
Crosland's Socialism:

A History of the British Labour Party's Revisionist Tradition, 1951-81

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Abstract

On leaving office in 1951, the Labour Party entered an unstable period of transition, in which future political direction was contested. The elevation of Hugh Gaitskell to the party leadership enhanced the influence of a new generation of revisionist intellectuals, who set out to redefine Labour's socialist commitment and rethink its policies. The most influential thesis was provided by Anthony Crosland's *The Future of Socialism* (1956), which became the 'bible' for a generation of committed revisionists and helped equip the Party with a programme of radical reforms. By 1981 Labour's revisionist tradition had been marginalised, as the Party moved to the left and many of the inheritors of Crosland's ideas broke away to form the Social Democratic Party (SDP). This dissertation sets out to understand the causes of this political decline.

This is a work of contemporary British history that provides a comprehensive study of the British Labour Party's post-war revisionist tradition, tracing the political experience of its central advocates. The revisionists were an identifiable political group as a result of their associations and beliefs. Intellectually armed with Crosland's thesis, the social democratic Right were able to dominate the Parliamentary Labour Party (PLP) into the 1970s. But the difficulties of implementing and renewing the Croslandite revisionist strategy undermined this dominance. By examining the historical experience it is possible to shed light upon the practical difficulties involved in translating Crosland's ideas into action, and therefore gain a greater understanding of the central political and intellectual weaknesses that afflicted Labour revisionism.

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Introduction

After a second election victory in 2001, albeit on a historically low voter turnout, New Labour's main architect, Peter Mandelson, claimed that the Blair Government "could help in altering perceptions by showing how its approach follows on logically from the revisionist thinking of the 1950s and 1960s, led, chiefly, by the Labour minister and theorist Anthony Crosland"¹. This concern to identify more closely with the intellectual heritage of Labour's post-war social democratic tradition was reflective of a renewed interest in the ideas and career of Anthony Crosland. A Crosland Memorial Lecture was delivered by Gordon Brown in 1997, and this event subsequently led to the publication of a book of essays in 1999, edited by Dick Leonard, Crosland's former Private Parliamentary Secretary (PPS). It included a variety of contributions that examined different areas of his life and career, and the relationship between Crosland's ideas and the politics of New Labour². It appeared that the potential existed for a regeneration of Labour's revisionist tradition twenty years after the death of its chief intellectual.

Although he served as a Labour minister during the 1960s and 1970s, including a brief period as Education Secretary and Foreign Secretary, Anthony Crosland's political career was cut short by his premature death in February 1977. But his reputation amongst politicians and academics owes more to his intellectual role as the post-war Labour Party's principal social democratic theorist. Crosland's case in favour of a revised form of democratic socialism found its most coherent expression within his influential thesis, *The Future of Socialism* (1956), which argued that socialism meant a commitment to social welfare and equality, rather than to nationalization or public ownership. It has been viewed by contemporary historians as one of the most important works of political philosophy produced in the post-war period³. It therefore might appear surprising that New Labour should seek to draw inspiration from Crosland. His ideas are

¹ Peter Mandelson, *The Guardian*, May 18th 2002.

² Brown's lecture appeared in essay form alongside other contributions in Dick Leonard (Ed.), *Crosland and New Labour*, London: Palgrave, 1999.

³ Ben Pimlott, *Frustrate their Knavish Tricks: Writings on Biography, History and Politics*, London, 1995, p. 113; Kenneth O. Morgan, *The People's Peace: British History 1945-1989*, Oxford, 1990, p. 156.

generally viewed as having defined Labour's post-war social democratic politics⁴, whereas New Labour initially appeared to distance itself from its 'Old Labour' past and repackage itself as a new political party in order to compete effectively as an electoral force.

Yet, despite electoral success, the architects of New Labour have found it difficult to develop a distinctive and novel political philosophy to underpin the formation of policy. There have been flirtations with ideas that have purported to represent a renewal of post-war social democracy, such as Will Hutton's 'stakeholder society' and Anthony Giddens' 'third way'⁵, but by the time Mandelson published *The Blair Revolution Revisited* (2002) he was extolling the virtues of Labour's post-war revisionist tradition⁶. New Labour's attempts to reclaim Crosland's ideas and connect them to a new egalitarianism, based largely upon government action to ensure employment and educational opportunities, have met with mixed reviews.

