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SHERMAN  
13/11/81

THE SDP-LIBERAL ALLIANCE. TOWARDS A CONSERVATIVE STRATEGY

Summary and Conclusion.

There is no cause for panic. Though the SDP and Liberal Party added together seem a formidable new opponent, more suited to make inroads into the Conservatives' constituency than into Labour's, the deep differences between them could be made to turn the plus sign into a minus one, provided the Conservatives plan and implement an appropriate strategy.

The Liberals have increased their vote under every Conservative administration since 1955, falling back part of the way under Labour, then advancing afresh after Conservative rule. (They double their vote under Tories, losing a third after a full spell of Labour.) This is because the Liberals rely heavily on the protest vote by the middle classes against the effects of socialism. Of course when it is administered by Conservatives, they do not see it as Socialism, but as Conservatism ( Only when Labour is back in power do they see it as Socialism, and then many vote Conservative in the hope that Socialism will be dismantled.) Given the Conservative inability to restrain the growth of state expenditure, with the result that the effects of the monetary squeeze have fallen mainly on the private sector, and given the cross-purposes which prevented "populist" policies, it was on the cards that the Liberals would pick up.

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The SDP, by contrast, faces a potential dilemma. In order to get acceptable terms from the Liberals in the share-out of seats, resources and future office, they must bring with them powerful contingents from the Labour Party and a substantial share of the traditional Labour vote. To do so, they must retain many Labour attitudes, promises and policies. Otherwise, they are generals without an army dealing with office-hungry Liberals who have built up a formidable machine.

True, the SDP has the personalities, but if a prize nonentity like William Pitt (and he is a real champion of mediocrity) can sweep the board at Croyden, will the Liberals pay the asking price for personalities without supporters, when there is strong competition for seats?

Yet Labour Party Mark II policies could scare-off the protest-votes on which the Liberals have thrived.

The Conservatives problem is to flush the SDP out of cover and oblige them to clarify their position on those issues on which Liberal protest-voters and Conservatives feel strongly. These include Labour's plans for plundering the pension and insurance funds, for abolishing education via universal comprehensives, a wealth tax affecting millions of people, "planning agreements" which will make all businesses vulnerable, etc.

To do this requires certain finesse and the indirect approach. Instead of attacking Labour's record, or the SDP's record before they were "re-born", the Conservative campaign should be directed in the first place against Labour's proposals. People are more interested in the future than in the past. If electors could learn from experience, things would be quite different.

Only after bringing home the full gravity for middle class voters (in the widest sense of that term) should we direct interest to where the SDP-Liberal Alliance stands.

Clearly, in the case of Crosby, the operation will have to be telescoped into a few days. Nationally, it can take longer.

If we ask the questions, the media will take them up, because they are always short of questions, never of rhetoric.

In areas where the SDP-Alliance could take enough votes from Conservatives to let the Labour man in, and anyone who stays in the Labour Party is a de facto Bennite, this argument will be telling.

All Labour documents, conference decisions, NEC decisions, joint TUC-NEC-PLP documents from the late 'seventies (i.e. too late to be legislated) until mid-'81 are legitimate ammunition.

Some sample questions together with their press releases are attached.

End of Summary and Conclusion

Note: November 1981

The SDP-Liberal Party Alliance. Preliminary Theses for a  
Conservative Strategy

The Need for a Strategy

The fact that a split in the Labour Party has brought foreboding to Conservatives, whereas under normal circumstances it would have been expected to bring rejoicing, calls for comment. It also provides part of the key to our problem.

How we as a party approach the changed balance in the Labour Party, the emergence of the SDP, with its pretensions and aspirations, the SDP-Liberal Alliance, and the weakening of support for the Conservative Party inside our own "constituency", will be a searching test of our party's capacity to appraise changed situations and evolve strategies to match, rather than to panic and to try to buy off voters, critics and dissidents by offering more of what we do not have.

Our electoral problems, particularly with third parties, reflect the fact that we have not done well at this in recent decades. The loss of nerve following the 1945 defeat set in train consequences which still dog us. We accepted much of the socialist case, almost masochistically (e.g. "One Nation"). We chose to seek the middle ground, as a consequence of which it has been slipping to the Left ever since. (See Keith Joseph's "Stranded in the Middle Ground?"). In other words, the Conservatives' hankering after the middle ground played a great part in the victory of the Labour left.

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Had we surveyed the ground systematically and mapped out a coherent strategy over the decades, we and the country would be in a stronger position.

Our difficulties stem partly from the Party's lack of machinery for organised thought and elaboration of political strategy. Central Office and the National Union are an electoral organisation rather than a political party. The CRD, even at its best, was an auxiliary rather than a centre of political thought, and has not been at its best for a long time. Our parliamentary leaders in or out of office have been too taken up with government (or its shadow) to think and plan politically about developments in the nation and British society. (I proposed some years ago that the party develop an intellectual life of its own and also take positive action to influence business, Church and other walks of life down to the Insurance and Pensions Industry. Nothing came of it).

