe Morris explained the modification at the 1978 Convention in
these terms:

"The analysis and programme of action... is a logical
extension of the Manifesto... (but it)... concentrates
on building up the power of the CLC and the trade
union movement, but leaves the mechanism for exer-
cising that power to be developed in the fullness of
time and as the occasion warrants. It therefore alters
the Manifesto, in that it does not tie the movement to
a single decision-making structure such as tripartism."[244]

As the experience with the sectoral task forces and Second Tier
Committee indicate, however, radical criticism that tripartism was
still very much a part of the CLC leadership's strategy, has proven
correct.

The third and fourth aspects of organised labour's response to
the anti-inflation programme involve the relationship between the CLC
and the New Democratic Party. The relationship experienced a period
of strain and tension after which a reconciliation proved possible.

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[243] ibid., 5. Continuing consultations of this type were recommended, ibid., 32-3.

[244] CLC, Report, 1978, 4.

The response of the federal NDP gave little reason for criticism on the part of organised labour.[245] NDP Leader Ed Broadbent's immediate response to the announcement of the controls programme was to criticize it as ineffective and unfair in its application. Indeed he went further and rejected the "wage-push" theory of inflation which lay behind the measures.[246] In one form or another this basic position was to be repeated over the next three years. But as we have seen the weakness of the federal NDP was a factor in the CLC's search for alternative methods of achieving influence. And the CLC's attempts to gain this, first through militant mass action, later through attempts to negotiate tripartism, were widely interpreted as a downgrading of the role of the NDP.[247]

A more serious source of tension however, was the behaviour of incumbent NDP provincial governments in Saskatchewan and Manitoba. In both provinces the governments decided to cooperate with the Federal government's anti-inflation policy. Dennis McDermott, then Canadian Director of the United Auto Workers expressed a fairly widespread dissatisfaction in labour circles:

"... the one thing we did learn as a result of this

whole wage control exercise is that we cannot depend

entirely on our political arm to fight for us. The

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[245] this was acknowledged at the CLC 1978 Convention in the resolution on political action, see CLC, Report, 1978, 123.

[246] House of Commons, Debates, VIII (1925), 14 October, 1975, 3201.

[247] Globe and Mail, 25 March, 1976; Last Post 5.6 (1976), 32; Canadian Dimension, 11.5 (1976), 32.

fight against wage controls was carried on as the

single responsibility of the labour movement...

the federal NDP played its role, great. But where

we're in power, where it counts more, in the

governments of Manitoba and Saskatchewan, it didn't".[248]

Thus the source of tensions between the NDP and organised

labour was the same as in Britain. It lay in the social democratic

party becoming associated (through initiation or acquiescence) in

policies widely perceived by the working class to be hostile to its

interests.

The tensions were not severe enough to cause a breach between

organised labour and the NDP nor even to seriously threaten one as in

Britain in the dispute over In Place of Strife. Yet they were real

tensions and provide confirmation of the potential for conflict which

exists over the wage control issue.

The 1976 CLC convention reaffirmed its support for the

New Democrats,

"The decision of this Convention to adopt a Manifesto

calling for the effective participation of labour is

the decision-making process can be more meaningful if

there is a government in Ottawa pledged to social

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[248] Maclean's, 90, 6 (1977), 4. Earlier in the Year McDermott had
warned that labour was tired of paying the NDP's bills only to
be abandoned in the crunch, loc cit. See also Canadian Dimension
12.3 (1977), 14-16 for the view of a CLC official that: "the
willingness of the NDP governments to go along with the controls
came as a terrible and blunt shock to the trade union movement –
it showed that when conflicts arise between staying in office
and supporting the labour movement – the NDP will choose to stay
in office and abandon the trade unions".

democracy... This Convention of the Canadian Labour

Congress therefore calls upon all affiliated

organisations and unions, which are not legislatively

restricted from doing so, to rally the fullest possible

support for the New Democratic Party... Organised

labour, through the Canadian Labour Congress, has

committed itself to building a social democratic

Canada. The election of a New Democratic Party

government will make this possible. This Convention

reaffirms its endorsation of the New Democratic Party".[249]

Though the motion was declared carried by an overwhelming majority

there was extensive criticism of the NDP's role at both the federal and

provincial levels.[250]

By 1978 the restoration of strained relations was virtually

complete although criticism of the NDP was voiced in a number of the

debates. The party received the usual endorsement and promises of

significantly greater assistance in the upcoming federal election.[251]

In addition the positive role that an NDP government could play was

stressed in a number of the policy documents.[252]

In explaining the reapproachement between the CLC and NDP

five factors may be cited. First, the high hopes for a rapid

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[249] CLC, Report, 1976, 104.

[250] see ibid., 104-107 for the debate.

[251] CLC, Report, 1978, 123, 128.

[252] for example, see ibid., 15.

agreement on tripartism proved illusory. In such circumstances the traditional alliance with the NDP offered some benefits despite the weakness of the latter. Second, support for the social democratic party was not in contradiction to the move towards tripartism. An NDP government in a tripartite situation might be expected to be more favourable towards labour than either a Liberal or Conservative government. Third, this belief was encouraged by the opposition of the federal NDP to wage controls. To some extent this opposition compensated for the acquiescence of NDP provincial governments. Fourth, it was argued that labour should participate to a greater extent in the NDP thus increasing the chances that an incumbent NDP government would be more responsive to organised labour than the governments of Saskatchewan and Manitoba had proved. Fifth, the leadership of the CLC and major unions were predominantly social democratic in their ideology. Politically they had no other place to go whatever disagreements had arisen over one (admittedly major) issue.

Summary and Conclusions

Attempts to persuade or force the trade union movement to accept policies of wage controls have dominated the recent political history of Britain and have assumed some importance in Canada since the late 1960's. This reflects a breakdown of the post-war consensus that in a fully employed economy increases in wage levels should be related to general productivity increases in order to maintain stable prices. The increase in state intervention into labour relations was an indication that the consensus could not be maintained through voluntary methods.

State involvement in labour relations has assumed two major forms.
First, attempts to regulate the process of collective bargaining between
union and employer. Second, attempts to influence the outcome of the
collective bargaining process through policies of wage control.

In Canada there has been considerable government influence on
the process of collective bargaining through federal and provincial
legislation which established the Canadian industrial relations system
at the end of World War II. In Britain, by way of contrast, there is
a long tradition of voluntarism and absence of state involvement in
the collective bargaining process. Attempts to end this tradition and
introduce state regulation in the late 1960's and early 1970's provoked
mass working class action. The attempts were defeated.

There have been periodic attempts to introduce incomes policies
in Britain. In general the Trades Union Congress has cooperated with
Labour governments' attempts to implement such policies (provided that
they were "voluntary") but has proved unable to maintain such cooperation
for prolonged periods due to opposition from rank and file unionists and
ideological opponents within union apparatuses. In the late 1960's the
TUC refused to cooperate with the Labour government's statutory
incomes policy and in the early 1970's refused to cooperate with any
variant of incomes policy proposed by the Conservative government.
In the pursuit of a social contract between the trade unions and the
1974-79 Labour government the line between voluntary and compulsory
incomes policies became quite blurred. But when TUC support for wage
restraint collapsed in 1977-79 the Labour government did not attempt
a repeat performance of 1969-70.

In Canada wage controls were introduced by a Liberal government. The Canadian Labour Congress initially refused cooperation but in its search for a method of gaining political influence indicated that such support might be available if a suitable quid pro quo could be arranged. In the event this did not prove possible.

In both countries social democratic initiation of or cooperation with incomes policies has provoked tension between the social democratic parties and their trade union supporters. This situation made the ideological hegemony of social democracy within working class organisations less secure than formerly.

