

## THE PERENNIAL QUESTION: TO WORK IN OR OUTSIDE THE LABOUR PARTY?

A reformist party can be compared to a ship whose captain and officers either wilfully or negligently set sail ignoring adverse weather reports or the state of the tides. The result is a ship running aground or out of fuel or, even, a ship sinking before its destination. Of course, the brochure promoting the reformist ship is silent about the storms ahead. And of course, the reformist liner appears to be much more attractive and comfortable compared to the smaller, older but sturdier revolutionary tug alongside, a ship presently with no passengers but only a working crew.

This has always been the problem confronting revolutionaries. The reformists offer the working-class solutions short of revolution. Capitalism is presented as an economic system which can be reformed in the interest of workers. Parliament is presented as being capable of passing laws that could improve the lives of workers. All that is required is to gain a majority at the polls, so the emphasis remains on electioneering and canvassing. What the reformists refuse to acknowledge or say aloud, though the leadership is aware of it, are the political undercurrents in society that will frustrate their grand plans, namely that state and economic power lies with the capitalist class.

Does this mean that revolutionaries should refuse to get on board the reformist ship? That we merely bellow through our megaphones at the passengers: "don't board, watch out". Definitely not. We have to board with the other workers. If we are not on board how can we point out the dangers or criticise the captain and her/his officers. Most importantly, when the ship founders, how can we help the bewildered and often demoralised passengers cross over to the revolutionary ship which by now has caught up and which alone can take them to their destination.

The question of united front work has always bedevilled the left. To work in the Labour Party or not? This question has become less acute since Jeremy Corbyn won the leadership of the Labour Party, the first left winger since Michael Foot. And unlike the LP manifesto for the 1983 general election, which Mr Kinnock's lieutenant branded "as the longest suicide note in history", the new Labour Party Manifesto has been taken to heart by millions of workers fed up with austerity, the very result that flowed from the "modernising" policies proposed by Mr Kinnock and his successor Mr Blair.

The Labour Party has attracted hundreds of thousands of new members who believe that under Jeremy Corbyn, Labour can materially reverse austerity and restore services. Alongside this influx of new members, entryist groups have flourished. One in particular Socialist Appeal (**S.A.**), a self-declared Marxist Group, is focusing on restoring the famous Clause IV which Blair deleted in the 1990s. A new campaign which they subscribe to called *Labour4Clause4* is supported by a growing number of Labour members and trade unionists.

This article is a critique of their approach to transforming that which cannot be transformed, the Labour Party, and challenging this strategy as the goal of entryism.

## What is Clause 4?

*To secure for the workers by hand and by brain the full fruits of their industry and the most equitable distribution thereof that may be possible upon the basis of the common ownership of the means of production, distribution and the best obtainable system of popular administration and control of each industry and service.*

This Clause may be full of pomp and contradiction, written by a Fabian to forestall revolution, but it does uphold the perspective of the working class in its entirety owning the means of production and receiving back what they produce. Of course, the “most equitable distribution” is mere sophistry and the “best obtainable system of popular administration” begs the question: who will prevent workers from obtaining the best system of popular administration? However, if workers owned the means and received back what they produced, then clearly capitalism could not exist.

This is not the problem. Clause IV is like having bullets without a gun. No-one is intimidated by workers holding a handful of bullets. Certainly not the capitalist class. What is the worst that could happen; workers throwing bullets around, the equivalent of empty threats? What is needed is a gun to fire those bullets. But it is precisely this gun that is missing from the Labour Party’s manifesto.

1918 was the year that Clause IV was adopted, and, it was the year that the war delayed general election was held. There are two documents relating to 1918, the actual Labour Party Election Manifesto, and a policy document entitled “The Labour Party: Labour and the New Social Order”. Socialist Appeal do not draw any attention to the actual Election Manifesto only to the more radical New Social Order policy document in support of their arguments for a restored Clause IV. It must be born in mind that Clause IV became part of the LP’s constitution in February of 1918, ten months before the General Election, so there was plenty of time to incorporate it into the manifesto. It must also be borne in mind that the British capitalists deliberately called an election at the earliest opportunity after Armistice Day and expanded the electoral franchise to include millions of new voters, in order to use it as an antidote to the revolutionary fever that was sweeping across Europe.