The emergence of the SDP-Liberal challenge, coinciding with a change in our Party chairmanship and sharpening of factional tensions inside the Party leadership, and outside, make the creation of the machine for political appraisal and strategy-formation timely. This devolves in the first place on, the Party chairman, as we call him. (Properly speaking the Leader is the Party chairman, and he should be filling the role of general secretary in traditional party terms).

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These notes are simply contributions to discussion. We (the Centre) and I suggest the party too must undertake more organised thinking.

Confusion & Panic

Our first reactions to the SDP challenge have been confused. This is partly because we have been thinking purely in electoral terms, and short-term electoral terms at that, and partly because the party lacks facilities for applied intellectual effort. The word panic may be too strong. But the reaction was: this new alliance will take votes from us in large numbers unless we find an immediate antidote, which some voices equate with coming closer to Labour/SDP positions. Let me present the problem in the round.

The SDP-Liberal appeal is based on a number of disparate and potentially contradictory factors. It is by identifying and playing on these contradictions that our best hope of defeating the Alliance and actually gaining from the Labour split lies.

1) The ever-recurrent Liberal protest-vote challenge

Ever since the mid fifties, sections of the middle classes have been expressing their dissatisfaction with the fruits of socialism, by voting Liberal (or to some extent, Scottish Nationalist). The reason that Liberal vote is higher under Conservative Governments than Labour ones (see appendix) is because the electors are not sufficiently sophisticated to analyse the causes of their dissatisfaction, but understandably blame them onto the government of the day. Insofar as Conservative governments since the war have largely inherited and perpetuated socialistic policies, the anti-socialism vote has tended to swing against the Conservatives when they are in office, in the belief that it is a vote against Conservatism. It swings back against Labour after a period of Labour rule, when voters know they are voting against socialism. The proportion of Liberal votes shows an upward trend from Con-Lab cycle. This means that by now, given hardship caused by the monetary squeeze and failure to cut state spending effectively, we should have expected a wave of Liberal protest-vote successes, anyway .

2) Anti-partyism

One inevitable effect of socialism has been hyper-politicisation of public and private life. This shows in several ways. First, too many decisions seem to be politically-based. Secondly, the parties seem to engage in tribal warfare, much of it is based on party or factional considerations rather than public policy. Thirdly, the whole range of quangoes, refuges for failed

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politicians, privileges for the new class irk those who do not share them.

Fourthly, the vast growth of "licit corruption", huge sums of public money spent to ensure MP's re-adoption or re-election and retention of local authorities, from branch-lines in Wales, BL suppliers in the West-Midlands, to the Humber bridge, intensify anti-political feeling. A market is thereby created for "anti-political politics", whose irrelevance and spuriousness should not be allowed to mask its deeper (and Potentially dangerous) springs, i.e. disillusion with parliamentary democracy.

Hence the Liberal revival which occurs predictably - but more strongly from cycle to cycle - when Conservatives are in office. We know the shape of it: a local candidate denouncing "Carpet-baggers", "community politics", suspicion of bigness. This is a symptom which we have to deal with, though we should not believe that by getting the Liberals' measure, however necessary to do so, we have cured the underlying disease. That requires "turning Britain round".

But electoral tactics cannot wait for that.

In the case of the Liberal protest-voters the best one can do is the political equivalent of psycho-analytical treatment, i.e to make them aware of what their dissatisfactions and aspirations really are, together with causes and possible cures. This entails showing how massive state-expenditure obligations assumed by Labour, e.g. new towns, nationalisation, vast new services together with extension of privileges for trade unions, could only be at the expense of the productive elements of the population. It is important that we show Liberal-type protest voters specifically how socialist measures work against them, rather than

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warn them against their alliance with the SDP in political terms. Politically, i.e. qua party activists and would-be MPs and councillors, they may stand to gain. It is as citizens, consumers, home-owners, businessmen, professionals, parents, etc, that they stand to lose.

( I return to this matter in para..... which deals with identifying and exploiting the contradictions within the Alliance, "Operation Jason").

3) The Middle Ground Drifted Left

The belief in the middle ground, an agreed "centrist" view of society round which men of good will could rally, and the accompanying illusion that the party system would be perpetuated in good faith by socialists, was disseminated assiduously by Conservatives and Labourites alike, though from different motives. The Conservatives, whose political morale never fully recovered from the shock defeat of 1945, compulsively believed in the middle ground, partly from exhaustion of intellect and will, partly because they feared that any likely alternative would be worse, i.e. a greater swing to the left, or other calamities. This attitude - or mood - effectively prevented them from offering an alternative either to the socialist-generated status quo or to the steady leftward slide of the middle ground.

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When the Labour Party veered too quickly and obviously from its trajectory, sections of the public looked for a correction and expected the SDP to restore innocence, forgetting that the Labour Party of the '70s and '80s was the product of this earlier evolution, and that return to innocence was impossible. Their political virginity is lost for good.