CHAPTER VI. SOCIAL DEMOCRACY: HEGEMONY AND CRISIS IN

THE POST-WAR PERIOD

Introduction

In earlier chapters attempts have been made to answer some of
the questions raised in Chapter I. The main characteristics of social
democracy as an ideology were analyzed in Chapters III, IV and V and the
process by which it emerged as the leading ideology in working class
organisations in the two countries was compared in Chapter II . Also,
in the same chapter an attempt was made to account for variations in the
level of working class support for social democracy between Britain and
Canada.

The major conclusions flowing from the preceding analysis can
be restated in the following way. Social democracy originally contained
a mixture of socialist and social democratic goals. This mixture was
reflected in the policy statements of the social democratic parties. In
the post-war period moves were made to accomplish an ideological re-
orientation of the social democratic parties and their trade union
supporters. The essence of the reorientation involved a repudiation of
the socialist part of the original mixture and the adoption of an essent-
ially consensual view of modern society. This reorientation can be de-
tected in the writings of social democratic intellectuals and politicians
and, much more importantly for this dissertation, in the policy resolutions
adopted by trade union organisations and social democratic parties. Despite

the different relative strengths of the social democrats in Britain
and Canada the drive for an ideological reorientation followed a similar
course in both countries. The greater success in accomplishing an
ideological reorientation in Canada was less a function of the effort
put into bringing it about than of the greater strength of the resistance
encountered in the British working class.

The greater ability of British working class organisations to
resist the attempt to ideologically reorient them was attributed in part
to their longer and more varied traditions, themselves a function of a
different political economy from that of Canada. An important element
in explaining the relatively greater success of Canadian social democrats
in revising their organisations' ideology, however, is provided by the
circumstances in which social democracy became hegemonic in Canadian
working class organisations. The circumstances were those of the Cold
War. Making use of the societal background and conscious of the fact that
the radicals, particularly the communists, constituted a serious challenge
to the social democrats in a way that they never did in Britain, admini-
strative measures[1] were taken which made the existence of a radical
opposition extremely difficult and ineffective for much of the post-war
period. In addition Canadian social democrats were not "encumbered" with
a legislative record, parts of which could be regarded as socialist, nor,
due to their exclusion from federal office, were they directly responsible
for initiating unpopular measures which could stimulate a radical opposition.

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[1] Purges, expulsions, constitutional exclusion of those designated
"communist" from office holding, etc.

Before considering what ideological alternatives face working class organisations today, three major questions from among those posed in Chapter I remain to be dealt with. In what conditions did the hegemony of social democracy within working class organisations flourish? Is its hegemony in a state of crisis? If so, what accounts for this? The remainder of this chapter is devoted to a consideration of these questions. The final chapter will seek to sum up the findings of this study and to consider the future ideological prospects of the working class in the two countries.

Ideological Shifts

In considering how social democracy was able to flourish and maintain its hegemony it will be useful to consider how other hegemonic ideologies have lost their dominance. The absence of conditions promoting ideological shifts may provide part of the reason for the maintenance of social democracy's hegemony.

The historical comparison of the development of working class organisations in Britain and Canada revealed that a number of ideological shifts had occurred over the years. In Britain there was a rapid shift from the unevenly developed revolutionary consciousness of the pre-1850 years to the class collaborationist business unionism of the three decades after 1850. Later, between approximately 1889 and 1926, various ideological strands, notably syndicalism, socialism and social democracy vied for the allegiance of working class organisations. After the defeat of the General Strike in 1926 social democracy was established as the leading ideology within the British labour movement. In Canada an early flowering of trade

union consciousness with an emphasis on pressure tactics on politicians lapsed, after 1873, into a prolonged period of fragmentation and vulnerability in which no clear ideology was established in a leading position. With the formation of the Communist Party of Canada in 1921 and the Co-operative Commonwealth Federation in 1933 the scene was set for an ideological battle between adherents of Marxian socialism, social democracy, and supporters of the dominant liberal ideology. By 1950 the social democrats had emerged in a somewhat uneasy leading position - a position which they were able to consolidate to some extent during the 1950's and 1960's.

Though each of these ideological shifts is to a considerable extent a unique case a number of common elements were noted. The first of these was a change in economic conditions and the impact of the change upon the working class. This usually coincided or was combined with disillusionment with whatever ideology the working class had previously been pursuing. A third, and important factor, was the influence which society's ruling class was able to exert on developments within working class organisations.

In Britain, for example, the rise of the New Model Unions after 1850 with their ideology of class cooperation was promoted by the failure of "physical force" Chartism in 1848,[2] the onset of mid-Victorian economic prosperity, and an intelligent ruling class strategy in responding to overtures from "moderate" trade union leaders. The response included symbolic, material and legislative rewards.[3] The emergence of syndicalism in the

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[2] And "moral force" Chartism too.

[3] See above, pp. 35-39.

years prior to the First World War was encouraged by a decline in real

wages and disillusionment with the Labour Party and Parliamentary action

in general. An important contributory factor was the strategy of con-

frontation pursued by ruling class elements by way of judicial decisions

hostile to working class organisations.[4] After 1926 social democracy

emerged as the dominant working class ideology in the wake of the failure

of the general strike which was the chief weapon in the syndicalist

armoury. The context of the times was steadily worsening economic con-

ditions. This background provided the opportunity for the largely social

democrat controlled apparatus of the trade union movement to promote its

ideological alternatives to syndicalism. This alternative consisted of

corporatism in industry (for example, the Mond-Turner talks) coupled with

parliamentarianism in politics. The two strategies were seen as complem-

entary rather than as alternatives. In this ideological shift in the mid-

1920's it was noted that the ruling class was at some pains to encourage

moderate or ideologically acceptable trade unionists and to impose sanctions

on those advocating revolution or militancy.[5]

In Canada, the same broad factors operated through with a somewhat

different emphasis. The onset of economic depression in 1873 was sufficient

to throw Canada's embryonic trade union movement into a disarray which was

to prove prolonged. An intelligent ruling class strategy of legislative

concession and conciliation contributed to this process in that it created

the impression that the traditional political parties would prove responsive

to labour's demands. In this particular case there was no question of

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[4] See above, pp. 82-83.

[5] See above, pp. 87-88, 96-97 and 136-8.

labour's strategy being discredited. It was rather that the effects of the economic depression made it impossible for labour to maintain the organisational structure necessary to carry it out.[6] The prolonged fragmentation and vulnerability into which Canadian working class organisations lapsed after 1873 was sustained by uncertain economic conditions, the scattered geographical and occupational distribution of the working class, and the impact of immigration in preventing the congealment of indigenous class organisations. In this environment Canada's traditional political parties were able to sink deep ideological tentacles into working class organisations and when necessary, society's ruling class was able to make abundant use of the repressive machinery of the state.[7] Social democracy in Canada achieved its hegemonic position in the context of intense rivalry with the communists for the allegiance of Canadian working class organisations. This struggle was fought out first during the Great Depression and then, in the post-war years, against a background of virulent anti-communism generated by the Cold War. Against this background and with considerable assistance from a ruling class interested in promoting an ideologically acceptable labour movement, the social democrats succeeded in ousting their radical rivals. But the Cold War years also marked the onset of a prolonged period of economic prosperity which undercut support for the CCF and its more radical rivals. The struggle to establish social democratic hegemony therefore took place at a time when the need for a specifically working class party appeared less urgent to

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[6] See above, pp. 50, 68-69

[7] See above, pp. 50-68

many Canadians than it had in the late 1930's and early 1940's. This backdrop largely accounts for the fact that the hegemonic position of social democracy was much more partial and more qualified than was the case in Britain.[8]

In most of these cases, then, we find that ideological shifts occur when the dominant ideology is discredited by one means or another and where marked economic changes are in progress. Ruling class strategy can also have an impact on the change in ideology.

In explaining the continued and largely unchallenged hegemony of social democracy in working class organisations for much of the post-war period, a useful starting point is to note the lengthy and unprecedented period of economic prosperity which followed World War II.