It is thus very interesting that the election manifesto of 1918 did not contain Clause IV and little of the phraseology contained in the New Social Order document. Its omission must be considered deliberate. Socialism is not mentioned once. Instead the Manifesto talked of a shared victory, peace, the need to extend democracy, homes, higher taxes on wealth, and it pointed out that workers in the trenches and in the factories had earned and now deserved to be rewarded for their sacrifices and the part they played in Britain’s victory. Nowhere is posed the question of power. Quite the opposite. The whole tenor of the Manifesto is that of supplicants demanding rewards for favours done to the ruling class. Though Labour increased its share of the vote, it gained only half the number of votes achieved by the Tory Party, the butchers of world war one.

It set the tone for future Manifestos based on the same perspective and intentions, namely to work within capitalism for reforms. All Manifestos have been based on a non-aggression pact with capital. Truly a people's democracy with the goal of making the country fit for all its citizens. This is nothing but the extension into the political sphere, of a fair day's pay for a fair day's work, freely negotiated.

#### **Socialist Appeal and Clause IV.**

Of course, it has to be recognised that those who work in the Labour Party and who make public their policies, need to be guarded in their language. They need to walk the fine line between not provoking the leadership nor misleading the membership. The question is whether this pamphlet succeeds in doing this. It has some strengths but many weaknesses.

*“you cannot plan what you do not control. And you cannot control what you don't own. It is as simple as that.”* (1st column page 23 of the pamphlet)

Actually, it is not as simple as that. You cannot plan what you cannot control, you cannot control what you don't own, and you cannot own what you have not seized from private hands. Admittedly, the pamphlet does go on to say the economy must be taken out of the hands capitalist class implying this will be done by a Labour Government by means of an Enabling Act. Its perspective is thus one of a parliamentary road to socialism, albeit one in which a future Labour government will mobilise the masses in support of its programme.

This fails to learn the primary lesson of parliament. Parliament has never initiated legislation to further the interest of workers. All the major historical pieces of legislation in favour of workers have been the product of mass campaigns. Only when the matter has been settled in the streets or workplaces does parliament act to enshrine what has already been achieved, more often than not in order to dilute it and reduce its potential in law. At no point does this little pamphlet demand that Labour break from electioneering to begin campaigning in the workplace and in the streets as the primary focus for its programme to overcome the resistance of “Big Business” which S.A. correctly identifies.

On a more contemporary note, this is brought into acute relief by Corbyn and Macdonald's instruction after the 2017 election for the Labour Party to prepare for an imminent election. This directed the party to engage in obsessive canvassing and electioneering at the expense of mass campaigns. The result: a demobilised membership and demoralisation for thousands of new members who saw the party as something more than just a vehicle for electioneering. Naturally the space generated by the resulting political apathy has been ploughed by the right wing with their smears and innuendoes.

As the pamphlet says in the first column of page 22, there will be a backlash from Big Capital which Labour must prepare for by taking bold, decisive action to *“nationalise the banks and the monopolies without compensation”*. The discussion over the backlash is confined to the economic sphere. Nowhere does the backlash discussion progress to the political sphere, despite the pamphlet

reminiscing on the 21 armies that were sent into Russia as part of the counter-revolution in 1919 (page 7).

If the truth be spoken, the degree of nationalisation S.A. calls for amounts to a revolution and the backlash would amount to a counter-revolution. The capitalists would not only go on strike, they would strike politically, which means a state of emergency implemented via a Royal prerogative dissolving parliament, making any discussion about Enabling Acts irrelevant. Again, the pamphlet alludes to this on page 24 when it discusses the pressure and plots faced by the Wilson government in the 1970s.

The problem with this pamphlet is that it is not resolute. Resolution requires consistency and this pamphlet oscillates between the possibility of a Labour Government in power enacting legislation in the interest of the working class and the necessity for mobilising and arming the working class in pursuit of this interest. Its main thrust is to make demands on a future Labour Government to go further than its reformist instincts allow.