4) The SDP as a by-product of Socialism's Failure

The calamitous effects of socialism have been as obvious to many socialists (other than direct beneficiaries of party aggrandisement). But of course, those who failed to reject or drift away from socialism (not least because they were offered no alternative) drew one of two possible conclusions. One was that they needed more full-blooded socialism. This view has captured the NEC and PLP, the difference between Healey and Benn was not very large. The other was that one could somehow have all the putative benefits of socialism without the ugly side-effects exemplified by the leftwing takeover, the rose without the thorns. These people are not necessarily "right-wing" or "moderate" in any substantial sense. Shirley Williams in particular has always been militant in seeking the "irreversible and irrevocable" change sought in common by Benn and Healey. She has always been wholly authoritarian and intolerant.

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She and her followers were willing to give the Left most of its own way in policy matters on two conditions. First, that they avoided "frightening the horses"; secondly, that the PLP establishment held most of the places.

However Benn, in the course of his struggle to gain leadership of the Left, as a preliminary to gaining leadership of the Party, pushed too far and too fast - against the urgings of many fellow-Tribunites who put the cause before personal ambition. Williams et al - who had strenuously denied until the last moment that there had been any increase in leftwing influence, let alone takeover (see BBC interview during elections) - panicked and decided to set up shop for themselves as the only way of protecting their position. But this only occurred after the Bennite Left passed from dictation of policy, to a drive to capture a larger share of the places, and at a time when as "shadows" the SDP'ers had already lost the perks of office.

Political differences between those who left the Party and those who stayed can easily be exaggerated. Their standing with their constituency association, personal relationships, relationships with a particular union, their feelings on the EEC (which is not a genuine right-left issue, as Gaitskell, Jay, etc, showed) all played a part in determining their stand.

Labour Party, Mark II

For our own intellectual convenience let us call the SDP, Labour Party Mark II. As such, they have a formidable task. Their intellectual position is unavoidably incoherent. They cannot say (as individuals or small groups who left the Labour Party might) that it began to go wrong at a certain time, and therefore they left, and reconsidered their position. For one thing, they were an integral part of the leadership of the party virtually until the day they left; they formed the policies, they set the direction. It is hard for them to renege on its history, on documents which appeared over their signature, on Bills they piloted through Parliament, on invitations to totalitarians which they were party to issuing.

Secondly, they wish to carry as large a proportion of Labour Party members, ex-members and traditional Labour voters as possible with them. A high proportion of these people will be active trade unionists. Insofar as the SDP'ers switch too far from Labour ideals, panaceas, prejudices, they will lose that support, which they used both for electoral purposes and for holding their own in bargaining with Steel and local Liberal associations for their share of parliamentary seats.

Thirdly, they are authoritarian personalities, egotists, performers, who find it hard to confess error in the way ordinary people do. Shirley in particular, chief Nanny of the Nanny state, will never bring herself to admit error. That is a major potential weakness of hers, which we must make intelligent use of.

Yet at the same time they have to participate with their Liberal allies in harvesting the protest vote, which is basically anti-socialism. To do so, they must denounce the two-party system, political polarisation, excessive party and state intervention in the citizen's life, which were of their making, "extremism" "divisiveness". In short, they must avoid presenting a socialist face to the public if they are to win protest votes, indeed not to lose their Liberal allies, who are poised to reap a rich harvest. Yet they must present a Socialist face to their own supporters, if they are not to be generals without armies. As more late-comers to the Liberal party, they carry little weight with it. As distinctive partners in an Alliance they can be a potential embarrassment, so long as a major source of Liberal electoral appeal is the anti-status-quo protest vote.

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Dr Owen's Dilemma

The SD are therefore faced with a serious dilemma. How can they maintain the brand image needed to hold and enthuse supporters from the Labour Party and compete for allegiance of the traditional Labour electorate, on the one hand, without fouling the Liberal side of the Alliance's appeal to the anti-socialist, anti-party protest vote?

They will not have a clear run unless we give them one.

Their way of circumventing the dilemma so far is quite obviously to avoid discussing policy, and hope to cash in on the anti-socialism, anti-Tory feeling, aided by discontents, and by the image of Mrs Thatcher as a heartless dogmatic extremist pressed so hard by the quality media and influential sections of the Tory Party (in government or out). This really means riding on the Liberals 'coat-tails.

So far, they have been able to get away with this. Unless we do something about it, they will continue into the next general election on the same line, hoping that we shall panic, engage in me-too-ism, and hence appear to justify them, become more divided, more unpopular, so that the protest vote plus residual loyalties to them from their ex-Labour supporters float them into a position where they at least hold the balance. It is no use our waiting for them to take up divisive policy issues out of choice. Nor, heaven forbid; do we want to see them tested by

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winning governmental responsibility. Our job is to flush them out of cover, find ways of sumultaneously bringing their policy and its implication to the consciousness of the "protest-voters", making the SDP clarify their position (or positions) and obliging SDP and Labour to confront each other. This can best be done indirectly, in three stages.