Social Democratic Hegemony

The prolonged period of post-war prosperity had a number of effects. First, the working class in both countries experienced substantial increases in real living standards. Second, the provision of generally adequate welfare services[9] combined with high and apparently stable levels of employment meant that many working class people enjoyed something approaching economic security for the first time. These conditions meant that most people were not receptive to radical arguments that capitalism was destined to collapse and that in the meantime its main distinguishing feature was an irreconcilable and fundamental conflict of interest between the working class, on the one hand, and the capitalist class on the other.

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[8] See above, pp. 103-33, 139-40 and 206-34.

[9] Much earlier in Britain than in Canada.

Certainly the ability of post-war capitalism to "deliver the goods"
in terms of higher real living standards encouraged the process of ideol-
ogical reorientation within working class organisations.

It was noted earlier[10] that mainstream political scientists had
commented upon the tendency of traditional socialist working class parties
to jettison their traditional socialist doctrines and to explicitly accept
the continuation of a capitalist system which was now producing improved
living standards for the working class. It has been argued in this study
that by abandoning policies based on a class analysis of capitalism, by
dropping proposals for widespread nationalization of privately owned
industry, and by advocating state intervention of a Keynesian type, social
democracy underwent an ideological adaptation to the capitalist system
which made it ideologically congruent with modern liberalism. Though the
terminology used is somewhat different, these findings tend to confirm
those of the mainstream political science of the 1950's and 1960's.

Indeed it is argued that this ideological congruence with the
dominant societal ideology was one source of social democracy's continued
hegemony within working class organisations for most of the post-war period.
At a time when the system was operating relatively successfully for most
members of the working class the redefined social democratic ideology gained
legitimacy to the extent that it could identify with that system while prom-
ising even more benefits if it were under social democratic administration.
It should be noted that this identification with the system did not trans-
late into electoral success for the social democrats. The voters preferred

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[10] See above, pp. 2-3.

to entrust the continued administration of a relatively successful economic system to adherents of the dominant societal ideology. But within working class organisations the congruence of social democracy with an economic system which was producing a long-awaited prosperity for the working class could be used to advantage against radical opponents. In Canada, however, the social democrats had not fully established their hegemony within the working class when the period of economic prosperity began. Good economic conditions may have been a key factor in preventing them from achieving as complete a hegemony as that enjoyed by British social democrats.

A second factor in the maintenance of social democratic hegemony in the post-war period was their control of the apparatuses of the major trade unions and trade union centres. This control was used for two broad purposes - to explain and support the policies of the respective social democratic parties - and to impose sanctions on those within the organisations who did not support social democracy. Apparatus control played a greater role in Canada than in Britain along both these dimensions of persuasion and coercion.

Union newspapers in Canada[11] are much more prone to proselytize the activities of the New Democratic Party than are equivalent papers in Britain. It is not that union papers in Britain fail to publicly support the Labour Party, merely a question of the emphasis placed upon it. Part of the reason for this is that for most of the post-war period there has been less need to convince the members that the social democratic party

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[11] At least the newspapers of the strongly pro-NDP unions such as the Steelworkers and Autoworkers.

was <u>their</u> party,

> "No one who has worked among active trade unionists could fail
> to be aware of how often affiliation with Labour is taken as a
> natural and undiscussed part of union life".[12]

In Canada, by way of contrast, one of the major tasks of social
democracy in the post-war period has been the only partially successful
attempt to gain the backing of Canada's working class. This attempt has
resulted in a major educational effort on the part of those unions firmly
under social democratic control.

The use of sanctions against radical opponents has also been more
prevalent in Canada than in Britain. In Canada entire unions alleged to
be under communist control were expelled from trade union centres and sub-
stantial efforts were made to destroy these unions by raiding their member-
ship. There are no parallels to these developments in Britain where despite
strong anti-communist drives in some unions, the Trades Union Congress
retained unions allegedly under communist control within its membership.

In Canada a much more elaborate system of bans and proscriptions
against radicals was enacted through clauses in union constitutions, in the
constitution of the Canadian Labour Congress, and in constitutions of local
labour councils. The common feature of the constitutional bans was that
communists[13] were banned from holding leadership positions in trade unions,
and from acting as delegates at labour councils and union conventions.

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[12] M. Harrison, <u>Trade Unions and the Labour Party since 1945</u> (London, 1960),18

[13] Usually lumped together for these purposes with Fascists and members
of the Ku Klux Klan.

The bans and proscriptions were far from absent in British trade unions[14] but they were not as universal nor generally as far-reaching as the equivalent bans in Canada. Although major unions such as the Transport and General Workers Union banned communists from holding office or acting as delegates, many other unions adopted only partial bans.[15] In addition less than twenty percent of local trades and labour councils adopted the TUC's recommended ban on communists being delegates to them.[16]

A third factor affecting ideological developments within the working class is the impact of the ruling class on these organisations. Government policy towards trade unions in the post-war period has oscillated between attempts to win cooperation from trade unions and attempts to coerce them into acceptable behaviour patterns. Generally speaking the emphasis has been on cooperation in both countries. In Canada, however, due to the weaker labour movement in that country, governments have desired labour's cooperation only in selected areas and, until recently at least, have resisted efforts by the Canadian Labour Congress to be consulted on

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[14] See Jim Gardner, Key Questions for Trade Unionists (London, 1960), 42-47.

[15] In the General and Municipal Workers Union for example, there was no official ban but in practice one was imposed on the appointment of communists as full-time officials. Similarly in the National Union of Railwaymen the ban applied to only two positions - those of General Secretary and President.

[16] Gardner, Key Questions, 45.

a wider range of issues.[17] In recent years, with the appearance on the political agenda of the issue of wage controls, the Canadian government appears to be moving to extend the range of its consultations with labour.

In Britain there has been a fairly consistent policy, under both Conservative and Labour governments, of seeking to involve the trade unions in the "vast, untidy system of functional representation that has grown

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[17] David Kwavnick found in a study of the relationship between the Federal government and the Canadian Labour Congress, that,

"The independent base chosen by the Congress leadership is that of "the official spokesman for labour at the national level" and the more extra-vagant claims are ideological rationalizations intended to secure for the Congress the trappings of recognition as "official spokesman". But these more extravagant claims have made little impression upon the leaders of government. While the political leaders of Canada have recognized the legitimacy of the labour interest and the role of Congress in representing that interest they have, by their words and actions, refused to recognize the claim of the Congress leadership to speak in a representative capacity on issues outside the field of labour legislation and related matters or to grant it recognition as an "official" spokesman", David Kwavnick, Organized Labour and Pressure Politics; The Canadian Labour Congress, 1956-68 (Montreal, 1972), 74. He went on to conclude that,

"Beyond the limits of established policy the Congress is impotent. By itself the Congress can do little to influence the shape of government policy and this little it can do only indirectly and in the long-run. By comparison with the sweeping demands contained in its annual Memorandum, the day-to-day political activity of the Congress is concerned with very small stakes, and even then it is often unsuccessful", ibid., 218.

up alongside the older system of parliamentary representation".[18] The

trade unions have been willing participants in this network of joint

boards and committees that has been called the "New Group Politics".[19]

Shortly after the defeat of the Labour government in 1951 the TUC General

Council issued a statement about its relations with the incoming Con-

servative government,

> "It is our long standing practice to seek to work amicably with
>
> whatever Government is in power and through consultation jointly
>
> with Ministers and with the other side of industry to find pra-
>
> ctical solutions to the social and economic problems facing this
>
> country. There need be no doubt, therefore, of the attitude of
>
> the TUC towards the new Government".[20]

There was one important exception to the cooperation extended to

Conservative governments by the TUC - that of incomes policy. In 1956

and 1961-2 the Trades Union Congress refused cooperation with Conservative

policies of wage restraint. On the other hand the TUC has been willing to

cooperate with Labour Party incomes policies as long as these did not in-

clude statutory enforcement. In 1950 and in the late 1960's the TUC's co-

operation was withdrawn under pressure from the rank-and-file and ideolo-

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[18] S.H. Beer, British Politics in the Collectivist Age (New York, 1967), 337.