The strength of the pamphlet is its opposition to compensation for nationalisation. Its criticism of McDonald on this issue via the analogy of a mortgage on a house, is good propaganda. The invested capital in most developed capitalist economies is three times annual output. Buying it out with national output would be financially ruinous. It will require hyper-inflation to achieve. Secondly, compensating the capitalist for their expropriation merely converts profits into interest, both of which are component parts of the same unpaid surplus value. Thirdly, why should workers buy back that which has been stolen from them in the first place.

The problem is not correctly identified. The problem with the current Labour Party Manifesto is not that it does not go far enough in terms of nationalisation, rather the problem is that its limited commitment to nationalisation is conditional. In the interest of managing capitalism the LP declares that its nationalisation proposals are fully costed and affordable. Clearly, nationalisation contingent on affordability is fraught.

Conditionality is like the reins on a horse, and the rider, in this case the media will constantly tug on them directing the horse back into its pasture by declaring every policy to be uncoded or unaffordable. In response, the left in the party should be undermining the message that economic measures must be affordable and not undermine the economy. We should point out that the capitalists never ask us if their huge bonuses, tax dodging and obscene profits are affordable to workers. Of course, they are unaffordable to workers. So why should we worry if the measures needed to preserve the working class and improve its standard of living hurt the capitalist class. Why should it be one rule for the capitalists and another for the workers. The difference is this. The capitalist class are a class for itself. They know what their interest is, and they are willing to fight for it.

We need to ensure that the working class becomes a class for itself as well. This cannot happen as long as the LP identifies with the national interest which is allegedly a unifying interest rising above the classes, a matter of putting the national interest first. But this national interest is a myth because it is not our economy, it is theirs, it is not our land but theirs and it is not our country because they own everything which forces us work for them. Rendering workers selfish, that is putting their needs first without regards to the effect on the capitalist economy would take us light years further in abolishing capitalism than the creative listing of industries to be nationalised.

As long as workers are held back by the argument that what is good for them must also be good for the capitalist economy, all talk of nationalisation will be conditional, therefore contradictory. The reason is simple and clear: what is good for the capitalist class under conditions of crisis, the very crisis the pamphlet describes, has to be bad for workers, and what is good for workers would act as a barrier to the drive by capital to restore its profitability. When workers defend their interest under these conditions by defending their wages, jobs and conditions, the fall in profitability can only accelerate, threatening the economy with ruin.

The LP blinds the working class to this reality. All the measure proposed by McDonald are done under the slogan, "it is good for the economy as well as workers". That is why we need to be aboard this ship saying to the passengers: we will stand with you under the banner of the Manifesto, we will campaign alongside you to implement its policies, we will fight for nationalisation, but we will not back down when the Party says they are unaffordable because we understand "unaffordable" in a different light. Job losses are unaffordable to workers, pay cuts are unaffordable, the loss of services is unaffordable, the lack of homes is unaffordable, a crumbling NHS is unaffordable, and you know what, if the capitalist economy cannot provide these affordable things, we will abolish it and introduce an economy that can, a socialist economy.

### **Nationalising the commanding heights of the economy or the top 150 corporations, whichever is the bigger!**

Ah, the numbers game. The pamphlet describes the centralisation of capital whereby the economy is dominated by the top 150 corporations which include the 4 large British banks. There are a few problems with this formulation. Firstly, there is no mention of what happens to the City of London through which passes over a third of global financial flows. Secondly there is no mention of what happens to the 40% of British wealth that is held offshore and does not necessarily form part of the 150 top corporations or the commanding heights. Thirdly there is no mention of globalisation. Most of the real productive assets of these 150 top corporations lie outside the UK. Our nationalisation of these corporations will amount to nationalising masses of expensive desks and chairs together with a few buildings because effectively we would be nationalising head offices and little else. Fourthly, and conversely it does not talk about nationalising foreign firms operating in the UK, for example the

important car industry which is foreign owned. Hence owning and planning is now possible only internationally.

To Marxists, nationalising the commanding heights of the economy is only a means to ending commodity production. It is commodity production that gives rise to capital and not vice versa. Abolishing capital by means of nationalising the commanding heights makes no sense if it does not proceed to abolishing commodity production which requires all capital be converted back into mere means of production. Yet there is no mention of this anywhere in this pamphlet. Instead we are told *“The planning and control of the economy is unthinkable without government control of the financial sector”* (First column page 16) Nor does the pamphlet make clear what kind of government this would be, is it an armed workers government or something less in which case where does its political control come from.

