

Labour's First Century

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I | **Labour's political and social thought**

Jose Harris

No Labour Party can hope to maintain its position unless its proposals are . . . the outcome of the best Political Science of its time.

Labour and the New Social Order (1918), p. 23

In an essay published in 1894, Sidney Webb wrote of the need to generate a 'body of systematic political thought', as the prime task of those who hoped to 'teach others how practically to transform England into a Social Democratic Commonwealth'. Already, Webb believed, creeping collectivism in every sphere was replacing the 'unsystematic and empirical Individualism' that had dominated national life throughout the nineteenth century. But the development of a coherent rationale for such a change was required not merely to 'teach others', it was an essential part of the process of change itself. Lack of 'precision in our thinking' might not merely obstruct change but lead it in the wrong direction – towards either 'individualist' alternatives to collectivism (such as imperialism and protectionism) or 'spurious' rival collectivisms which ignored scientific laws and sought instant socialist Utopias.¹ Webb's essay was not merely a seminal document in English socialist thought, but a classic statement of the 'modernist' position in the social sciences – that correct theory was an essential predicate of right social action. Six years later, however, the rhetoric of the founding conference of the Labour Representation Committee (LRC) was markedly more pragmatic. Despite the demands of some delegates for a more substantive statement of purpose, the outlook of the majority echoed a position

familiar in English political thought since the mid-eighteenth century. This was the view that what counted in politics was not 'principle' but 'interest' – the major problem for labour being that, while land and capital were amply represented in government, the interests of labour were not. It was this, rather than any unifying political theory, that brought together the component organisations of the LRC – many of whose members in their private capacities were quite frankly Liberals or Tories.²

These differing perceptions of the role of political theory, dating from the very foundation of the Labour Party, pinpoint certain issues that have remained salient in the party's history throughout the twentieth century. Was Labour's primary role that of an 'electoral machine' designed to win power at all costs within existing constitutional structures, or was it to forge a new kind of society and civic polity?³ Was analytical 'theory' merely a polemical footnote to the business of power, or was it (as was reiterated in 1918 by *Labour and the New Social Order*) a key element in the gaining and use of that power – in the accurate interpretation of historical change, in the formulation of effective policies, and in democratic persuasion?⁴ Was the purpose of a labour movement to take advantage of trends that were happening anyway – or was it to resist and reverse them? Was the onset of socialism a functional necessity of modern life, or was it driven by ethical, religious and humanitarian imperatives that overruled questions of practical utility?

Disentangling these issues is complicated by the very diverse character of Labour, both as a parliamentary party and as a wider movement. At both levels Labour was always a broad coalition (changing in precise character over different periods) between trade unionists, different brands of committed socialist, single-issue pressure-groups, and (particularly after 1918) individual men and women interested in various kinds of ethical and practical reform. Its historic roots lay not just in trade unionism and democratic socialism, but in radical republicanism and pro-Gladstonian Lib-Labism, Marxism and municipal reformism, positivism and idealism, Nonconformist and incarnationist Christianity, anti-modernist mediaevalism and the quest for advanced 'scientific' modernity. Labour theorists, with a few notable exceptions, were much more interested in drafting programmes and policies than in clinical analysis of power structures – which means that Labour's understanding of the latter has often to be gleaned from the assumptions of the former. Throughout the party's history there has been movement in and out of more doctrinaire groups (on both left and right, and both inside and outside the Labour fold), which have attracted support from

those irritated by Labour's relative lack of a sharply defined official ideology. Much of the historiography of the subject has been implicitly bound up with re-fighting old internal Labour battles, between supposedly 'conservative' trade unionists and 'radical' socialist intellectuals, between evolutionary and activist models of change, between theoretical rivalries of 'left' and 'right', and between supporters and opponents of collaboration with other parties.

Concentration on such rivalries doubtless gives a certain dramatic coherence to the party's theoretical controversies over the past hundred years. Yet the historian who bores holes into such controversies may well be struck by the artificiality of the fixed ideological lineages frequently proclaimed. Throughout the century there have been instances of Labour leftists occupying ground previously vacated by theorists of the right – and vice versa. The same has been true of many Labour ideas in relation to other parties – particularly the Liberals, out of whose 'progressive' and 'radical' wings many strands of Labour thought evolved.⁵ Moreover, despite the existence of powerful local pockets of 'grass-roots' Labour culture, Labour was never a self-contained 'nation within a nation' in the way that could be said at certain periods of social-democratic movements in continental Europe. On the contrary, Labour was at all times deeply embedded in the wider society of Great Britain; and the broad spectrum of Labour's political thought both reflected and influenced wider changes in national attitudes and values. From 'New Liberal' proposals on social reform in the 1900s through to those of 'New Labour' in the 1990s; from 1930s' debates about the gold standard through to present-day controversies about a European currency; from Edwardian 'social purity' campaigns through to late twentieth-century 'libertarian' movements – in all these contexts Labour's ideas on such issues as 'social justice', state power, sovereignty and personal freedom have been part of a much broader national (and international) theatre of political opinion. And, like Liberal and Conservative thought, Labour's ideas have broadly mirrored certain supra-political philosophical trends in conceptions of how language is used and how the external world is mentally constructed: trends, for example, such as the 'idealism' of the 1900s, the 'positivist' reaction of the 1930s and 1940s, the Marxian controversies of the 1960s and 70s, and the collapse of 'meaning' into the mish-mash of relativism and post-modernism fashionable at the present day.