[19] The phrase is Beer's, see his British Politics, Chapter XII for a

discussion. A useful summary of his argument can be found in Leo Panitch,

Social Democracy and Industrial Militancy: The Labour Party, the Trade

Unions and Incomes Policy, 1945-74 (Cambridge, 1976), 4-5.

[20] Quoted in V.L. Allen, Trade Unions and the Government (London,1960), 23.

gical opponents. The outcome of the present Labour government's wages policy is as yet unclear. Where governments have attempted to coerce the trade unions as the Labour government did in 1969-70 and the Conservative government between 1971 and 1974 these attempts have provoked a radical and militant response from the trade unions. Conciliatory government policies for most of the post-war period have acted as a source of social democratic hegemony since the strategy of cooperation and collaboration with governments was congruent with that ideology but not with its radical opponent.

The sources of social democratic hegemony within working class organisations for much of the post-war period have thus been attributed to the prolonged economic prosperity under conditions of full-employment; to the congruence of both social democracy and modern liberalism to the life experience of most working class people during the period of prosperity; to the recognition afforded organised labour and government's desire for cooperation with it; and to social democratic control of the apparatuses of working class organisations. It is to changes in all four of these factors that the crisis of social democratic hegemony is attributed.

The Crisis

The end of relatively untroubled economic prosperity occurred in the mid-1960's in Britain and by the early 1970's in Canada. The major features of the recent economic crisis are high rates of inflation combined with high levels of unemployment, sometimes described as "stagflation" or "slumpflation". Balance of payments crises and the effects of the energy crisis have compounded an already dubious economic situation.

The causes of the economic crisis are complex and a matter of controversy and need not concern us here. What is important from the point of view of social democracy's hegemony within the working class is the response of governments to the economic situation.

In general governments have responded to the combination of inflation and unemployment in four ways. In each case the approach is to reduce the rate of inflation by acting on the level of wages or aggregate consumer demand.

The first response has been to regulate the outcomes of the collective bargaining process through policies of wage restraint. The working class, through its organisations, has perceived that the best result of such a policy which ties wage increases to increases in the level of general labour productivity would be to freeze the proportion of the national income going to labour. At worst that proportion could decline. Though the success of such policies is a matter of controversy, in general trade unions have argued that while the policies have cut money and sometimes real incomes they have not appreciably affected the rate of inflation. In short, unions have argued that the effect of such policies on workers is negative. Despite this the British TUC has been willing to cooperate with Labour governments' attempts to institute voluntary wage controls policies. But there seems to be a definite limit to the length of time the trade union leadership is able to persuade its membership to comply with wage controls policies. In Britain two such policies have collapsed under Labour governments and the third came under considerable pressure in 1977 despite backing from the majority of the trade union leadership. In each case the pressure from

the unions' membership has forced the unions' apparatus into opposing continued wage controls policies. In Canada the Canadian Labour Congress has to date refused to comply with the Liberal governments' anti-inflation programme and has strongly criticized provincial social democratic governments for cooperating in the programme. Whether the CLC will continue its policy of non-compliance and the extent to which Canada's trade union leaders could ensure the compliance of their membership in a wage controls programme must remain matters of conjecture.

The second policy response to the economic crisis has been attempts to change the process of collective bargaining. The common theme here is an attempt to strengthen the position of union apparatuses over their membership and, combined with this, to make the union legally responsible for the actions of its membership. Attempts to institute such policies in Britain have met with strong working class opposition. The Canadian industrial relations system introduced at the end of the second world war is based upon these principles and no major reforms of the system have been officially proposed.

The third government response has been to allow the level of unemployment to rise. Table VI.1 shows the rates of unemployment for the two countries over the last ten years and the political party in office.[21]

The final policy response has been to cut back on social welfare measures which had mainly benefited working class people.

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[21] Unemployment figures taken from International Labour Organisation, Bulletin of Labour Statistics (Geneva, 1977).

TABLE VI.1   UNEMPLOYMENT RATES IN CANADA AND BRITAIN, 1967-76

	Canada	Party in Office	Britain	Party in Office
1967	4.1	minority Liberal	2.3	
1968	4.8		2.5	
1969	4.7		2.6	Labour
1970	5.9	Liberal	2.6	
1971	6.4		3.5	
1972	6.3		3.8	Conservative
1973	5.6	minority Liberal	2.7	
1974	5.4		2.6	
1975	6.9	Liberal	4.1	Labour majority
1976	7.2		5.8	and minority

It was previously argued that a consensus existed for most of the post-war period that full-employment, free collective bargaining, an extensive welfare system, and a stable level of prices should be major priorities of a democratic government. The social democratic parties, because of their ideological adaptation to capitalism, accepted this broad consensus whatever criticisms they may have had on matters of detail. For much of the post-war period the objectives of the consensus were broadly met. In recent years, however, attempts to maintain stable price levels have led to the commitment to full-employment being dropped, to cutbacks in social welfare measures, and to interference with the free collective bargaining system through wage restraint and attempts at structural reform.

These policies have been carried out in both countries and by both traditional party governments and by social democratic governments.[22] In both countries the working class, through its organisations, has perceived these policies as being contrary to its best interests. To the extent then, that social democratic governments have been perceived as acting in an anti-working class way, social democracy can be regarded as having moved into a position where it is no longer congruent with working class interests. It is in this contradiction that the crisis of social democratic hegemony lies. The source of the crisis has been located in social democracy's ideological adaptation to capitalism and liberalism. Sharing a common analysis of contemporary society social democrats have reacted to the economic crisis in exactly the same way as their traditional opponents. This reaction has in recent years been viewed as a hostile one by the working class. The old identification of social democracy with working class interests has increasingly come under attack.

To date no major ideological shift has occurred within working class organisations. But two of the conditions traditionally associated with such shifts - changing economic conditions and disillusionment with the hegemonic ideology - are certainly present. In addition social democratic domination of the apparatuses of working class organisations has been loosened somewhat by the partial dismantling of the system of bans and proscriptions which had been erected over the years and intensified since the end of World War II.

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[22] In Canada it might be more correct to say that the social democratic governments have willingly acquiesced in these policies.

In Britain most trade unions, including the Transport and General Workers Union, moved to drop or relax anti-communist regulations in the 1960's, and in 1972 the TUC lifted the ban on communists as delegates to the Annual Conference of Trades Councils. Also in 1972 the Labour Party drastically reduced the number of organisations on its proscribed list. In Canada the 1968 convention of the CLC dropped its anti-communist clause and substituted for it a much less specific statement among its goals,

> "To protect the labour movement from all corrupt influences and from the undermining efforts of all totalitarian agencies which are opposed to the basic principles of democracy and free and democratic unionism".[23]

Also in Canada the anti-communist clauses in the Autoworkers and Steelworkers unions were weakened as a result of the Bridgewood and Severinsky cases.[24] With the readmission to the CLC of the previously expelled United Electrical Workers and United Fishermen and Allied Workers and the dropping of the bans on communists as delegates to Labour councils in the early 1970's the possibilities for the creation of a radical opposition were substantially increased.

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[23] CLC, 1968 Report, 66.

[24] Jim Bridgewood a member of the UAW at the Ford Oakville plant was expelled from his union after running as a Communist Party candidate. Bridgewood fought the case and was successful in winning re-instatement. The union constitution was subsequently amended and the anti-communist clauses dropped.

John Severnsky, a Welland steelworker, was expelled from his union after distributing a Communist Party leaflet. He subsequently won re-instatement.

Summary and Conclusions

This chapter posed the following questions - in what conditions did the hegemony of social democracy flourish? is its hegemony in a state of crisis? if so, what accounts for this?