The problem with the pamphlet is that it does not understand socialism and saying you are a Marxist doesn't correct this. When we talk of nationalising the financial sphere which under capitalism is the effective commanding height of the economy, we are talking of using finance merely as scaffolding while we erect the structures of a socialist society and economy. The problem with not knowing the nature of these structures is there is a danger that the scaffolding becomes permanent substituting for the new structure and in the absence of these new structures subject to being blown over.

The purpose of this critique is not to deliver a blue print for the future which would merely be an expression of arrogance. However, learning from Marx and Engels, and above all from the calamity that was the USSR, a workers' state would set up administrative bodies to give life to the workers' rights that form our future constitution. Having done so the state would withdraw from active participation from these bodies reserving the role of policing them until such time that their practises becomes second nature.

Here we think of the example of the planning bodies. These bodies do not decide what will be produced nor how quickly. Rather their function is shaped by two fundamental guiding workers' rights. First the right of individual consumers to determine what they want to consume, or consumer led planning for short. Secondly the right for workers to control production which includes determining the intensity of labour. The parameters of the planning bodies are therefore very specific and precise. Firstly, to execute the instructions given to them by consumers and, secondly, to work with the costings that emerge once the intensity of labour is agreed and homogenised by the producers themselves. This avoids the conflicts that would otherwise arise between the planners and consumers on the one hand and planners and producers on the other as was the case in the USSR.

Once planning is engaged then financial management is rendered obsolete. Now the planning bodies allocate the labour time of society directly and not indirectly through the intermediation of money. The scaffolding is removed, and those financial workers relocated to useful employment.

When we talk of socialism, there is only one principle, bottom up. Here the primary organ is the organ that facilitates the discussion over the social fund, that resolves how much will be deducted from the social product to create this fund and where it will be “spent”. Only the producers who have produced the social product and those who will utilise it with their labour have the right to decide how much will be deducted and where it goes. No one else can, certainly not the workers’ state though the workers state can police the fund once it is agreed to prevent any fraud or embezzlement.

It is this democratic decision making, the essence of the popular working assemblies at a local, district and international level, which will ensure that this social fund is not turned into a new surplus and those who administer it into a new privileged bureaucracy. This is the new commanding heights of a socialist economy. These assemblies, embracing all sections of society, regularly elected, transparent, will be working bodies both facilitating discussion around the social and housing fund, and ensuring that these funds are spent in accordance with prior decisions.

So, when S.A. states that: “Marxists argue for the formulation.... *whereby the nationalised industries are divided into three equally represented parts...workers...elected representatives...delegates from the workers government*” they are in fact arguing not as Marxists but as potential Stalinists because that seemingly democratic formulation is actually a recipe for bureaucratisation. All those representatives could be working instead of being a burden on the workers and diluting their influence. What would they be deciding really? What to produce? That lies outside the plant. How quickly to work? That’s in the hands of the workers and certainly not in the hands of those not working.

Or maybe this troika is needed to ensure that workers are working efficiently. What arrogance! The pricing system does this. Because prices now accurately reflect labour times, and fall in line with falling labour times, it incentives workers to work efficiently and collectively because falling prices is now the source of their rising living standards. Any failure to work efficiently, any sectionalism, raises labour time which punishes workers with higher prices. This underscores the statement by Marx and Engels that socialism is the voluntary association of producers who are no longer driven by coercion but by common interest.

Using anything other than the pricing system to guarantee efficiencies would be either disruptive or coercive requiring “iron laws” to paraphrase Lenin. S.A. have yet to break from the rotten statist tradition to embrace the concept of freely associated producers enjoying the same equal workers’ rights and rewarded for their collective effort by means of an objective pricing system.

In a sense the workers’ state is a form of government. But it is a pared down government of a special kind. It does not decide what is to be produced, how quickly, or at what price? The laws it puts in place are intended to organise what is now a trans-national society and to transfer function and responsibility down to administrative bodies run democratically. Hence there will be few actual departments of state and very few special bodies hence no state bureaucracy. The state will

implement structures that are self-organising and capable of evolving making the state itself redundant when the threat of counter-revolution has ebbed, and, when these administrative bodies comprehensively satisfy the needs of a socialist society avoiding the need for additional bodies.