Stage One. Launch a heavy attack on the Labour Party for those of its proposed policies which would be most unpopular with middle-class voters, in the broadest sense of the term. This includes plans for plundering the pension and insurance funds, the virtual abolition of educational opportunity by universal comprehensivisation, limitations on mortgage tax-relief, a savage wealth tax over and above present taxation, "planning agreements" which mean the virtual take-over or bankrupt any firm the unions or civil servants cast an eye on. As Tories use all policy statements since the mid 1970s and until mid-'81, including NEC, Conference and Joint statements by TUC, NEC and parliamentary leadership.

Stage Two. Enquire forcefully where the SDP-Lib alliance stands on all these issues. This will face them with a dilemma. If they accept them, they are tarred with the same brush. In some cases it will be difficult for them to disassociate themselves, since these decisions were adopted well before some or all left the Labour Party Mark I. If we raise the questions succinctly, the media will take them up, because the media are short of questions, but love grilling politicians.

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But insofar as they deny them and take the first steps actively to disassociate themselves from Labour, they will be bound to justify their renegeing, and will be bound to direct fire against the Labour Party, obliging Labour to return its fire. They will also try in many cases to wriggle, which will then lay them open to being pinned down and shown to be shifty. In some cases, the questions will divide the Alliance, or even the SDP itself into the re-born, and the "moderate extremists". In other words, instead of either going onto the defensive or simply attacking Labour's record, the main emphasis should be on Labour's future plans and their implications for the SDP. Sample questions and press releases are enclosed.

As the dialogue is broadened, and the SDP comes under the microscope, it will be possible to extend the scope of attack backwards in time from proposed Labour policies to Labour's record, having established that the SDP must answer on these matters, and not pose like men from Mars, who bear no responsibility for the existing situation.

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Stage Three. Tactical-voting reversed. Remind voters, where Labour is still in the running, that a vote for the SDP-Lib Alliance lets in a socialist either way.

Style: suaviter in modo. Style will count a lot. Strident accusations will make it easier for seasoned performers like Mrs Williams to act evasively. Calm questions, questions, questions, backed with facts, the theme of a great national debate, which cannot avoid a self-critical view of our recent history, will put the ball into the SDP court far more effectively. We must overcome the weakness of our Crosby candidate, who is brash and strident to compensate for his insecurity and limitations (was it impossible to persuade the local association to choose someone of calibre to stand up to Mrs Williams? are there none on the candidates list?)

Our own self criticism. We are dealing with electors who are worried, and unhappy, not without cause. If we ignore their concern, or treat it too blandly, we lose them. It seems that our way must be to recognise that we are trying to remedy ills with deep roots, resulting mainly from socialist cures but also national reluctance to accept change.

Now that Edward Heath, Sir Ian Gilmour and others are openly attacking the present government, there should be less inhibition about explicitly discussing shortcomings of previous conservative regimes, charitably but frankly.

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We must let the public know how difficult it is to turn a country round, even with will power and understanding. The franker we are, the more sharply the choice between us, on the one hand, and socialist groups who would continue down the road, on the other, will appear. If we begin too defensively, the SD will never be put on the defensive, if we do not ask searching questions, they will never have to answer them.

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The Middle Run

The chances of the SDP-Lib Alliance becoming the foundation of a permanent grouping, possibly a new party are by no means cut and dried. On the one hand, the majority of Liberal voters are as anti-socialist nowadays as they have been in the past. They can indeed be divided into two main categories; those who remain loyal to the Liberal Party through thick and thin; and those who switch alliance from Liberal to Tory and back again, according to which party is in office, in as regular and predictable cycle as an arctic fox changes the colour of its coat. (There are also the "parasites", far leftwingers of the Peter Hain category who joined to use it as a ready-made seed-bed. But there seems to be a certain inbuilt limit to their progress).

Insofar as the SDP largely aspires to become what the Labour Party was in the '50s and '60s - or possibly the '70s as far as some leading members are concerned - why should its chances of winning permanent allegiance of Liberal voters be greater than they were during these decades? It is not as though the typical Liberal voter were basically socialist, held back from voting Labour simply because of the antics of the Left, because for much of this period the Left counted for little. Indeed the Labour Left's take-over took Liberals and Liberal voters as much by surprise as they did others. As far as I know, there are no present grounds for positing a major swing in the views of Libs and Libvoters towards socialism. On the contrary, public opinion remains as far to the right of the middle ground as ever.

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We have no grounds at present for either positing or ruling out future major changes in the political orientation of the SDP. The differences between the Labour defectors are substantial. Some could have been at home in the Conservative Party, others are still attuned ideologically to the Labour Party and left over extraneous matters, e.g. place, EEC, the autonomy of the PLP. If the new party does badly, fails to return them to seats, let alone some hope of office, the new group could disintegrate, with parts seeking return to Labour (for which there are many precedents, in which harsh words were soon forgotten), some joining the Liberals, some leaving party politics or even joining the Conservatives. A group of MPs and ex-Ministers by its nature looks politically impressive. Leave them long without seats, politically-based incomes and present hopes, and they will visibly shrink in stature, for few have intellectual and other qualities to maintain their status were they bereft of parliamentary trappings.