This chapter will therefore aim to avoid assessing Labour's political thought simply in terms of pitched battles between rival intellectual factions. Instead it will take a number of classic themes – common to theorists both British and non-British, Labour and non-Labour – con-

Labour's political and social thought

ventionally found in the analysis of politics and civil society; and it will look at ways in which those themes have been handled, in different periods and contexts, by groups and individuals within the British Labour Party. Such an analysis must necessarily be skewed towards those who have written or spoken in a 'theoretical' way, and towards that tiny group of people (tiny in absolute numbers, but disproportionately large by comparison with other parties) who have functioned as 'academic' theorists. But it also draws upon the thinking of many who contributed to policy documents, spoke in Parliament, and engaged in debate and propaganda. It will include ideas about how societies and social structures change, about constitutionalism and state power, about property and welfare, freedom and morality, and about the very nature of political reasoning and social action.

Social evolution and political action

Throughout the nineteenth and early twentieth centuries European social theorists of all complexions were obsessed with the problem of identifying the balance between historical determinism on the one hand and individual and/or collective human agency on the other. Was society, like nature, something that was 'given' and regulated by 'natural' laws, or was it artificially constructed by the continuous interaction of human wills? Mass industrialisation, population explosion, Darwinian biology, all seemed to point towards vast impersonal forces outside human control; while the spread of education, science, and liberal ideas about freedom pointed in the opposite direction – towards rational human understanding, moral choice, purposive action and free will.⁶ Socialist and labour theorists in all European countries were to the forefront of these debates, and many divisions within the British Labour Party have been implicitly rooted in tension between these two perspectives. Labour policy-makers have often been accused by critics of trying to do things that defied psychological or economic laws; yet from the very foundation of the LRC in 1900 many Labour intellectuals were exceptionally conscious of precisely those behavioural laws (or at least of what they understood those laws to be). Within both the Independent Labour Party (ILP) and the early Fabian Society certain key theorists were committed to a model of continuous 'social evolution', not as a mere vague analogue of evolutionary biology, but as a driving principle that universally governed all day-to-day processes of societal change. When Sidney Webb, for example, spoke of the 'inevitability of gradualness' he was not necessarily defending (as many have imagined) policies of cautious expediency and pragmatism, but rather the view that incremental change was an

inexorable part of the historical process, as much a part of the natural order of things as biological growth.⁷ Many of the supposed contradictions in the career of Ramsay MacDonald are explicable in terms of his commitment to a developmental model of socialism derived, not from the competitive struggle envisaged by Darwin and Marx, but from Comtean positivism and the evolutionary theories of Lamarck and Spencer.⁸ That is to say, he believed that society both as an ethical unit and as a living organism was purposefully moving towards a 'higher stage' of structure and organisation, in which altruism and co-operation would displace the waste and inefficiency of self-interest and free competition. This perspective was something quite different from pragmatism, and by no means confined to those temperamentally inclined to piecemeal change. Despite its commitment to activism and militancy, the Marxian strand in the early Labour Party, represented by the Social Democratic Federation, also often expressed the view that society was unfolding in a unilinear direction and that socialism and the labour movement must necessarily be the ultimate beneficiaries of accelerated capitalist expansion.⁹

This notion that socialism and/or labourism would eventually trump capitalism, simply by virtue of superior efficiency, morality, 'modernity' and fitness for survival, was to have an enduring role in Labour thought throughout the twentieth century. An evolutionary perspective by no means implied that Labour should simply sit back and do nothing, since it was shared by many of the party's most energetic reformers, and by those who believed most strongly in the practical application of 'social science'. The Webbs' programme of 'national housekeeping', for example, envisaged continuous intervention in all areas of national life by civic representatives deploying the most advanced forms of scientific knowledge.¹⁰ From the earliest days, however, this evolutionary vision was rivalled (often in the minds of particular individuals) by views of the opposite kind – views which were in themselves very diverse, but had in common the belief that there was *no* necessary connection between modernity and the advance of socialism, and that large-scale organisational collectivism was happening quite independently of, and often in direct opposition to, the interests of the working classes and humanity in general. Key figures behind this *anti*-evolutionary tradition were John Ruskin and William Morris, whose political writings had totally rejected any accommodation with the political economy of advanced capitalism. As Bernard Shaw once remarked, those members of the British labour movement who were inclined to root-and-branch change had no need of Karl Marx – they already had their prophet in Ruskin.¹¹ In place of the

'illth' generated by capitalism, Ruskin had proposed an alternative 'citizens' economy' wherein work, wages and social welfare would all be regulated by a mandatory ethic of universal 'public service'.¹² Supporters of this more 'revolutionary' view were found in all sectors of the early Labour Party, from the ILP rank and file through to guild socialists and syndicalists.¹³ And within the Fabian Society, the evolutionary philosophy of the first generation of Fabians was disputed from the late 1900s by the young G. D. H. Cole, whose political thought – influenced perhaps by his study of Rousseau's 'general will' – strongly emphasised the role of popular sovereignty, face-to-face democracy and strategies of direct action.¹⁴