Socialist Appeal's pamphlet talks eloquently about nationalisations of a new kind. Not the old remote nationalisations of the 1940s and 50s where the government: "...gave massive overcompensation to the old owners and refused to grant workers' control of the industry" and which were "run on capitalist lines" by a remote bureaucracy (page 17). Of course, there can be no doubt that fighting for workers control in nationalised industries is essential training for a future socialist society, on par with training workers in internationalisation by uniting workers across borders to take on the multi-nationals.

But this does not answer the question as to what it is exactly we are fighting for. And here we need to break with the Bolshevik tradition, not because it was pragmatic but because of its theoretical inadequacies. To put it bluntly their conception was one of state socialism. The danger for groups like S.A. who still stand in this tradition, proposing to use the government as the agent of change with Labour at the rudder, will result in the bureaucratisation of the revolution, not the workers' control envisaged by S.A. Even when it comes to their "democratic planning" the state still plays a leading role and that can only mean that the producers will be robbed of their right to decide what will be produced because a higher authority will be deciding for them. So why work?

### **Bad gets worse.**

The Labour Party Marxists, another group standing in the tradition of the Bolsheviks poses the question of Clause IV differently. "*Clause IV: Why revive a stinking corpse?*" They accuse S.A. of seeking to resurrect a Fabian formulation written to obstruct revolution. This is a fine example of sectarianism. They do not ask a simple question? In the light of the collapse of the USSR would it not be a step forward for the Labour Party to reclaim its Clause IV? Of course it will be. Not because Clause IV is adequate but because it puts socialism on the agenda, because it pads out Labour's grammatically incoherent slogan "Forward **with** Socialism" a slogan that pretends capitalism and socialism run in parallel rather than in series as has to be the case.

The Labour Party Marxists also object to Clause IV because it follows Proudhon rather than Marx. In its place they propose: *2. Labour is committed to replacing the rule of capital with the rule of the working class. Socialism introduces a democratically planned economy, ends the ecologically ruinous cycle of production for the sake of production and moves towards a stateless, classless, moneyless society that embodies the principle, "From each according to their abilities, to each according to their needs". Alone such benign conditions create the possibility for every individual to fully realise their innate potentialities".* Actually, really, this is worse because it does not relate to capitalism but to some far-off society. Clause IV provides a bridge to socialism while the Labour Party Marxists provide a time

machine. Clause IV for all its faults is concrete while the Labour Party Marxists substitution is purely aspirational.

However, when it comes to concrete measures, these Marxists show their affinity with Socialist Appeal. They declare that the Labour Party must do the deed, the new democratic republic it builds must sweep away the armed might of the capitalist class through a single chamber parliament, elected annually via proportional representation which no doubt includes capitalist parties. *“3. Towards that end Labour commits itself to achieving a democratic republic. The standing army, the monarchy, the House of Lords and the state sponsorship of the Church of England must go. We support a single-chamber parliament, proportional representation and annual elections.”* Hence instead of a workers’ republic workers are to be treated to a democratic republic, and, instead of a workers’ revolution all that is on offer is the consummation of the bourgeois revolution. So, despite the visceral condemnation of Clause IV they, like every entryist the step over the fine line between not provoking their expulsion from the Party and misleading Labour Party members by demanding of the party, something it can never deliver. It is the equivalent of painting wings on a rhinoceros and pretending it will fly someday.

Both S.A. and the Labour Party Marxist shows the crying need of developing a socialist programme fit for the 21<sup>st</sup> century (1) and the tactics needed to build bridges between the current class struggle and socialism. If we cannot call for an immediate socialist revolution then at least let us put the emphasis on fighting for the Labour Party Manifesto unconditionally, because if we win this argument, especially in the context of the next crash, workers will become more amenable to the argument that they unavoidably need to fight for power and a new society. That this will require the construction of an entirely different ship, not another cruise ship but a warship.

**(1) LEARNING FROM THE MISTAKES OF THE USSR. A BRIEF 21<sup>st</sup> CENTURY COMMUNIST MANIFESTO.**

<https://theplanningmotivedotcom.files.wordpress.com/2016/09/eight-point-programme-pdf1.pdf>

**Brian Green. May 2018**