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Our Exposed Flank: Free collective bargaining - October-November 1978

It is widely believed that the political advantage we appeared to have derived from events at Brighton and Blackpool (the TUC and Labour Conferences, Callaghan's funking an Autumn 1978 election) was lost during our conference and the weeks which followed. According to this thesis, Callaghan and Heath gave the impression of somehow standing up to the unions and producing some framework for economic stability, whereas we simply said: remove the brakes, let it rip. We appeared to be associating ourselves with the most unpopular institution in Britain today, the trade unions and their rampage.

We know that this is a travesty. But it is widely believed, hence it represents a failure of communications and strategy on our part, because events and arguments should have been going for us. It follows that it is worth ascertaining where we went wrong. This in turn leads on to our trade union policy and how we reached it, the union-Labour-Party tie-up, the Union issue in party politics, bi-partisanship, pressures for coalition government, E.H. etc.

I approach the question from a personal angle primarily because it is the aspect from which I can write most authoritatively, not because I am out to justify myself. On the contrary, I share the blame for whatever went wrong. The purpose of going over the immediate past - the history of this year's conference speech - is to derive lessons from it.

The speech had to begin late, for two good reasons. First, an election had been expected. Secondly, the TUC and Labour Party conferences radically changed the situation. The cart-horse had taken the bit between its teeth - for reasons which we have yet to adduce. The union leaders had refused five percent, rejected the social contract after having extracted much in return for little or nothing. (The much was not much for eleven million trade-unionists and their families, for reasons we could spell out forcefully.)

Callaghan has been left high and dry on his five percent. But being a master tactician and not inhibited by considerations of truth or national interest, he puts on a good show, and turns defeat to his advantage if he is allowed to get away with it.

Now this was where we should have come in. Callaghan's dead end was to be our beginning. Incomes policy and its Mark II as social contract had failed, indeed made matters worse. But monetary policy is not enough so long as the balance of bargaining power remains so hopelessly distorted. Though Labour's 1974-8 legislation made it worse still, it had been bad enough before. It was this imbalance which led to the expedient of incomes policy in the first place. The prescription only made things worse, but the disease was real enough. Both parties recognised this, hence attempts at trade union legislation, whose failure should not be seen as invalidating the principle. We must look at the legislation again and ask what went wrong.

Coming back hot-foot from Brighton and Blackpool, I tried to impart this. I had little time, less in view of the fact that we had to do the Agents' Dinner speech too.

In the draft section on the union issue, which I brought to Flood Street on the Saturday before the conference, I tried to steer between Scylla and Charybdis. I had to reintroduce the idea that for free responsible collective bargaining to work, changes in trade union methods were essential, as our supporters for the most part accept. Yet I wished to avoid evoking the parrot-cry "confrontation" from the faint-hearts, from the "salt-on-tail" brigade and from all those in or around our Party with a vested interest in preventing reconsideration of the passive sycophantic approach towards the unions.

I also had the problem - to which I return below - of the party-equation, which includes the need to take into account the fact that many people, including some of our own supporters and members, believe that Callaghan is really doing a good job and is standing up to the unions. This sets us a problem of how to expose the sham of what he is doing without giving the impression that we are helping the Trade Unionists trip him up, and also - for which we had advanced warning - to deny EH a clear run as the man who wished to stand up to the unions side by side with JC in the national interest, when we know that his policies, like JC's, do the exact opposite.

It was not till the Tuesday morning in Brighton that I received your reaction to the closing part of my draft on the unions. You said - rightly - that the recommendations for reform of bargaining were too weak and needed strengthening. I set out to do so, still diffidently, fearing to carry it too far, since this was a policy change and a bone of contention.

So I strengthened it as far as I dared, hoping to discuss it with you. (Appendix) I handed it in on the Tuesday evening, and then disappeared for 24 hours for the Day of Atonement. When I came back Wednesday evening, I tried to reach you, but was told that you did not need me. Though I hung around like a vacuum-cleaner salesman for the rest of the conference, I was unable to gain access to you to discuss the matter or any other aspect of the speech.