Disenchantment with 'evolutionary' socialism was greatly intensified by the industrial conflicts of the First World War, the onset of long-term depression, and the emergence of a much more 'activist' model of socialism in the wake of the Bolshevik revolution. Though never in a majority, supporters of syndicalism and the 'general strike' were now much more prominent within the trade-union movement than they had been before 1914 – a fact that persuaded Labour's 'gradualist' wing of the need for a more formal party structure. Clause Four of Labour's 1918 constitution was no mere concession to the party's small minority of advanced socialists, but an index of increasing hostility to private ownership of industry among the 'Triple Alliance' of leading trade unionists. Moreover, a similar shift could be detected among individual theorists. Sidney Webb in *Labour and the New Social Order* (1918) called for 'universal enforcement of the national minimum', 'democratic control of industry', a 'revolution in national finance', and expropriation of 'surplus wealth for the common good' – none of which sounded like the painless transition from capitalism to administrative collectivism that he had anticipated twenty years before.¹⁵ And five years later the Webbs' book on *The Decay of Capitalist Civilization* explicitly abandoned their 'former abstention' from passing judgement on capitalism: citing the authority of Ruskin, they now portrayed private enterprise as economically inefficient, environmentally dangerous and morally corrupt.¹⁶ Evolutionary socialism remained strong within the party leadership, particularly in the entourage of Ramsay MacDonald. But MacDonald himself fully acknowledged the changed political culture of the post-war era: 'Before the war it was sufficient to create the Socialist mind by explaining the Socialist standpoint and outlook; the war has so revolutionized people's minds and still more their methods . . . [that] the Socialist has now to prepare far more details to meet the expectation of rapid change than was necessary before 1914'.¹⁷ Among the new generation of Labour intellectuals

there was increasing pessimism about ‘organic’ change, and increasing resort to the language of class war. As George Lansbury declared, though ‘the state of war’ was ‘against the system, not necessarily against individuals’, those who opposed ‘our efforts to create a new society must be and are counted as our enemies’.¹⁸

Constitutionalism, law and the state

Underpinning Labour’s uncertainty about how far it should aim to impose socialist and/or labourist principles, or just wait for them to happen, was a rather fluid spectrum of ideas about the constitution and the role of the state. The founders of the LRC in 1900 were in no doubt that many aspects of existing constitutional arrangements were unfairly stacked against them – indeed the whole rationale of labour representation was to reverse what was seen as bias and injustice at the very apex of the constitution, embodied in the Taff Vale decision of the House of Lords. Early party conferences strongly supported reform or abolition of the Lords, manhood suffrage, and Irish Home Rule; while the Fabian Society’s ‘New Heptarchy’ series called for the extension of ‘home rule’ to democratically elected provincial parliaments throughout Britain.¹⁹ Among trade unionists and other working-class bodies there was a longstanding perception of structural class bias within the common law; and there was some feeling within the LRC that ‘we must revolutionise Parliament itself before we got many political changes of much consequence’.²⁰

Yet this was very different from believing that *all* legal and constitutional arrangements in capitalist societies were irremediably unjust (which, in theory at least, was the view of many continental socialists). Labour’s enduring suspicion of the Lords only rarely extended to the monarchy, which was portrayed even on the left as an organ of national philanthropy, and ‘the supreme ornament of a democratic system, as republican as any republic in the world’.²¹ Beyond the demand for universal suffrage, there was very limited Labour support for more refined barometers of democracy such as referenda and proportional representation.²² Despite endemic complaints about the law, many working-class organisations routinely used the law courts for their own day-to-day purposes; and resistance to Taff Vale itself was depicted not as defiance of the law but as its proper enforcement, against ‘politically-made judges’ who had themselves been ‘subverting the laws of the land’.²³ And though supporters of early Labour may have been uncertain about what the overall purpose of their party really was, they had little doubt (in marked contrast to Social Democrats in Imperial Germany) that the

constitution *would* allow them to form a government, in the unlikely event of their ever winning a parliamentary majority.

Nevertheless, Labour's 'constitutionalism' always bore certain hallmarks of its own internal culture. From its foundation, and throughout the twentieth century, the party's adherence to the orthodox principles of the British constitution (rooted in the sovereignty of Parliament) was to be in latent tension with its role as a popular movement (rooted in the sovereignty of the party conference).²⁴ The notion that, behind parliamentary sovereignty, lay the sovereignty of 'the common people' was not peculiar to Labour, but was perhaps more strongly held there than elsewhere in British politics. As with other parties, Labour's attachment to the 'national interest' always mirrored its own, often internally contested, perceptions of whom 'the nation' actually comprised. Moreover, there was a lurking suspicion, not of 'constitutionalism' *per se*, but of how the principle was interpreted by other political parties: the threatened Ulster rebellion of 1912–14 was to become a longstanding reference-point in Labour discussions of the nature and limits of orthodox 'constitutionalist' theory.²⁵

Similar dichotomies governed Labour's ideas about the state and its executive organs, although it is hard to discern any conception of state power in the early period that could be identified as exclusively 'labourist' or 'socialist'. As indicated above, despite their roots in Lib-Labism, many of Labour's trade unionists were instinctive adherents of an eighteenth-century 'Tory' view that state power was primarily about domination by 'interests' (a view that had a certain tacit affinity with Marxian claims that the state by definition was always the instrument of a ruling class). Those sections of the party which had evolved out of late nineteenth-century municipal radicalism appeared more comfortable with the language of 'neighbourhood and community' than with that of state or central government.²⁶ And despite Sidney Webb's call for constructive 'political theory', Labour's socialist intellectuals were slow to formulate a theory about what 'the state' actually *was*, although they wrote extensively about what they thought it should be *doing*. The Webbs' own theory of the 'housekeeping state', which envisaged a national minimum of health, education and efficiency for the whole population (including a statutory minimum wage, compulsory military training, and institutional confinement for unemployables) gave little indication of how such heavyweight measures could be practically enforced. They simply assumed that the state was a useful workhorse which would do the bidding of whomsoever had control of democratic power (a view echoed by Harold Wilson half a century later).²⁷ When it