The sources of social democratic hegemony were located in the prolonged period of economic prosperity coupled with social democracy's adaptation to and congruence with the dominant societal ideology which claimed the credit for the favourable economic conditions. Within working class organisations social democrats made use of their control of most of the apparatuses to promulgate their ideas and impose sanctions on radical opponents. The tendency of governments to pursue conciliatory policies towards organised labour for most of the post-war period strengthened the position of those who, like the social democrats, advocated policies of class partnership rather than class struggle.

It has been argued that the hegemony of social democracy within working.class organisations is indeed in a state of crisis. This was attributed to a number of factors. First, the period of economic prosperity has, at least for the moment, come to an end. Second, as a reaction to the economic crisis governments have pursued policies of wage controls, reforms of the industrial relations system, allowing unemployment levels to rise, and cutting back on social services. These policies have been perceived by working class organisations as being hostile to the interests of the working class. Whether social democratic parties have acted as initiators of such policies or whether they have merely acquiesced in them, the result has been tension between these parties and the trade unions which have traditionally supported them. Still congruent with the dominant societal ideology social democracy has increasingly been perceived as being incongruent with the

interests of the working class. Third, social democratic control of
the apparatuses of working class organisations, bolstered as it was
by an elaborate system of bans and proscriptions against opponents,
has been eroded somewhat.

These conditions promoting a crisis in the hegemony of social
democracy also open up the possibility that an ideological shift will
occur within working class organisations. The likelihood of such a shift
and the ideological alternatives facing the working class will be assessed
in the following chapter.

CHAPTER VII. CONCLUSIONS

General Remarks

The history of the working classes of Britain and Canada, including their recent history, demonstrates that the theories of the 1950's and 1960's which posited an end of ideological conflict and the permanent integration of the working class into capitalist society, were incorrect. Far from an end of ideology having arrived there is considerable ideological debate, sometimes turmoil, within working class organisations.

Similarly ideas once prevalent, that radicalism is a thing of the past and that the future of working class organisations inevitably lies in some moderate form of social democracy cannot be sustained. Social democracy certainly remains the hegemonic ideology within the working classes of the two countries but the challenges to its leading position, particularly in Britain, have been greater in the early 1970's than in the 1950's or early 1960's. This, together with the findings of the historical survey, which indicated that occasional shifts in hegemonic ideology have occurred in the past, make any historicist predictions about an assured future for social democracy invalid.

This is not to argue that social democracy will inevitably be superseded as the hegemonic working class ideology. Such a prediction would be as invalid as the one mentioned previously. But the events of the last fifteen years indicate that the potentiality of ideological shifts occurring within the working class remains open. The likelihood of such a shift occurring will depend upon the presence and intensity of conditions

associated with ideological shifts, the credibility of ideological alternatives, and upon the abilities and skills of the ideological protagonists in influencing events and their working class constituency.

Thus the history of working class organisations in Britain and Canada reveals a picture of considerable dynamism with ideological conflict being endemic and with its intensity varying in response to objective conditions affecting the working class and external influences upon it.

Political Economy

The different political economies of Britain and Canada were found to have an effect on the structure and strength of their respective working classes and the development of ideologies within them.

Britain was the first country in the world to experience the Industrial Revolution. This gave rise to a working class which has within its historical traditions an experience of rebellion and revolutionary consciousness, followed by a period of collaborationism with the development of "New Model Unionism" - a development which coincided with Britain's virtually unchallenged world monopoly of modern industry between 1850 and 1875 approximately. With the loss of this unchallenged economic predominance the British working class experienced the growth of radical ideologies such as socialism and syndicalism between 1889 and 1926 before settling, after the defeat of the General Strike in 1926, on a fairly solid and for a long time unchallenged commitment to the social democracy of the Labour Party.

The Canadian working class was a later creation - the result of the late, and somewhat partial, industrialization of that country.

Hindered by its small absolute size and geographical dispersion the Canadian working class remained weak and fragmented for a prolonged period and proved easy prey for divisive immigration policies, ideological manipulation and state repression.

Many of the differences in the working class' experience in the two countries, therefore, find their ultimate explanation in the different development patterns of Britain and Canada.

Ideological Shifts

In Britain three major ideological shifts were detected. The first occurred around 1848-50 and saw the eclipse of the revolutionary consciousness of Britain's early working class and its replacement by the class collaboration philosophy of the New Model Unions. The second, beginning around 1889, saw the loss of dominance of that ideology, and the rise of syndicalism, socialism and early social democracy which competed for hegemony until around 1926. The third was the achievement of hegemony by social democracy in the make of the 1926 General Strike.

In Canada two comparable shifts occurred. The first involved the congealment of an early working class consciousness around the Nine-Hours Movement of 1872 and the subsequent relapse into fragmentation. The second involved the achievement of social democratic hegemony in the post-war years after decades in which, if any ideology could be said to be dominant in the working class, it was the societally dominant ideology of liberalism.

The factors generally associated with the occurrence of such shifts included the discrediting of any previously hegemonic ideology and a marked change in the prevailing economic conditions. The perceived

viability of an alternative ideology and the impact of ruling class attempts to influence the outcome were factors which could affect the direction of such a shift.

The incidence of ideological shifts in working class movements has been sufficiently rare and the circumstances surrounding them are sufficiently specific or unique as to make further generalizations of dubious validity. Nevertheless the factors mentioned do provide a starting point in assessing the likelihood of future ideological shifts.

The Rise of Social Democracy

In neither country has social democracy been the hegemonic working class ideology since the formation of that class. In each country, therefore, social democracy has achieved its leading position in competition with other ideologies and under specific conditions.

In Britain these specific conditions involved the discrediting of the syndicalist method of a general strike (albeit one conducted under social democratic leadership); the onset of worsening economic conditions which made militant and radical alternatives to social democracy unattractive; tacit ruling class assistance to the more moderate social democrats; and an ambiguity about the nature of the ideological shift taking place, an ambiguity characterized by political moderation in practice combined with radical rhetoric in speeches and writings. This ideological reorientation took place in the context of a mature working class in a mature industrial country.

In Canada the social democrats achieved a more partial hegemony in the context of a less mature, less united working class of a relatively

recently and incompletely industrialized country. For much of the Great Depression and Second World War there was intense ideological conflict in Canada between the social democrats of the CCF and the Marxian socialists of the Communist Party of Canada. This conflict was resolved in favour of the social democrats in the midst and aftermath of the Cold War. As compared to Britain there was much greater use of sanctions and repression against radical opponents of social democracy. This was instituted by social democratic apparatuses of working class organisations and in this project they relied on extensive ruling class and non-working class assistance.

The greater use of repressive measures in Canada reflects the period in which the ideological battle came to a head, the proximity of Canada to the United States and the influence of U.S. unions in the Canadian labour movement, and the relative weakness of the social democrats vis a vis their radical opponents and vis a vis the dominant societal ideology.

Post-war Social Democracy

In the period up to 1945 or even 1950 there were clearly elements within the social democratic ideology which were in opposition to the fundamentals of the political economy of capitalism and consequently to the dominant societal ideology. These included a commitment to fairly widespread nationalization and an identification with the working class which was perceived as having interests seperate from and frequently opposed to those of the capitalist class. Even if these elements of social democracy were more honoured in theory and in speech-making than in political practice they were legitimate and widely recognised features of social democracy.

The post-war years saw a concerted effort in both Canada's CCF and Britain's Labour Party to clarify the social democratic ideology. The nature of the clarification was a repudiation of nationalization and of any lingering association of these parties with class struggle and the transformation of capitalism into socialism, as it had traditionally been understood.