But that will depend on the interaction of factors, e.g. how well the Tory government does and how well the Tory vote holds up, how well Labour does (for a deal between Foot and some of the defectors cannot be ruled out).

As things stand, any attempt by Steel and his parliamentary praetorian guard to dragoon Liberals and Liberal voters into something more socialistic than suits their taste could easily lose some of them.

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Much of this remains hidden in the fog of politics, and there is as little to be gained by further speculation as there is much to recommend more systematic monitoring and rather more analytical thought than has been devoted to the matter so far by us.

The present calls for strong nerves and open eyes. The CPS intends to put a research and monitoring programme in hand.

But even in advance of study, it remains true that to offer political concessions to faint-hearted or politically dissident Conservatives in order to retain them in the Conservative Party and avoid their defection to the SDP would be doubly counter-productive. First, it ignores the fact that the real political common ground in this country is well to the right of the politicians' and media's "middle ground", even of the Conservative Party's. To lose these dissidents would be to make the Conservative Party more attractive, not less. This is true for would-be professional students and YC tame peacocks as it is for heart-on-sleeves MPs and the Tory Reform Group. Secondly, greater cohesion and sense of direction inside the Conservative Party would enhance its attractiveness and get rid of the corrosive bickering and back-biting which has been put to such use against the party in general and the PM in particular.

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For it remains true that had the Government been more united round "Thatcherite" policies, their unequivocal presentation since 1975 and implementation since 1979, the Government would have been more successful, and the Liberal- Alliance threat negligible while Labour defectors would have been attracted to us in larger numbers. We have lost time, but it is never too late.

End

## APPENDIX A i

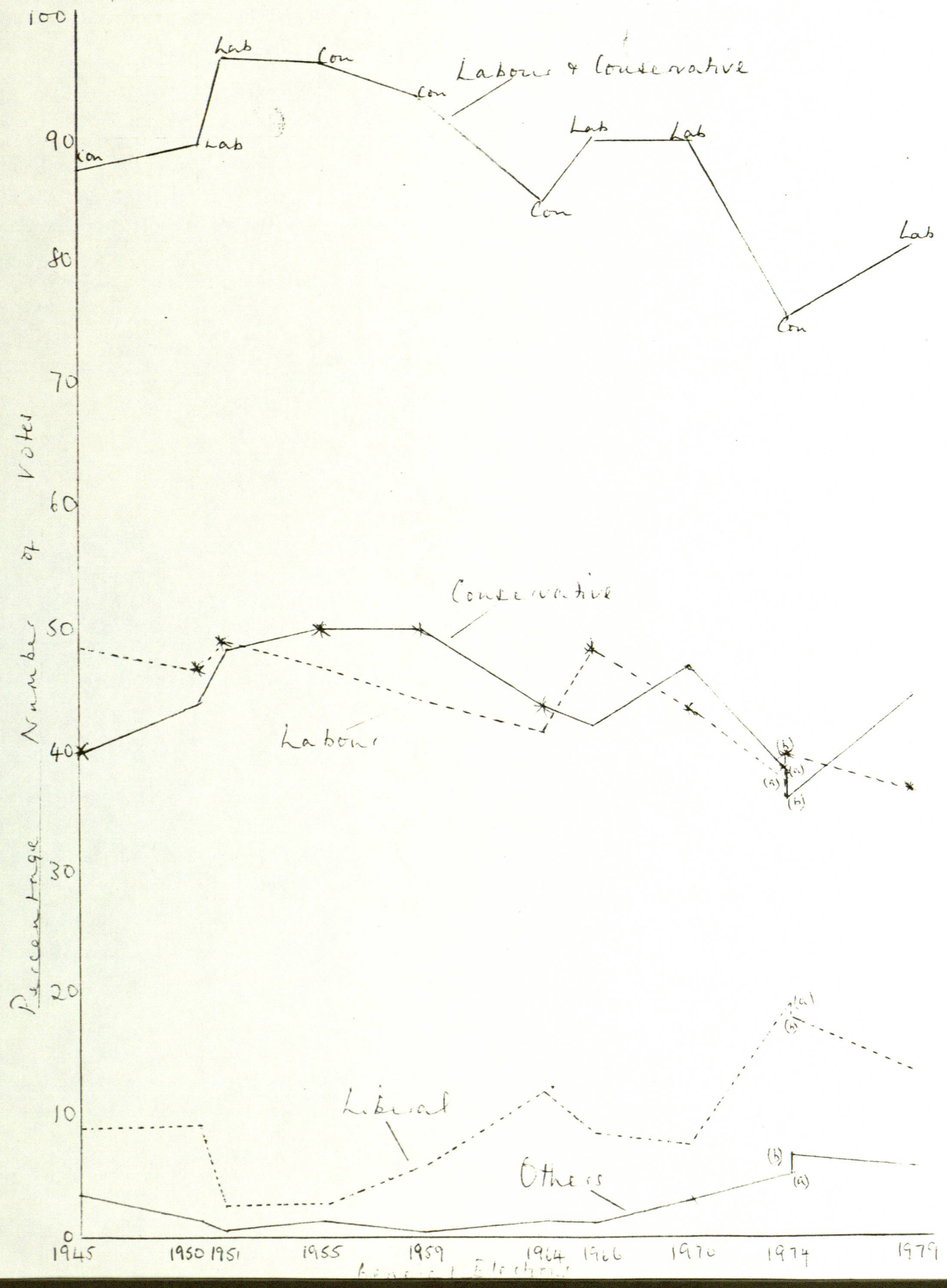
| DATE OF ELECTION | PARTY IN OFFICE DURING ELECTION | SHARE OF THE VOTE % |        |           |         |       | TURN OUT |
|------------------|---------------------------------|---------------------|--------|-----------|---------|-------|----------|
|                  |                                 | CONSERVATIVE        | LABOUR | CON + LAB | LIBERAL | OTHER |          |
| 1945             | CON*                            | 39.6                | 48.0   | 87.6      | 9.0     | 3.4   | 72.8     |
| 1950             | LAB                             | 43.4                | 46.1   | 89.5      | 9.1     | 1.4   | 83.9     |
| 1951             | LAB                             | 48.0                | 48.8   | 96.8      | 2.6     | 0.6   | 82.6     |
| 1955             | CON                             | 49.7                | 46.4   | 96.1      | 2.7     | 1.2   | 76.8     |
| 1959             | CON                             | 49.4                | 43.8   | 93.2      | 5.9     | 0.9   | 78.7     |
| 1964             | CON                             | 43.4                | 41.1   | 84.5      | 11.2    | 1.3   | 77.1     |
| 1966             | LAB                             | 41.9                | 48.0   | 89.9      | 8.6     | 1.5   | 75.8     |
| 1970             | LAB                             | 46.4                | 43.1   | 89.5      | 7.5     | 3.0   | 72.0     |
| 1974(a)          | CON                             | 37.9                | 37.2   | 75.1      | 19.2    | 5.6   | 78.8     |
| 1974(b)          | LAB                             | 35.8                | 39.2   | 75.0      | 18.3    | 6.7   | 72.8     |
| 1979             | LAB**                           | 43.9                | 36.9   | 80.8      | 13.8    | 5.4   | 76.0     |