A former advisor to Tony Blair recently edited a book of essays that sought to show how New Labour's philosophical roots lie squarely within Labour's original revisionist social democratic tradition⁷, whilst Dick Leonard cited the redistributive impact of Gordon Browns' budgets as evidence that Crosland's egalitarian commitment was still important to New Labour⁸. In contrast, contributors to an edited volume of essays, entitled *Reshaping Social Democracy*, generally felt that New Labour's accommodation to the neo-liberal economic reforms of the Thatcherite Conservative Party represented a discontinuation of Labour's social democratic traditions⁹.

Whilst there is room for disagreement over New Labour's philosophical roots and political approach, the return to office in 1997 coincided with a welcome

⁴ Raymond Plant, 'Social Democracy', *The Ideas That Shaped Post-War Britain*, Marquand and Seldon (Ed.), London: Fontana, 1996.

⁵ Will Hutton, *The State We're In*, London: Cape, 1995; Anthony Giddens, *The Third Way*, Cambridge: Polity Press, 1998.

⁶ Peter Mandelson, *The Blair Revolution Revisited*, London: Politico's, 2002.

⁷ Patrick Diamond (Ed.), *New Labour's Old Roots: revisionist thinkers in Labour's history (1931-1997)*, London: Central Books, 2004.

⁸ Dick Leonard, 'Would Crosland feel betrayed by Blair and Brown?', *Observer*, February 17th 2002.

⁹ Stephen Haseler and Henning Meyer (Ed.), *Reshaping Social Democracy: Labour and the SPD in the New Century*, London: European Research Forum, 2004.

re-examination of revisionist ideas in order to consider their relevance to the future of the British left and the possible development of a new revisionism. However, this project should not purely focus upon intellectual and philosophical content. It has been stated that contemporary history has a vital role to play in helping to understand the current state of British political life¹⁰. A greater historical understanding of revisionism can be gained by placing the original ideas within the context of the political events and conditions in which they developed. By tracing the experience of the Labour Party's post-war revisionist tradition it should be possible to help promote a more measured understanding of the constraining factors that impacted upon its political record.

Before explaining the methodological approach employed, it is worth examining the historiography of the subject matter in question and providing a wider explanation of the purpose behind this particular dissertation. The existing material on Labour revisionism has inevitably focussed upon Crosland's ideas and political career, as he provided the pre-eminent intellectual contribution. Shortly after his death some of his closest political devotees defended his legacy, whilst his wife produced a highly personal biography that greatly aided a more rounded understanding of his character and career¹¹. But the leftward shift in the Labour Party and the triumph of Thatcherism meant that little attention was paid to a set of ideas now considered irrelevant to the political climate of the 1980s. The final word appeared to have been provided by John Vaizey's biographical essay, in which he claimed that Crosland's political life and thought was representative of a political generation that had failed to overcome post-war Britain's social and economic problems¹².

Vaizey's negative assessment represented a dominant perspective in relation to the historical fate of revisionism, as Crosland's political ideas have tended to be subsumed within a 'declinist' narrative. 'Declinist' assumptions have underwritten much of the historiography of post-war British politics, based upon the belief that a cross-party consensus existed after 1945, but broke down after

¹⁰ Brian Brivati, 'Introduction', *The Contemporary History Handbook*, Brivati, Buxton and Seldon (Ed.), Manchester, 1996, p. xvi.

¹¹ David Lipsey and Dick Leonard (Ed.), *The Socialist Agenda*, London: Jonathan Cape, 1981; Susan Crosland, *Crosland*, London: Jonathan Cape, 1982.

¹² John Vaizey, *In Breach of Promise: Five Men who Shaped a Generation*, London, 1983.

1979. The decline of the post-war political settlement of Keynesian economics and welfare policies, with the return of mass unemployment have been viewed as signalling the collapse of the traditional social democratic model upon which revisionism was built. Though not stated in exactly these terms, David Marquand's critical essay added weight to the impression of a career that ended in failure due to the decline of post-war social democracy, with Crosland intellectually defenceless within the hostile political and economic climate of the 1970s¹³.