It still seems to me in retrospect that what I wrote - although less than full-blooded - would have been better than nothing in covering the exposed flank. Needless to say, had you decided that it was politically on to strengthen my admittedly hesitant formulation still further, this would have defended the flank even better. But as things worked out, the flank was left unguarded. Since I was not privy to the discussions Wednesday and Thursday and Friday, it is difficult for me to comment on the reasons for leaving the flank unguarded. I do know that Chris Patten among others is against saying anything which suggests either that the unions are in any way responsible for our plight or that we should consider doing anything about them if they were. But how far their views played a part in the outcome I am in no position to know, and it is not for me to speculate.

So much for the history of the Speech. Our subsequent talk raised the vexed issue of bi-partisanship and the ever-present likelihood of coalition pressures.

You may remember that I wrote a memo to you earlier in the year regarding the dangers that Callaghan would mobilise coalition pressures against us when things went badly for him. I need not rehearse the arguments again here, but only to say that the issue remains as live as ever, and that arguments in favour of preparing to meet the eventuality rather than just waiting for it to happen have lost none of their cogency.

I should add in this context that in addition to the dangers inherent in a Callaghan coalition gambit (with help from you know whom) there are also potentialities. For if Callaghan were to go - for whatever reasons - into coalition without his leftwing, it could be 1931 and 1935 over again. I reiterate: it is not a matter of casting our eyes in that direction - there are many reasons against doing that - but of preparing to ensure that were Callaghan to try the gambit, for whatever reason, it would blow up in his face and leave him repeating Macdonald's experience.

What is of more immediate concern should be the political balance inside the Labour Party. Are we to write it off as irredeemably Marxified? I hope not, for if this were so, the prospect for Britain's political future, for the future of democracy here, would be daunting, not least when there is no third party in sight to supplant Labour, as Labour once supplanted the Liberals in the two-party system.

Were we to write it off, many implications would follow. I have yet to see these discussed and spelled out. So far there is no widespread public recognition of chronic Marxification, and no sustained effort by Conservatives to bring it home. I should say that Labour's falling off in popularity stems more from the decline in old fashioned "cloth-cap" class consciousness as the structure of the work-force changes, disillusion with the obvious careerism, cupidity and venality of so many Labour office-holders at all levels, and its patent failure to solve social problems, indeed not to create them. Marxification is partly a result of this disillusion and corruption of the old structures.

(In Wales and Scotland, where Labour traditionally absorbed what was basically a nationalist protest vote together with support from the class conscious vote of the older declining industries, the nationalists have cut into the Labour vote because the Labour Party's venality and careerism became excessive even by rather more permissive Celtic standards.)

But note well, disillusion with Labour since the mid-fifties has patently not sent voters into the Tory camp; on the contrary, it has coincided with a decline in our share of the vote too.

It seems to me, therefore, that far from giving up the Labour Party and the basically two-party system for lost, we should demonstrably work to revive them. If we take the lead in inspiring genuine social democrats or democratic "labourites" to fight to save the party they once loved from Marxism and massochism, we back ourselves both ways. If we succeed, we shall have helped restore a democratic two-party system and all that it entails. Insofar as we fail, traditional "Labourists" will be far more inclined to see us as an alternative spiritual home, or at least as an ally.

As far as the wider public is concerned, we should make more lee way by denouncing specific advances of Marxists inside the Labour Party and trade unions, than by what seem to the uninitiated to be blanket condemnation, exaggeration and "McCarthyism". Let us denounce and alert the public by all means, indeed we should be doing it much more actively, not to mention frowning on the close and even subordinate collaboration with Marxists practised by the FCS and YC's among others. There is a good case for arguing that we are not anti-communist enough. There is still a type of old-fashioned Labourite who is far more anti-communist than we are.

But this is a digression. The main question is our relationship with the Labour Party, and with the Trade Unions which are flesh of the Labour Party's flesh. Constitutional theory underlying the two party system takes for granted that the two parties are sufficiently close in their philosophy and objectives to allow the pendulum to work. If they diverge too far, the party democracy breaks down.

We are dangerously close to this situation, closer than the complacent among us believe. But if so, a fortiori, we are clearly a very long way from a potential coalition-situation.