\* Majority coalition

\*\* Lib-Lab Pact

# Party Voting by Percentages 1945-1979

\* Government in power at election time





Sample Question to Mrs Williams.

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Question to be raised in a speech at Crosby, and issued in a press release.

Does Mrs Williams stand by her denial in a 1979 Election broadcast that over 40 Labour candidates for the 1979 election were extremists? - Joe Bloggs asked at a Crosby by-election meeting in Muck Hall yesterday. Mrs Williams then said in a BBC interview: "if they're extremists, then I'm one too." She was referring to men and women like Frank Allaun, Norman Atkinson, Tony Benn, Denis Canavan, Bob Cryer, Martin Flanner, James Lamond, Joan Maynard, Micheal Meacher, Renee Short and Audrey Wise.

Are these not specially the people who caused her to leave the Labour Party? Mr Bloggs asked.

If they are not extremists, then who is? But if they are extremists, why deny it?

Whom was she trying to deceive: the electorate or herself? By closing her eyes to the dangers, and blinding Labour voters' too, for the sake of narrow party advantage, was she not intensifying the evils she now claims to lead the fight against?

And if her judgement was so untrustworthy then why should we give her more credence now? - Mr Bloggs asked?

Party a sheep in wool's clothing?

WILLIAM: Well no, and I know where you've got the 43 from, because there was a long article - I think - in the Daily Express or the Daily Mail about the 43. Well I know quite a few of the 43 and I'm bound to say, if they're extremists then I'm one too. And I found that a very peculiar article. Look, lets be quite blunt about this - in our country the major parties go from Left to the Centre or Right to the Centre, both of them have within them a certain number of people who have rather extreme views, but they're a very small minority. I, for example, could not conceivably describe the tribunate knights in my own party as extremists, because they're nothing of the kind. People like Stan Orme and Albert Booth are members of the tribune group, I don't know how anyone could describe them as extremists. So no, because what New Ham proved more than anything else, was that the Prime Minister and the Executive Committee of the Party announced that they were going to tell the constituency where its choice could be and they've now chosen one of the three people named by the Parties Campaign Committee, and indeed, if anything it shows an a assertion of domination by the Campaign Committee over that particular party.

DAY: with that answer?

Mr. Colwell are you satisfied

COLWELL:

Um...I'm not really Mr. Day....

DAY: not?

...Well tell Mrs. Williams why

COLWELL:

Well um.....I've been reading quite a lot in the papers about this sort of thing and last week even the Communist Party have told their followers to vote Labour where there is not a Communist candidate...