In the 1930's a number of theoretical propositions about the nature of twentieth century society were advanced by bourgeois writers like John Maynard Keynes and Harold Macmillan. In the post-war years these theories were adopted and developed by social democratic and other intellectuals and politicians. They came to form a consensus view of mid-twentieth century society. These theories were carried into the trade unions and social democratic parties with the result that the original ideological mixture which had made up the programmes of these organisations was clarified or purified. The elements of class struggle, nationalization and socialism were largely deleted.

The theoretical positions being referred to were those outlined in Chapter III. Their main features included the view that the class structure had changed so much that capitalism had been transformed, that the state should play a more active role in regulating the economy but that this should stop short of state ownership, and that since fundamental class conflict was a thing of the past it was possible for the state to carry out its increased functions in a supra-class way, giving priority to the national interest over any remaining sectional interests.

This intellectual consensus view was always challenged by a minority of radical intellectuals, often, but not always, of Marxist persuasion. The radicals rejected all of the above propositions on empirical and/or theoretical grounds.

Within working class organisations, however, it was the consensus view, for the most part, which carried the day. With the adoption of policy resolutions based upon these theories, working class organisations and the ideology of social democracy became ideologically adapted to the fundamentals of capitalism. This was not accomplished without radical resistance, however, and particularly in Britain the radical position was able to make a come-back in the late 1960's and early 1970's.

The greater strength of radical resistance in the British working class, as compared to the Canadian, was attributed to the greater strength of the Communist Party in the trade unions and radical possession of the apparatuses of a number of trade unions (these factors themselves attributed to the lesser impact of the Cold War within the British working class); and to the Labour Party forming the government between 1964-70 and attempting to implement wage control policies - an attempt which was largely responsible for the upsurge of radical strength in the late 1960's.

The fact that the British Labour Party was able to form a government, while in Canada the CCF-NDP remained remote from federal office, is an indication of the relative strengths of social democracy in the two societies. The factor of proximity to or remoteness from office does not, however, appear to have influenced the degree of ideological adaptation to capitalism which occurred in the post-war period. In both parties intense efforts were made by the social democrats to accomplish the kind of ideological reorientation

referred to earlier. The fact that greater resistance was encountered in Britain is less a function of the greater strength of the British Labour Party than of the lesser impact of the Cold War and the lengthy radical traditions of the British labour movement.

The Heyday of Social Democracy

For much of the post-war period the hegemony of social democracy in the working classes of Britain and Canada seemed and was relatively secure. If that hegemony was much more partial in Canada the greatest use of administrative measures against radical opponents ensured that it would be challenged to a correspondingly lesser degree.

It was noted that this period of unchallenged dominance coincided with the prolonged period of economic prosperity in which working class living standards rose and the welfare state eliminated or reduced many of the insecurities which had plagued the working class previously.

The prolonged period of prosperity was widely attributed to the use by governments of the new economic techniques developed by Keynes and his followers. Since Keynesian ideas had been incorporated into the dominant societal ideology its advocates were able to claim much of the credit for the improved life experiences of working class people and to dismiss radical critiques of modern capitalism as antiquated and potentially harmful. The ideological adaptation of social democracy to the dominant societal ideology, accomplished in the 1950's enabled the social democrats to identify with the prevailing prosperity while simultaneously promising to eradicate such inequities as remained and to administer and manage the system more efficiently.

This adaptation did not lead to electoral success in the 1950's but it did contribute to social democratic hegemony within the working class where the social democrats were able to dismiss radicals as "old-fashioned" and "spreaders of doom and gloom". Thus it is argued that a major factor in social democratic hegemony was its congruence, in a period of prosperity, with both the dominant societal ideology and with the life experiences of its working class supporters. But the very success of the modern capitalist system prevented the social democrats from making gains in this period.

The generally conciliatory policies pursued by governments in this period and social democratic control and use of apparatuses to impose sanctions on radical rivals further reinforced their leading position.

Social Democracy in Crisis?

The end of the post-war period of economic prosperity and the resulting growth of both inflation and unemployment posed major problems for governments in both Britain and Canada. Not only did orthodox Keynesian techniques fail to solve the new economic crisis but, in the opinion of many, the techniques themselves were a contributory factor to its development. The British and Canadian governments, in announcing their conversion to Keynesianism in the immediate post-war period, had both issued documents which emphasized the need for wages, under conditions of full-employment, to grow at a restrained rate in conjunction with increases in productivity. From the point of view of the consensus version of contemporary reality the solution to economic conditions of "slumpflation" lay in government action to reduce aggregate demand. This was to be accomplished through incomes policies, through allowing the rate of

unemployment to rise, and through reductions in government expenditures
(or reductions in the rate of increase of same) especially in the areas of
social services. In Britain, these policies were complemented by attempts
to restructure the collective bargaining system to reduce rank-and-file
pressure for wage increases.

In general the impact of all these policies on the working class
was negative. Not surprisingly trade unions reacted to these policies in a
hostile way. The social democratic parties were critical of traditional
parties which implemented such policies but when in office either implemented
similar policies or, in Canada, acquiesced in their implementation. Having
been ideologically adapted to the consensus interpretation of society, social
democracy shared common assumptions and was unable to develop major policy
alternatives to those provided by the consensus view.

This situation was particularly acute in the case of wage controls
and in Britain, where a Labour Party government attempted to enforce
statutory wage controls, tensions between the trade unions and the social
democratic party became especially severe. This was the case despite the
fact that the British trade union movement had undergone a similar process
of ideological adaptation to that of the Labour Party in the 1950's. The
unions' continued role as defenders of the living standards of their
members, however, meant that their social democratic apparatus had less
room for manoevre than was the case with the apparatus of the social
democratic party. Pressures from the rank-and-file and from radical
ideological groups forced the unions into opposition to wage controls
and, in Britain, precipitated the rise of fairly strong radical opposition
to the social democrats.

Will this tension between social democracy and its working class
supporters lead to an ideological shift in the working class of either
country? At the present time this prospect seems somewhat unlikely and
it remains in the realm of possibility rather than probability. The
future prospects of ideological conflict in the working class will be
dealt with in the more speculative final section of this chapter. What
does seem clear, however, from the analysis presented above, is that social
democracy's ideological adaptation to a prosperous capitalism in the 1950's
has, with the end of that prosperity, brought it into contradiction with
the aspirations of many of its working class supporters. The changed
economic conditions and the consequent disillusionment with the hegemonic
working class ideology open up the prospect of an ideological shift occur-
ring - a prospect which appeared extremely remote in the earlier period.

The future course of the economy, the credibility of ideological
alternatives, the abilities of ideological rivals and the influence of
society's ruling class will all affect the outcome of the present period
of uncertainty.

What has emerged from the preceeding analysis is that the past,
present and future of social democracy, of ideological conflict, and of
the working class itself, is considerably more dynamic, complex, and open
to change than the academic certainties of the 1950's and 1960's ever
imagined.

Further Research

The focus of this study has been social democracy and its hegemonic
position within the working classes of Britain and Canada. Its emergence,
main features, contradictions between it and its working class supporters,

and the possibility of its being superceded, have all been examined in previous pages. This examination has been conducted in the context of studying ideological conflict within working class organisations. The outcomes of such conflict has been taken as an expression of the state of working class consciousness in the two countries. Concepts such as "apparatus", "organisation" and "ideological adaptation" have been used in conducting this enquiry which has also tried to take into account the interaction between the working class and its societal environment - the political economies of the two countries and the activities of society's ruling class receiving particular attention.

In the course of the study it has become apparent that there are major gaps in the literature about labour movements. This is particularly true of attempts at explanation or theorising about developments within the working class and its organisations - descriptive studies are somewhat more plentiful though still far from adequate.

The following are areas in which the author believes further research is essential if an adequate understanding of the role of labour in capitalist societies is to be achieved.