came to more reasoned defence of the state, Labour theorists were inclined to fall back on the 'public-interest' and 'moral-community' arguments employed by progressive Liberals. The socialist debt to the liberal-idealist theory of an 'organic' community was clearly spelt out by the Fabian philosopher, Sidney Ball, and was also latent in much of the supposedly anti-idealist writing of MacDonald and the Webbs. Modern political thought, wrote Ball, was 'reverting to the position of Aristotle, that the State ought to put before itself "the good of the whole", by interfering with the "natural" course of events in favor of collective ends'; as a result 'the organized power of community . . . helps the individual to be not less but more of an individual, and . . . therefore more of a definite social person'.²⁸

This complex of attitudes in early Labour conceptions of the state largely dovetailed with the 'evolutionary' view of socialism mentioned above, and discouraged resort to political (as opposed to merely industrial) direct action. But it also contained the seeds of a very ambitious vision of what might be done by legislation and public administration, if only Labour could once lay its hands upon power. Prior to 1914 these ambitious visions were most explicit among Labour's social reformers, who did not necessarily see the trade-union-dominated Labour Party as the most appropriate channel for their ideas.²⁹ The First World War, however, greatly expanded the state's executive power *and* Labour's understanding of that power – the latter in both a negative and a positive direction. The industrial conflicts of wartime, together with budgetary retrenchment after 1919, strongly reawakened older suspicions that the state was *not* an impartial mediator of differing interests but a sinister conglomerate of upper-class power; and despite the 1918 Representation of the People Act there was less optimism than before the war about the automatically 'progressive' thrust of parliamentary democracy. At the end of the war there was much talk within the Labour movement about the need to reinforce the traditional 'territorial' structures of representative government with 'vocational' structures that would give a more immediate voice to citizens in their roles as 'workers by hand or by brain'. This was a view that in various forms stretched right across the party from guild socialists via the Fabians to Ramsay MacDonald (even so strong an advocate of a unitary 'civic' state as MacDonald proposed that the Lords should become a 'House of Soviets', in which peers would be replaced by representatives of trade unions and professional organisations).³⁰ The General Strike of 1926 sharply divided the party into those who insisted that the issues involved were strictly economic, and a minority who saw it as calling into question Labour's deep-seated commitment

to promoting socialism within existing political structures.³¹ On the other hand, the war had also entailed large-scale 'experiments in state control' in many areas of economic and social policy. These experiments – often initiated by officials sympathetic to Labour – were gradually to transform Labour's expectations about what could be done by a dynamic central government (even among those members of the party most convinced that the state was a tool of repressive class power).

These ambiguities were to pervade Labour conceptions of state power throughout the inter-war era. Within the trade-union movement, the Trade Disputes Act of 1927 was widely seen as an act of state-oppression; yet trade unionists were now much more strongly in favour of state welfare and economic interventionism than they had been before 1914. During the course of the 1920s the rising star among Labour theorists, Harold Laski, who had earlier advanced a 'pluralist' model of the state, now shifted towards a realist, neo-Hobbesian analysis, in which sovereignty rested with whoever could command the greatest naked political force. The first edition of Laski's *A Grammar of Politics* (1925) identified a 'crisis in the theory of the state' as profound as that which had precipitated the Civil War of the seventeenth century.³² By the early 1930s Laski was claiming that pluralism had been simply a stage on his road to Marxism, and that only a 'classless society' could dissolve 'the vast apparatus of state-coercion'.³³ Yet Laski was also a strong supporter of the kind of state social-insurance schemes that many further to the left saw as mere cosmetic surgery to the face of liberal capitalism; and his theory of revolution was in many respects not a Marxian but a Lockean one, rooted in the notion that a government was bound by fundamental contract to 'secure to its citizens the maximum satisfaction of their wants'. Moreover, before resorting to resistance, it was a citizen's duty to 'exhaust the means placed at his disposal by the constitution of the state'.³⁴

Laski's ambivalence on these issues was echoed by many younger Labour activists. Aneurin Bevan, coming to Westminster from a Welsh mining valley, initially felt totally alienated from the antique rituals of the British constitution; yet two decades later, after fingering the alternatives of communism and fascism, he had come to perceive parliamentary democracy as 'an instrument of social change' that had 'received inadequate attention from students of political theory'.³⁵ Conversely, the Webbs, who down to 1918 had been dedicated advocates of the constitutionalist road to socialism, were now much less assured. Their *Constitution for the Socialist Commonwealth of Great Britain*, published in 1920, was markedly *less* optimistic about established institutions than

their writings of before the war. They now viewed Parliament and the existing machinery of government as largely incompetent to deal with the immensely complex problems of advanced industrial society: these ancient institutions needed to be supplemented by a 'Social Parliament' with its own 'Executive', by multiple layers of civic democracy at every level of national life from empire to village street, and by mass promotion of 'the greatest attainable development of public spirit'.³⁶ But *The Decay of Capitalist Civilization* three years later revealed growing pessimism about whether any of this was likely to happen: in the Webbs' view, capitalism was failing not just because of economic injustice, but because the very conditions of competitive production were increasingly incapable of generating the qualities of character, personal honesty and disinterested civic virtue essential for running a well-ordered administrative state.³⁷ Though composed while the Webbs were still major contributors to Labour thought (indeed when Sidney was on the brink of his career as a minister), *The Decay of Capitalist Civilization* closely foreshadowed the disenchantment with evolutionary change and displacement of capitalists by virtuous commissars that were to be core themes of the Webbs' *Soviet Communism: A New Civilisation?* published twelve years later.