As a general rule, it is true to say that when the gap between the two major parties is too large, coalition is precluded; when it is relatively narrow, coalition is superfluous, barring war-time emergency.



However, we face the problem that many good citizens - unfortunately more of our voters and members than of theirs - are prone to be stampeded coalitionwards, either because of their distaste for party politics, or because they are misled into seeing the nation's economic plight and difficulty with the unions as the kind of emergency which calls for a government of national unity.

The hankering after coalition or "above party" attitudes and institutions is part and parcel of traditional Tory attitudes. In one sense, surely we sympathise with them. How good it would be, were it not for the partisan poison of socialism which politicised all it touches. The trouble is that the socialist partisan poison exists, therefore we must mobilise our good patriotic basically non-political (even somewhat anti-political) Tories to fight off the socialist threat. We make our task harder when we are seen to "play politics", the more so when the difference in policy between us and the socialists seems small ("we shall alter nothing" - Prior promises) whereas party animus seems strong. There is a lesson here.

Our main problem is to put forward policies which the public will come to see as reasonable and workable and also to persuade the public that we have the resolve and talent needed to implement them.

In the case of the unions - which this is the one of the three most important issues in politics today - we begin with a handicap, in part self-imposed. Only by recognising it and dealing with it can we hope to surmount it.

The people of this country are in advance of the politicians in that they know that "something must be done about the unions." But they do not know what. This creates a political vacuum. If we do not present proposals which strike the public as reasonable, the public will opt for the quack remedies peddled by Callaghan and Heath (and when we say "Heath" we include Heathites on both sides of the water). We have yet to come to terms with our failures of 1970-4, to ascertain where we went wrong, and hence how we can do better next time.

While we remain tongue-tied on the issue, the Socialists and Heathites cannot but make political capital, as they have been doing since early October. Heathites are not inhibited by lack of analysis of where they went wrong, since they do not offer policies, but attitudes and emotions.

There is little point in saying that we must unite the Party, if what we do plays into the hands of those whose whole aim is to destabilise the Party, e.g. Heath, et al. Party unity, like anything else, has terms and a price. Nor is there any point in saying that we should not disclose the disunity in our Party, when everyone knows it already.

The best way of moving towards Party unity is to produce proposals which make sense and strike a chord. When we are on the move forward, support accrues, the Party unites best behind policies; it is most fissile when stationary.

The situation is now again propitious, in that the public mood vis a vis the unions has changed. The Unions' moral ascendancy has been eroded, they are no longer seen as valient fighters for the underdog but as selfish and often ruthless operators. I am not suggesting that public opinion alone is sufficient to ensure that our policies succeed, our experience in 1970-4 should be enough to dispell this illusion. Public opinion is a necessary but not sufficient condition - it is also what we need to win elections. What counts is that "do something about the unions" is again thinkable.

This brings me back to my main thesis. We must put forward the principle that for a return to free responsible collective bargaining - which is essential to democracy and economic efficiency - we must first restore the balance of bargaining power. We must urge this as something in the Unions' own interests and something which should be acceptable to both parties - viz "In Place of Stife". The fact that unions and Labour Party are most likely to reject this gambit in no way reduces its value. We should go ahead anyway.

APPENDIX

From - Draft - Tuesday, Brighton. Trade Union section - Conference Speech '78  
(re-typed but not altered)

To sum up, when we are elected, we shall set out to evolve a new framework for industrial relations based on free responsible collective bargaining. We shall associate the unions and the opposition parties with this endeavour, for they too live in this country.

We shall seek codes of conduct. To honour a bargain freely entered into is a British tradition common to all classes; I do not despair of gaining its acceptance in labour relations. I undertake that we shall practise in government what we preach in opposition, and support in opposition what we practise in government. We shall never exploit the government's industrial difficulties when it acts responsibly. Power in government without responsibility in opposition is a recipe for anarchy.

There is a right time for everything. I believe that we are approaching the time to rescue our labour relations from their present pass which endangers our economy and way of life.

Mr. Callaghan had his chance to do this, and failed. Let him make way for us.