First, detailed studies of ideological shifts within individual trade unions would be useful. There is some work on how radical Canadian unions were won over to social democratic positions in the post-war period.[1]

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[1] See, for example, I.M. Abella, Nationalism, Communism, and Canadian Labour: The CIO, the Communist Party, and the Canadian Congress of Labour, 1935-56 (Toronto, 1973), Chapters 7 and 8 for a discussion of events in the International Woodworkers of America and in the United Automobile Workers.

But little has been written about the radicalization of such unions as the Amalgamated Union of Engineering Workers or National Union Mineworkers in Britain or the Canadian Union of Postal Workers in Canada. The factors promoting radicalization and the processes involved would provide fascinating reading.

Second, it would be valuable to have descriptions and analyses of the operation of the various factions within trade unions and social democratic parties. Little of theoretical value has been written on the operation of social democratic machines or the functioning of communist - left alliances within individual trade unions, labour councils and union centres. Though such research would be of a sensitive nature it would greatly add to our understanding of the course of the ideological struggle within the labour movement. Similarly, it would be useful to have in-depth studies, perhaps of a comparative nature, of factions within social democrat parties such as the Ginger and Waffle Groups in Canada, and the Tribune and Socialist Commentary groups in Britain.

Third, some attention has been given in the present study to the activities and impact of society's ruling class with respect to the labour movement. But very little information is available about this aspect of the subject. Compared to the working class and its organisations the capitalist class constitutes a secret society. An analysis of ideological divisions within the capitalist class with respect to labour, and of factors promoting the use of one strategy rather than another, would be an important addition to the literature. Similarly, the labour activities of churches and other social control mechanisms, including the security

agencies of the state[2] (and private security agencies) would prove revealing.

Finally, there is a need for a comprehensive survey and analysis of the impact of the law upon the development and behaviour of the trade union movement.

Future Prospects

At least four major possibilities exist when considering the future ideological stance of the working class.

First, it is possible that the status quo, with social democracy as the hegemonic ideology, could continue for the forseeable future. Second, in response to changing circumstances, social democracy could transform itself into social corporatism. Third, the ruling class could resort to state imposed corporatism. In this case working class organisations would lose their autonomy and it would no longer be appropriate to speak of a hegemonic working class ideology. Fourth, the working class could become radicalized and attached to an ideology proposing the transformation of the fundamentals of capitalist society.

In connection with the first of these possibilities it should be noted that social democracy has retained its hegemonic position despite the increasing conflict over the last 10-15 years. When it is considered that this period has seen social democratic governments implementing or

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[2] Some work has been done in this area. For Britain see Tony Bunyan, The History and Practice of the Political Police in Britain (London, 1977). For Canada, see Lorne and Caroline Brown, An Unauthorized History of the RCMP (Toronto, 1978).

acquiescing in the implementation of anti-working class measures such as wage controls, clearly the resilience of social democracy and the deep seated loyalty to social democratic parties should not be underestimated.

Recent pressures upon social democratic hegemony have their location in the economic crisis afflicting the contemporary capitalist system - a system to which social democracy has become adapted. The future prospects of social democracy therefore seem to be linked to its adaptation to a once prosperous system which is no longer delivering the goods to social democracy's working class supporters.

Any intensification of the present economic crisis would therefore seem to involve an intensification of the radical challenge to social democracy. This would seem to be true unless social democracy undergoes a further ideological adaptation to the new economic conditions and manages to convince its working class supporters that this adaptation is preferable to any likely ideological alternative.

No predictions will be made here concerning the future course of the economic crisis but trends toward corporatism within social democracy should be commented upon since any deterioration in the economic situation will likely strengthen such trends.

Most recent writers on corporatism have drawn a distinction between corporatism resulting from spontaneous processes within society and that resulting from state or ruling class coercion.[3] Corporatism

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[3] See R. Presthus, Elite Accommodation in Canadian Politics (Toronto, 1973), 25; G. Lehmbruch, "Liberal Corporatism and Party Government", Comparative Political Studies, 10 (1977), 92; P. Schmitter, "Still the Century of Corporatism?", Review of Politics, 36 (1974), 102-5; and D. Marsh and W. Grant, "Tripartism: Reality or Myth?", Government and Opposition, 12 (1977), 194-7.

essentially consists of a system of functional representation in society's decision-making organs - especially the representation of labour and capital. It also implies that the functional representatives have the responsibility of securing their members' cooperation with the decisions reached. Social corporatism arises when the parties to the corporatist arrangement enter it voluntarily, state corporatism when they do so under coercion.[4] Societal corporatism can be viewed as the logical expression of an underlying harmony of social classes or functional groups. State corporatism is an attempt to obtain social harmony by force, a somewhat contradictory procedure,

> "the harmony which it is assumed is intrinsic to society - if
> the squabbling cabals can be swept away - can in practice only
> be reproduced by the use of force. And the use of force directly
> contradicts the assumption of intrinsic harmony... Corporatism
> assumes what it is designed to create, and destroys what it
> seeks to create by pursuing the only practicable means available:
> coercion".[5]

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[4] Schmitter defines social or societal corporatism as a type in which "the legitimacy and functioning of the state (was) primarily or exclusively dependent on the activity of singular non-competitive, hierarchically ordered representative 'corporations'". State corporatism occurred where the 'corporations' were created by and kept as auxiliary and dependent organs of the state which founded its legitimacy and effective functioning on other bases". op.cit., 102-3. For my purposes social corporatism refers to a situation in which 'corporations' voluntarily enter the corporatist situation, state corporatism when they are coerced into so doing. Though there is, perhaps, a fine line between coercion and inducement (which would be voluntary and therefore societal) the distinction is intuitively clear and has heuristic value.

[5] N. Harris, Competition and the Corporate Society (London, 1972), 72.

As has been noted above there has always been a strong ideological trend with the labour movements of the two countries which has rejected notions of class struggle and instead has urged class cooperation or collaboration to achieve social harmony.

In Canada the theory of class cooperation received a very detailed exposition in two articles by William Dodge when he was Executive Vice President of the Canadian Labour Congress. These articles, written over a decade ago, outlined a scheme of labour-management cooperation which bears a marked resemblance to societal corporatism and to the 1976 CLC manifesto.

Dodge considered[6] that Canada faced two basic choices - "to plan our economic activity or to stand by the laissez-faire attitudes of the past; to accept labour-management cooperation as an instrument of planning or to re-affirm the class approach to labour-management relations of half a century ago (sic)..."

He left no doubt that the CLC leadership favoured the first alternative and regarded it as fully consistent with their political support for the NDP. He saw labour's role as being an extension of its traditional collective bargaining role:

"Instead of merely bargaining at the plant or industry level... unions will have to take on new responsibilities. We shall have to be prepared to participate in decisions on monetary policy, economic development, maintenance of full-employment, both nationally and regionally, the problem of trade, social welfare, and even the cultural aspects of our national life. Where conflicts arise, as

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[6] William Dodge, "CLC Proposals for Cooperation" Canadian Labour, 8:3 (1963), 5-8.

they inevitably will, we shall have to be prepared to press

the case of the people we represent. In the past, decisions

we have made... have been unilateral in character. Perhaps

the great difference in the future will be that decisions of

labour, management and government will be made after consul-

tation, debate and perhaps negotiation of economic and social

goals".

In the second article,[7] Dodge responded to criticism by attacking

the theory of class struggle as "vestigial remains from the days when it

required bitter struggle against the entrenched power of capital to build

and maintain any kind of worker organisation". In Dodge's view, the

survival of this theory was largely due to reactionary employers, "of

the buccaneer type... (who)... apparently believe in the class struggle

too"! He went on to criticize advocates of the "buddy theory" who

denied that there were any conflicts between labour and management. The

reality, according to Dodge, was that there were both conflicts and

common purposes and that these could best be reconciled by labour-

management-government cooperation along the lines previously discussed.