Private and public property

Ideas about constitutions and states were traditionally enmeshed with ideas about private property. Among orthodox constitutional theorists there were some who saw the prime rationale of the state as being the defence of property rights; others for whom the personal independence conferred by property (particularly land) was an indispensable qualification for full citizenship (lack of property being a clear token of civic incapacity). Both these views had a 'radical' past; but for much of the nineteenth century radicals and reformist liberals had argued that, far from being the sign of civic virtue, large-scale private property was a major source of injustice and civic corruption. Since 1832, property in the *political* sphere had been continually re-defined to include all settled households and rented tenements; and by 1900 the age-old link between property and voting rights had been largely whittled away for all except women and paupers (and significantly dented even for the latter). In the *economic* sphere, however, property rights were in some respects even more unfettered than they had been a century earlier, because of the continuous conversion of property in land (formerly limited by feudal and communal constraints) into a freely marketable commodity. How to deal with the economic and political implications of vast concentrations

of property constituted one of the most obdurate of theoretical questions for a party committed to large-scale structural change by peaceful and constitutional processes.

The early Labour Party brought to this question a complex range of ideas, many inherited from radical liberalism, others stemming from a more peculiarly labourist or socialist perspective. Labour theorists of all complexions shared with many Liberals the Lockean view that all property could ultimately be traced back to 'labour' as the sole source of wealth. Labour's affiliated socialist societies all endorsed the longstanding radical view that 'rent' and 'interest' were largely a function of monopoly (mere 'quasi-rent' stemming from artificial shortage of supply, which would be done away with by restoring ownership to wealth's true progenitors). Labour also shared the view of 'New Liberals' like J. A. Hobson, that wealth production was impossible without an infrastructure of 'community': the element in profit that stemmed from communal rather than private activity (e.g. from education, public order, land values) was deemed to constitute 'organic surplus value', which the community was entitled to claw back in the form of taxation.³⁸ Most Labour theorists likewise endorsed the long-established Liberal (and Aristotelian) view that some minimum of personal property was essential for individual freedom: and Ramsay MacDonald went so far as to suggest that socialism, not capitalism, was the *true* creed of property because only 'the socialisation of certain forms of property' would allow for its 'general diffusion' among all citizens.³⁹ Labour theorists differed from most Liberals, however, in declining to differentiate between large-scale *landed* property (as a largely illegitimate expropriation of communally created wealth) and commercial and industrial *capital* (which many Liberals viewed as a just reward for entrepreneurial effort). And there were a few voices, mainly within the Ruskinian tradition, who saw wealth production of all kinds as not just enhanced by community support but inherently communal – and therefore all distribution, even of goods for personal consumption, as properly stemming solely from 'the community'. Within such a framework, property was not a *right* that existed prior to communal life but a *trust* that followed from it. Such views were strongest in the various strands of 'Christian socialism', which from Ruskin and Hastings Rashdall through to Keir Hardie, George Lansbury and Archbishop William Temple nourished a vision of 'socialist fellowship' where, though 'use' might be personal, property in the literal sense would have given way to the vesting of ownership in an organic popular commonwealth.⁴⁰

Practical debates about property within Edwardian Labour largely focused upon the distributional question of how resources might be allocated more 'justly' and 'efficiently' in a society where 1 per cent of the nation owned nearly 70 per cent of capital wealth, while 10 per cent lived in 'absolute want' and 30 per cent in 'secondary poverty'. Pre-war Labour intellectuals envisaged a radical programme (largely shared with advanced Liberals) of publicly enforced development of uncultivated estates, taxation of 'unearned increment', and steeply progressive taxes on rentier incomes and wealth passing at death.⁴¹ Such concerns by no means vanished after 1918, when Labour's demand for a capital levy was conceived in terms, not of confiscating but 'reclaiming' communally created wealth and of strengthening rather than wrecking sound public finance.⁴² After 1918, however, some rather different strands in Labour's ideas about property gradually moved centre stage. One of these was the argument that large-scale private property was not merely 'unjust' and 'inefficient', but latently antagonistic to parliamentary democracy. The writings of Laski increasingly argued that public ownership was not just an economic but a *political* necessity; it was required, not simply to achieve popular control over the workplace (as envisaged by guild socialists), but in order to purge the state of class bias and protect democracy against subversion by private property.⁴³ Such subversion, in the face of democratic powerlessness, Laski claimed to have identified in the events of September 1931. And three years later Laski was proclaiming that a revolutionary situation now existed in Britain: 'revolutionary', not because workers were taking to the streets, but because there was a profound structural hiatus between democratic politics and the ownership of property – a hiatus that everywhere in Europe was leading to violent reaction.⁴⁴ Ownership and non-ownership in Laski's view necessarily gave rise to class conflict; therefore the only way to attain the solidaristic, harmonious society dreamt of by socialists like Ramsay MacDonald was to transform production into a form of 'public service'. This required utilisation of the 'supreme coercive power of the state' to 're-define' both the actual 'system of ownership' and the logical meaning of the term 'legal right'.⁴⁵