WILLIAMS:

...Well yes indeed, that may well be true, and I think you'll find that one or two of the extreme Right

Chairman

Roger Fox

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## THE MUTATION OF LABOUR

INTRODUCTION

The best measure of Left-wing strength in the Parliamentary Labour Party during the past 4½ years is undoubtedly the voting for election of a new Prime Minister following Sir Harold Wilson's resignation in 1976.

On the first ballot, 127 members of the PLP voted for a Left-wing candidate (Anthony Wedgwood Benn or Michael Foot) in preference to either James Callaghan, Anthony Crosland, Denis Healey or Roy Jenkins. That is 40% of the votes cast.

Michael Foot, with 90 votes, outpolled the present Prime Minister, and Wedgwood Benn came ahead of Healey and Crosland. In the final ballot, James Callaghan defeated Michael Foot (who received Benn's open support) by only 39 votes, Foot receiving 137. Hence, a swing of a mere 20 votes would have given Britain her first doctrinaire Left-wing Prime Minister.

It is therefore untrue to say that the effective strength of Labour's Parliamentary Left consists only of the 70-or-so members of the Tribune Group. There are clearly a number of MPs, not prominently known as Left-wingers, who are willing to vote for Left-wing leadership and policies.

After all, 105 of the 218 backbench Labour MPs eligible to sign Commons Early Day Motions (only MPs outside the Government customarily are) signed a motion demanding the implementation of the extreme Left's 'Alternative Strategy' in November 1976.

In the light of these facts, it is significant that at least nine of the 30 moderate and centrist MPs who are retiring at this election from Labour seats have been replaced by Left-wing candidates. We give several examples in Part II of this document.

Leaders of the Left

However, the dynamo of the Parliamentary Left is the 43 extremist MPs seeking re-election listed in Part I. They include in their number the driving element which leads Left-wing opinion in the Parliamentary Labour Party and operates with crucial effect in the Left-dominated National Executive Committee of the Party.

These 43 have overtly associated themselves variously with extreme Marxist and Marxist-Leninist activities, organisations and publications described later in this introduction. Some MPs are more pro-Soviet than their colleagues, others are Trotskyist by inclination and some appear as 'independent' extreme Left socialists; but the great majority if not all appear dedicated to forging Left unity identical to or not substantially different from the 'United Left Front' strategy of the Communist Party. Nearly all are distinguished by repeated acts of disloyalty to the Government of James Callaghan. All are to the Left of Aneurin Bevan. They are (with their constituencies):

|                       |                    |                 |                        |
|-----------------------|--------------------|-----------------|------------------------|
| Frank Allam           | Salford East       | Robin Cook      | Edinburgh Central      |
| Norman Atkinson       | Tottenham          | Bob Cryer       | Keighley               |
| Anthony Wedgwood Benn | Bristol South-East | Geoffrey Edge   | Aldridge-Brownhills    |
| Andrew Bennett        | Stockport North    | Martin Flannery | Sheffield Hillsborough |
| Sydney Bidwell        | Ealing Southall    | Michael Foot    | Ebbw Vale              |
| Norman Buchan         | Renfrewshire West  | Judith Hart     | Lanark                 |
| Dennis Canavan        | Stirlingshire West | Eric Heffer     | Liverpool Walton       |
| Maureen Colquhoun     | Northampton North  | Douglas Hoyle   | Nelson and Colne       |

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|                 |                       |                  |                          |
|-----------------|-----------------------|------------------|--------------------------|
| Robert Hughes   | Aberdeen North        | Stanley Orme     | Salford West             |
| Roy Hughes      | Newport               | Jo Richardson    | Barking                  |
| Russell Kerr    | Feltham and Heston    | Gwilym Roberts   | Cannock                  |
| Neil Kinnock    | Bedwellty             | Caerwyn Roderick | Brecon and Radnor        |
| James Lamond    | Oldham East           | George Rodgers   | Chorley                  |
| Arthur Latham   | Paddington            | Jeffrey Rooker   | Birmingham Perry Barr    |
| Joan Lester     | Eton and Slough       | Brian Sedgemore  | Luton West               |
| Tom Litterick   | Birmingham, Selly Oak | Renee Short      | Wolverhampton North-East |
| Eddie Loyden    | Liverpool, Garston    | Dennis Skinner   | Bolsover                 |
| Max Madden      | Sowerby               | Ron Thomas       | Bristol North-West       |
| Joan Maynard    | Sheffield Brightside  | Stanley Thorne   | Preston South            |
| Michael Meacher | Oldham West           | William Wilson   | Coventry South-East      |
| Ian Mikardo     | Bethnal Green & Bow   | Audrey Wise      | Coventry South-West      |
| Stanley Newens  | Harlow                |                  |                          |

The 43 include one or two like Michael Foot who started some years ago from a Bevanite position - what Bill Rodgers once called the 'legitimate Left' - and have even apparently been loyal to Mr Callaghan while in his Government, but who have nevertheless over the years by word and deed, whether out of conviction or for reasons of political survival, kept pace with the Labour Left's steady shift toward extremism.