In a 1977 internal educational document,[8] the Canadian Labour

Congress espoused a commitment to social democracy and denied any in-

tention on its part to turn towards corporatism. The same document,

however, argues the case for the creation of a tripartite Council for

Economic and Social Planning. Two purposes, at least potentially

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7 William Dodge, "Labour-Management Relations Today", Canadian Labour
9:2 (1964), 13-14.

8 Canadian Labour Congress, Questions and Answers on the Manifesto
(Ottawa, 1977), mimeograph.

contradictory, were advanced for labour's participation in such a body.

The first would be "to change the power structure of our society so

that the influence of the wage and salary earners increases in the

national economy". The second would be "to achieve social consensus

on important national problems and to develop mutually acceptable policy

recommendations".[9]

In concrete terms the CLC continued to place reliance on long-

term indicative planning to improve the quality of life in Canada, and

the call for tripartism can best be interpreted as a request for more

input into the content of such planning.

The weakness of the NDP in Canada and its remoteness from

federal office has resulted in a lack of enthusiasm in that party for

tripartite proposals. It is feared that if such procedures were

established the NDP would be squeezed out of the process and consequently

even less influential than at present. The argument has been advanced

that organised labour would be outvoted 2:1 in a tripartite structure in

Canada and that labour should therefore concentrate on strengthening the

social democratic party. Such arguments obviously have some validity.

But tripartism in Canada is far from dead. Indeed one observer has

argued that it is being currently implemented in a piecemeal fashion.[10]

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[9] ibid., 8 and 9.

[10] Ed Finn, "Brighter Prospects for Tripartism in Canada", Labour Gazette,
78 (1978), 299-300. Finn argues that a number of modest, limited tripartite
agreements have recently been concluded - the establishment of three
industrial inquiry commissions, the proposed Canada Centre for Occupational
Health and Safety, and a number of manufacturing sector committees to assess
industries and recommend assistance programmes. Finn argues that "this is
the only practical way that tripartism can be implemented in a country as
vast and diverse as Canada - by first gaining a few toeholds, then gradually
extending it, step by step, into larger and more important sectors.

In Canada social corporatism remains in its initial stages.
In Britain, with the Labour government's social contract with the trade
union movement there has been some experience of this notion in practice.[11]
The greater strength of the Labour Party means that it is not threatened
by tripartite decision-making in the same way as Canada's NDP. Similarly
the idea can be attractively presented as giving organized labour and the
Labour Party a 2:1 majority over business. In practice the main content
of the social contract has involved wage restraint policies. Given trade
union opposition to the Conservative Party, one of the Labour Party's
greatest electoral assets has been the claim that it is the only party
capable of obtaining organized labour's participation in such schemes as
the social contract.[12] But since the main content of this form of social
corporatism does involve wage restraint the question of how long the
arrangement can be maintained is a relevant one. All previous attempts
at wage controls have foundered as declining real wages fanned working
class discontent.

Should such a breakdown in the social contract occur it is likely
that an attempt would be made to enforce a wage restraint policy by
statutory means possibly backed up by other types of coercion. This

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[11] For a somewhat controversial view that the changes from traditional
capitalism to corporatism is far advanced, see R.E. Pahl and J.T. Winkler,
"The Coming Corporatism", Challenge, March - April, 1975, 28-35.

[12] See Leo Panitch, Social Democracy and Industrial Militancy:

would be a movement from social toward state corporatism. But previous
attempts to enforce wage controls in Britain have always led to a radicali-
zation of the working class and to the subsequent defeat of wage controls.
If this scenario should unfold one possible ruling class strategy would
be to attempt to institute full state corporatism - a form of fascism.
Certainly this possibility, under a Conservative government, is feared
by many in the British trade union movement. This fear constitutes an
asset to the Labour Party since the Conservative alternative, at least
while they are under the leadership of the Thatcher wing of the party,
poses many dangers for the working class. Whether it would be possible
for the British ruling class to impose a state corporatist solution to
the economic crisis in the face of determined working class opposition
is an unknown factor. Certainly the possibility of failure, coupled
with the fact that liberal democracy is the preferred political form of
a capitalist economic system, are deterrents to attempting this course
of action. But as long as wage controls remain at the centre of capi-
talist economic strategy the alternatives of social corporatism, radi-
calism, and state corporatism will continue to be on the agenda. For
the moment the social corporalist option is preferred by the most in-
fluential sections of the ruling class and most of the leadership of
the working class.

In Canada the options are not so clearly defined. The Canadian
working class has so far failed to develop, or at least to use, the power
to defeat wage control policies. The relative weaknesses of the Canadian
working class means that a state corporatist solution could probably be
more easily imposed. By the same token, however, that weakness makes
such a move less necessary from a ruling class point of view, and therefore

less likely.

The final possibility is the growth of radicalism among the working class and the development of a serious challenge to the fundamentals of capitalism with the aim of transforming that system.

The events of the last fifteen years in Britain, and last three in Canada, have demonstrated that the working class of both countries is capable of vigorous resistance when its economic conditions are under attack. In the case of Britain the resistance was much more vigorous and successful and was linked to growing support for policies of widespread nationalization. In neither country, however, can it be said that there is mass support for a radical restructuring of the capitalist system. This points to one of the major weaknesses of radicalism in both countries (even in Britain where the radicals are in a stronger position). This weakness is its essentially defensive nature. The working class has become radicalized (to the extent that it has) in response to attacks on its living standards. Its radicalism is reactive rather than offensive and tends to diminish once the immediate cause is removed or modified. It has proved easier to unite different elements of the working class against certain aspects of the capitalist system than to unite them for an alternative to that system.

This difficulty is in large part the result of the fact that in a capitalist society, by definition, the major centres of political initiative - including the economy, cultural institutions, and ideological systems - are under the control of members of the capitalist class. The problems created by this situation are compounded when the major working class political party has become ideologically adapted to capitalism as is the case in Britain and Canada.

It has been noted above that the generators of what radicalism there has been in recent years have been the trade unions. This is because the raison d'etre of trade unions is the defence of the living standards and working conditions of their members. Where these living standards and working conditions are under attack trade unions are under great pressure from their own members to react. (This is arguably less true in Canada where, due to the system of industrial relations established by the state during and after World War II, union apparatuses are more centralized and powerful vis a vis the membership. Even in Canada, however, the pressure to react is a factor to be considered). But the whole point about trade unions is that they are a defensive form of organisation and are not really suited, except in a general sense, to engaging in a long-term struggle for an alternative social system. Pressures to win short term gains usually weigh heavier in trade union circles than aspirations for a new society. Radical political theory has usually considered the political party to be the best organisational form for attempting to bring about fundamental social change. But the major working class political parties in Britain and Canada have ceased to advocate fundamental changes in the system. Parties which do advocate such changes, primarily the Communist Parties of the two countries, whatever their influence within the trade unions, have remained weak in the wide societal context.

Prospects for radicalization, therefore, appear to depend upon a situation arising, due to a major economic or political crisis, which will promote the growth of radical parties and result in the radicalization of large sections of the social democratic parties. Should such

a situation arise it would still have to be realised through the activities of the radicals - the process could hardly be expected to occur spontaneously. The obstacles to such a process being completed must be said to be formidable in the case of mature capitalist societies such as those being considered.

The alternatives of a continuation of the status quo, a turn to social or state corporatism, or radicalization of the working class are all present and within the bounds of possibility. Which alternative is most likely to occur depends upon the complex interplay of the factors identified with ideological shifts. Barring a major external political crisis it would seem that the state of the economy is likely to play the most determining role in the outcome of the ideological struggle. The existence of an economic crisis, its depth and particular features (mass unemployment and/or stagflation or some other combination) will all affect the course of the ideological struggle.

But the future course of the present economic crisis, its likely depth and specific characteristics are all highly unpredictable. Until economists develop the tools to accurately predict the future of the economy, political scientists will have to be content to wait on events. Developing an understanding of the past and present is a more appropriate activity than prediction, given the present level of knowledge.

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