A rather different critique of the moral economy of property came from R. H. Tawney, who questioned not just its distribution and political power, but its moral and spiritual purpose and ever-expanding extent. In Tawney's view there was nothing wrong with private property *per se*, provided that it was generally diffused throughout the population. 'Such property was not a burden on society, but a condition of its health and efficiency, and indeed, of its continued existence'.⁴⁶ 'Pure interest',

i.e. setting aside part of the fruit of capital for re-investment, was perfectly justified, provided it did not fall into the hands of a specialised rentier class. What was totally *unjustified* in Tawney's view, and the fatal source of servility, tyranny and moral corruption, was the separation of property from productive *work* – a separation exemplified in windfall gains, monopolies, mineral royalties and urban ground rents. It was these 'functionless' forms of property that converted it into an entrenched class interest, the great engine of 'inequality', and 'the greatest enemy of legitimate property itself . . . the parasite which kills the organism that produced it'.⁴⁷ And Tawney also echoed Ruskin in questioning how far developed societies really *needed* more property than they had already. Was *lack of property* – in the form of 'poverty' – really the 'most terrible of human afflictions' (as conventional perceptions of welfare proclaimed), or was it a mere 'symptom and consequence' of a much deeper social disorder? In Tawney's view what people needed was not more goods but better ones, produced not as a medium of exchange but as a form of 'social service'. 'Is not *less* production of futilities as important as, indeed a condition of, *more* production of things of moment? Would not "Spend less on private luxuries" be as wise a cry as "produce more"?'⁴⁸

Negative and positive liberty

When Winston Churchill in 1909 reputedly declined 'to be locked in a soup-kitchen with Mrs Beatrice Webb', he was voicing the misgiving of many free-born Englishmen that socialism – even gradualist, democratic socialism – was antithetical to personal liberty. A similar suspicion lurked in public perceptions of 'peaceful picketing' – that trade unionists, while claiming 'natural liberty' for themselves, denied it to fellow workers who disagreed with them. Throughout the twentieth century the charge that Labour was the enemy of personal freedom was to prove a potent weapon in the hands of its ideological opponents; and in many classic documents of Labour's political thought there appeared to be some ground for this charge. Admirers of John Ruskin in Labour's ranks were well aware that Ruskin, when writing of liberty and equality, had declared that he 'detested the one and denied the possibility of the other'.⁴⁹ Sidney Webb, when expounding his plans for a 'national minimum', had portrayed it as being enforced even-handedly on all institutions and citizens, whether they wanted it or not ('among local authorities as among individuals, the laggards are being increasingly screwed up').⁵⁰ Not just the Webbs, but many Edwardian socialists favoured compulsory rehabilitation of industrial incompetents in reformatory training camps (a view shared by many

Liberals, among them Churchill himself).⁵¹ Even the mild and saintly George Lansbury made it clear that his plans for resettling workers in idyllic co-operative communities would leave no room for those private pleasures with which they consoled themselves under *laissez-faire* capitalism ('It is . . . quite certain that in Socialist England there will be no "pubs" as we know them today'⁵²). Despite a 'libertarian' fringe among the Fabians, leading members of the Labour Party were actively involved in movements for public enforcement of private morals – in the Temperance movement, the Purity movement, and campaigns against betting and gambling. Most Labour apologists in Edwardian Britain unashamedly equated liberty with decency, self-discipline, social control, and active fostering of private and public virtue: as Sidney Ball (citing Plato) put it, 'Can there be anything better for the interests of the State . . . than that its men and women should be as good as possible?'⁵³

Nevertheless, within the early history of Labour there were certain powerful currents in a rather different direction – *against* state control and interference, even for worthy purposes. Not least among these counter-currents were trade-union resistance to legal incorporation, Nonconformist attacks on the established church, and a more widely diffused working-class distaste for all forms of official regulation. Trade-union and co-operative 'mutualist' culture was viewed by many contemporaries as a rich seed-bed of personal independence and Anglo-Saxon liberties. Even in the Fabian Society, supposedly the stronghold of 'mechanical' state compulsion, there were many expressions of the opposite view: that compulsory 'altruism' was worse than pointless, because it led towards 'a tyranny which will be utterly ruthless because you think it scientific'. Instead, the true aim of socialism was personal 'spiritual freedom', which meant *choosing* virtue without any element of external constraint.⁵⁴ And from the late 1900s the guild socialist and shop stewards' movements insisted that liberty lay not in protective legislation, but in democratic control of the workplace – a theme taken up not just by shop-floor activists but by younger Labour intellectuals like Tawney and Cole, and later Harold Laski.