#### More Left-wing MPs?

Part II of this document gives a sample of Left-wing candidates replacing retiring moderate or centrist MPs in Labour seats: Watford, Newham North-East, Lambeth Vauxhall, Kettering, Wood Green, Hackney North and Stoke Newington, Walsall North, Liverpool Edge Hill, Lambeth Central.

We also give a sample of Left-wing candidates standing in marginal Conservative-held constituencies: Dover and Deal, Bosworth, Plymouth Drake, Bedfordshire South, Manchester Withington, Kensington, Bedford, Beeston, Hornsey, Hampstead, Hendon South, Horsham and Crawley, Dundee East, Eastleigh, Brentford and Isleworth, Newcastle-upon-Tyne North, Croydon Central.

The election of any of these candidates will represent a shift of opinion in the Parliamentary Labour Party away from the Callaghan leadership and in favour of a Left-wing succession when the Leadership of the Labour Party is again contested.

#### HALLMARKS OF EXTREMISM

##### A. Association with Extremist Organisations

Labour's National Executive Committee (NEC) used to publish a list of proscribed organisations so that Labour Party members could avoid being induced to give support to communist and other extremist organisations and their off-shoots. Many of these masquerade as campaigns for good causes to inveigle well-meaning people into cooperating with popular front politics and to provide cover for fellow-travellers to work more closely with their real friends.

In 1973, the NEC sought and received the agreement of the Labour Party Conference to abandon the proscribed list. Labour Party members were advised "to continue to refrain from associating with other political organisations whose aims and objects are not consistent with those of the Labour Party." Unless one takes the view that communism in its various forms is no longer to be deemed inconsistent with the aims and objects of the Labour Party, numerous Labour MPs have ignored this stricture. Some even ignored the proscribed list when it was in force.

It is our argument that support for and association with such organisations by MPs would lead any reasonable man to believe they have sympathies with the varying shades of totalitarian communism represented by these organisations.

/more.....

Sample Question to be addressed to SDP

Question to be launched in speech form with Press Release: Media will take up.

Plundering the Pension Funds. Where does SDP stand?

A. Press Release.

Where does the SDP (or Mrs Shirley Williams) stand on Labour's plans for plundering the occupational funds and life insurance investments in order to keep nationalised industries in the style to which they have become accustomed? Joe Bloggs MP asked at an election meeting near Crosby yesterday.

Mr Bloggs pointed out that Labour's plans for plundering the pension and insurance funds had been mooted while Mrs Williams and her colleagues were still leading members of the Labour Party.

"Encouragement" and "channelling" of these funds into industry, as they euphemistically call it, would be on government terms. But since the government is already a major borrower from these institutions, the terms given under compulsory expropriation would by definition be worse, otherwise why go to the trouble of compulsory acquisition? What would a "government guarantee" mean, except recourse to the printing press, eating away the value of future occupational pensions and life insurance policies on fruition.

While civil servants, local government employees, nationalised corporation staff, OAPs, MPs and other state beneficiaries enjoy index-linked pensions, occupational pensions and life insurance schemes wholly or partly on the return on their investment to keep abreast of inflation. It is hard enough to do in any case - Mr Bloggs argued - but if government expropriates the funds compulsorily on its terms, the real value of occupational pensions and endowment policies could fall catastrophically.

That can be expected from a Socialist government, committed to imposing equality by pauperising all but the new political class.

But where do the "new born" democrats, Mrs Williams & Co stand? Have they kept this part of their socialist heritage? Or have they seen the light since they broke with their Marxist comrades? The millions of people who belong to occupational pension schemes or hold life insurance policies have the right to a straight answer.

1976 NEC Statement Banking & Finance.

"Companies should be encouraged to plough a proportion of their funds into an investment reserve fund."

"We propose that the top seven insurance companies be brought into public ownership and placed under the control of a reformed Bank of England. This would establish public control over more than half of total premium income and over two-thirds of British insurance companies general funds."

"To assist further in channelling funds from private sector financial institutions to industry a special division, or agency, of the Bank should be established."

"We propose reform of the Bank of England so that it ceases to be the spokesman for the private sector financial institutions and takes on responsibility for the investment fund scheme, for publicly-owned banking and insurance and for co-ordinating and planning the provision of finance to industry."

NEC Evidence to the Wilson Committee 1977.

"The key to success lies in developing a publicly-owned stake in the very areas of the financial system where critical investment and lending decisions are made: the banks and insurance companies".

Evidence to the Wilson Committee 1979.

".... it is essential to exercise greater public control over the financial system .... the most effective means of exercising that control would be through public ownership of dominant companies in the financial sector."

"We seek greater public control over the allocation of funds for investment .... a vital element of a programme for the social control of investment ...."

1981 NEC statement to Conference.

"The financial system must provide greater support in industry at home. A new National Investment Bank, financed from North Sea oil revenues and the Pension Funds and Life assurance companies, will provide funds for long-term investment projects. Funds borrowed from the financial institutions in this way will be guaranteed by the government....."