Tawney in 1913 began to develop his lifelong critique of the 'mechanical' reformist view that the most pressing social problem was quantitative material poverty. He argued instead that the true evil of industrial society was 'absence of liberty, i.e. of the opportunity for self-direction: and for controlling the material conditions of a man's life . . . To give men the *will* not to be poor, we must first of all give them the control of the material conditions on which their lives depend, that is set them free'.⁵⁵ Two decades later Tawney's *Equality* argued that the perceived

antithesis between equality and liberty was often false, but that 'liberty is rightly preferred to equality, when the two are in conflict'.⁵⁶ Laski's early writings linked 'social-democratic' liberties to the notion of 'positive liberty' developed by T. H. Green – that liberty positively *required* state intervention in order to promote 'the eager maintenance of that atmosphere in which men have the opportunity to be their best selves'.⁵⁷ But Laski was later unexpectedly to draw back from 'positive liberty', at least in its classic 'idealist' form. By the late 1920s, concurrently with his first flush of enthusiasm for Soviet Russia, he had reverted to 'negative liberty' as the more fundamental good: it was *private* liberty of the old-fashioned kind, he claimed, that was now at greatest risk from the structural inequalities of capitalism and the bias that private property gave to the common law.⁵⁸ The great triumphs of liberty won in the previous century had been forgotten, and 'we must anticipate an epoch in which the attitude to liberty characteristic of . . . the nineteenth century, will be at a discount'. The heirs and successors of the pioneers of liberty were now 'prepared, in the name of the rights of property, to destroy all the advantages of the advance they represent'.⁵⁹

The politics of planning

Differences of emphasis among Labour supporters about political activism, the role of the state, private property, and personal freedom were by no means straightforward conflicts between left and right – as could be seen in the crisis of 1931, which was blamed throughout the party upon the 'Fascist fallacy' of an idealised, non-party perception of the 'national interest', ascribed by his erstwhile followers to Ramsay MacDonald.⁶⁰ Nevertheless the years after 1931 saw a sharpening of division not just over policy but about Labour's underlying purpose and political philosophy – a division that was to be clearly spelt out through Labour's involvement in the 1930s' movement for economic and social planning.

Ideas about 'planning' had a long pedigree in socialist thought, dating back to the Saint-Simonian movements of the early nineteenth century; but the immediate spur during the inter-war years came from the lessons of state economic management between 1914 and 1919, particularly the conjunction of high taxation, deficit finance and physical controls over manpower and supply, which socialists saw as having been wilfully thrown away by post-war financial retrenchment. The argument that what had been done in wartime could equally well be done to counteract depression in peacetime became a core theme of a long series of Labour documents both before and after the debacle of 1931. Serious thought

about planning first emerged in the ILP's 'Living Wage' proposals of 1926, which advocated the setting-up of a National Industrial Authority to run a high-wage, home-consumption-based, corporatist economy, based on the 'underconsumptionist' analysis of J. A. Hobson (himself now a convert to the ILP). Similar ideas were advanced by Cole, who proposed direction of manpower and 'scientific planning of production' under a National Economic Council; and after 1931 by Cole's New Fabian Research Bureau, which called for a National Investment Board to direct capital spending throughout the economy. These themes were carried much further by the Socialist League (founded within the Labour Party by Cole, Laski, Stafford Cripps and others in 1932), which envisaged that a future Socialist government would inaugurate an 'immediate transition' to a Soviet-style five-year plan, involving 'complete socialisation of industry, and the complete disappearance of existing class-divisions and property claims'. Particular emphasis was laid on control of the banking system, which was seen as crucially responsible for having scotched Labour's democratic mandate in 1931. In the event of a 'run on the banks', a Socialist government should guarantee deposits and authorise the printing of paper money – confident of making the public understand that money on deposit and money in circulation were both totally dependent on 'the credit of the community'.⁶¹ In the event of resistance, wrote Cripps, 'it would probably be better and more conducive to the general peace and welfare of the country' for the government 'to make itself temporarily into a dictatorship until the matter could again be put to the test at the polls'.⁶²

Elsewhere in the party, however, ideas about planning evolved along very different lines. Within the trade-union movement 'planning' was largely interpreted to mean job creation through large-scale public works, as introduced by the New Deal in the United States; there was no trade-union enthusiasm for, and much latent criticism of, the centrally planned direction of prices, wages and manpower demanded by the circle of Cripps and Cole.⁶³ The 'complete socialisation of industry' advocated by the Socialist League was increasingly rivalled by the public corporation model of common ownership put forward by Herbert Morrison, which envisaged that day-to-day management decisions would be taken on orthodox economic lines (though for the benefit of taxpayers rather than private shareholders).⁶⁴ Within the New Fabian Research Bureau, initially dominated by Cole, the initiative passed to a group of younger economists, Durbin, Gaitskell, Meade and Jay, who saw a National Investment Board in a much more modest light, as a tool for steering a 'mixed economy'. And among these younger economists

there was increasing interest in the regulatory and reflationary ideas of J. M. Keynes – ideas that were explicitly designed to stimulate investment and expand employment *without* the massive political and bureaucratic controls required by a strategy of ‘complete socialisation’.

The full range of Labour's planning ideas cannot be recounted here, but some attention must be paid to what they reveal about Labour's underlying social and political thought during this period. In all sectors of the party earlier confidence that the sheer organisational complexity of modern life must inevitably tend towards socialism appeared at least temporarily to be in abeyance; and in all sectors there was a much greater willingness to subordinate political economy to the power of the state than had been seriously contemplated before 1931. There was much disagreement, however, about how far the total displacement of economics by political ‘fiat’ was either possible or desirable. Planning theory on the left was clearly inspired by romantic rumours of the first Soviet five-year plan; but a more long-term influence was the continuing sway of the Ruskinian view – revived and mediated by Hobson – that economics was not an autonomous science, but was inextricably mingled with ethics, politics, aesthetics, and the whole panoply of ‘human life’.⁶⁵ Such a view was not without influence in the rest of the party. But among the New Fabians there was a much stronger sense that market forces could not be wholly willed out of existence: that economic factors *did* have a certain inexorable, supra-political potency, and that, even in a socialist economy, markets would have a legitimate role to play both in registering consumer preference and maintaining efficiency.⁶⁶ The New Fabians were unanimous in believing that certain key economic functions *should* be wholly removed from private control; but they were also moved by the wider objections of the Hayekian school that holistic planning was not just politically undesirable but (in view of the sheer limitation of human knowledge) logically impossible.⁶⁷

A more intractable difference between the Socialist League and its opponents, however, lay in their conceptions of democracy. The Labour left in the early 1930s frequently wrote as though they believed that parliamentary democracy, at least in its current form, was in terminal decline: under advanced capitalism formal political rights were being irretrievably negated by inequality and the institutional power of private property. The New Fabians largely concurred in denouncing inequality, but persisted in the view that parliamentary democracy was a good in its own right, and one that could not be traded off for any enforced gain in structural equality. This view, somewhat timidly expressed in the early days of opposition to the National government, grew in confidence as

more became known of totalitarian experiments on the continent; and key figures such as Clement Attlee, initially an adherent of the Socialist League, increasingly distanced themselves from demands for a Popular Front with the Communists and talk of 'dictatorial' emergency powers.⁶⁸ The writings of Tawney, whose passion for 'equality' could scarcely be doubted, but who clearly affirmed the lexical priority of 'liberty', were a major influence in discouraging notions of *ultra vires* shortcuts to economic reconstruction. The centrality of democracy – however flawed, obtuse and inconvenient – was spelt out in a long series of writings by Evan Durbin, culminating in *The Politics of Democratic Socialism* composed in 1938–9. Durbin there defended parliamentary democracy, not just in terms of citizen rights, but as the best way of finding viable solutions to complex intellectual problems, and as an institutional index of collective 'psychological health' and 'absence of neurosis'. In Durbin's view, excessive 'purity' in political doctrine was a sign of unsublimated fear, guilt and social aggression. Compromise and concession, by contrast, indicated not a lack of principle but 'a relatively free and healthy emotional life'.⁶⁹ To the Labour left, however, this smacked of mere vacuous sentimentalism: Durbin's 'philosophy of planning', pronounced Laski, was built on 'a theory of the State which all recent history seems to me to disprove'.⁷⁰

Political thought in war and peace

Throughout the 1930s Harold Laski was complaining that the vast majority of the Labour Party did not have the political will to pursue the ends which their ethical principles told them were just and right. On one level Laski's point was correct. Many Labour writings of the period cut deep into the problems of poverty and inequality, but were baffled by how to solve them through democratic channels. Not just the supposed intransigents of the Socialist League but supporters of more limited change like Durbin, Gaitskell and Jay had no clear strategy for putting their proposals into effect. Despite Labour's ambitious nationalisation programme of 1934 (which included land and joint-stock banks as well as key industries) there is no convincing evidence to show how they would have put this into operation; and it seems unlikely that, if Labour had miraculously won the election of the following year, their policies would have differed markedly from those of the much reviled Ramsay MacDonald. And, quite apart from the constitutional issue, the institutions and techniques required for a programme even of modest Keynesianism were almost wholly lacking before 1940 – let alone for the 'complete socialisation' envisaged by the Socialist League.⁷¹ Even the

practical Durbin was unclear about how to combine a socialised command economy with Britain's role as an exporter of capital and centre of overseas finance.⁷² No Labour theorist, not even Laski himself, seriously addressed the question of how to disentangle Britain's economy from the global structure of international capitalism (other than by hoping that similar shifts towards socialism would happen simultaneously elsewhere). The responses of the trade-union movement to fascism, rearmament and Popular Frontism suggested that there was no possibility of re-directing the bulk of the party towards the socialist internationalism favoured by many on the left. The British empire likewise attracted much moral opprobrium, but little serious discussion of how it could be reformed or dismantled. Thus Labour by the end of the 1930s was a party rich in ideas about what it thought should be done, but with little conception of how to bring it all about.

As it happened, however, the riddle of how to attain radical change by constitutional means was solved by historical events: the great gap in Labour's political thought was to be filled, at least in domestic affairs, by the waging of the Second World War. Between 1939 and 1945 the functional imperatives of total war were to legitimise state power in ways that would have been inconceivable in the 1930s, other than in the realm of revolutionary speculation. Similarly, the economic fact of single-minded concentration on war production circumvented, at least temporarily, the underlying conflict between cosmopolitan capitalism and centralised autarkic planning. Moreover, all this happened with a high degree of popular consent and appeared to be buttressed by an unusual level of cross-class social solidarity. After its victory in 1945 Labour thus became the residuary legatee of a vast range of legal, economic and administrative powers that even its most radical theorists had scarcely dreamt were attainable before 1939.⁷³

The war therefore rescued Labour's theorists from their most intractable dilemma – of how to pursue their social goals without violating what was for most of them a prior commitment to constitutional legality. Not overnight, but over a relatively short period of time, wide-ranging controls over incomes, property, supply, manpower and information became not merely possible but morally and practically mandatory. The existence of such powers provided a practical legal framework for the policies of public ownership, redistributive taxation, fiscal and physical planning techniques, and communitarian social services that were favoured in one form or another by all sections of the party. This dramatic change of environment was reflected in Labour's political thought in a variety of ways. For a minority on the left the war was explicitly a