But in the post-Thatcherite political period, in which the past assumptions relating to the extent of post-war consensus have been challenged¹⁴, a gradual reassessment of Croslandite revisionism has emerged that provides a more balanced perspective of his ideas and career. Martin Francis argued that *The Future of Socialism* should not simply be viewed as a manifesto for a Gaitskell-led Labour Party, as this identification has led to its inherently radical assumptions and vision being overlooked¹⁵. However, the most complete analysis of Crosland's revisionist ideas has been produced by David Reisman in two volumes that focus upon Crosland's support for the social democratic mixed economy and an appraisal of his socialist ideas¹⁶. Reisman's treatment of his subject offers a measured critique of the intellectual strengths and weaknesses of Croslandite revisionism. His generally sympathetic treatment is complemented by Kevin Jefferys new biography, which suggested that Crosland's political career should be credited with important and lasting successes¹⁷.

More recently there have been essays that stress the pluralistic nature of revisionist socialism and question the tendency to subsume Crosland's ideas within the large-scale and over-arching label of post-war social democracy, and therefore to exaggerate the relevance of a 'declinist' narrative. Ben Jackson has

¹³ David Marquand, 'Tony Crosland: The Progressive as Loyalist', *The Progressive Dilemma*, London: Heinemann, 1992.

¹⁴ See Harriet Jones and Michael Kandiah (Ed.), *The Myth of Consensus*, Basingstoke: Macmillan, 1996.

¹⁵ Martin Francis, 'Mr Gaitskell's Ganymede? Re-assessing Crosland's *The Future of Socialism*', *Contemporary British History*, Vol. 11, No. 2, summer 1997.

¹⁶ David Reisman, *Anthony Crosland. The Mixed Economy*, Basingstoke: Macmillan, 1997; David Reisman, *Crosland's Future: Opportunity and Outcome*, Basingstoke: Macmillan, 1997.

¹⁷ Kevin Jefferys, *Anthony Crosland*, London: Politico's, 2000; An alternative biography has been produced by Jeremy Nuttall, who has focussed upon Crosland's historical contribution to 'the role of the mind' in politics through an in-depth psychological study of his life and career. Jeremy

stressed that revisionists were not simply Keynesians, as their ideas were aimed at moving beyond the limits of post-war consensus policies through a richer vision of an egalitarian society, whilst Jeremy Nuttall has attempted to highlight the complexity of Crosland's egalitarian vision, the evolution of his ideas and the progress that was achieved in certain policy areas¹⁸. This thesis aims to take an equally balanced and measured approach to the subject matter.

The existing work dedicated to Crosland's revisionist ideas has highlighted their empirical and pragmatic nature, whilst the biographical treatment has stressed the importance and influence of those ideas to post-war social democracy. But it is also important to appreciate that, although Crosland's thesis was his work alone, it was also an inspiration and a guide to a whole generation of parliamentarians. Broader historical accounts of Labour's modernizing social democratic tradition have referred to the importance of the ideas set out in *The Future of Socialism*. It is viewed as the most coherent expression of a revisionist tendency that was ascendant within the Labour Party during the 1950s and 1960s. Desai, in a study of the importance of intellectuals to the development of Labour's socialist theory and policy, considered that Crosland's 1956 thesis "remains the principal statement of the revisionist world-view...Its following was huge and in the 1950s, many who had read the book (and probably many others who hadn't) found their way to socialism through its ideas"¹⁹. Stephen Haseler, in the original analysis of the Gaitskellite political ascendancy within the Labour Party, suggested that the strength of Crosland's ideas derived from the flexibility and non-dogmatic nature of his revisionist philosophy, combined with a balanced set of values in favour of individual freedom and social equality²⁰.

Nuttall, *Psychological Socialism: Tony Crosland and the Politics of the Mind*, Unpublished PhD, Queens College, Oxford, 2001.

¹⁸ Ben Jackson, 'Revisionism Reconsidered: property-owning democracy and egalitarian strategy in post-war Britain', *20th Century British History*, Vol. 16, No. 4, 2005; Jeremy Nuttall, 'Tony Crosland and the Many Falls and Rises of British Social Democracy', *Contemporary British History*, Vol. 18, No. 4, winter 2004.

¹⁹ Radhika Desai, *Intellectuals and Socialism: Social Democrats and the Labour Party*, London: Lawrence & Wishart, 1994, p. 83; See also Tudor Jones, *Remaking the Labour Party: From Gaitskell to Blair*, London: Routledge, 1996.

²⁰ Stephen Haseler, *The Gaitskellites: Revisionism in the British Labour Party 1951-64*, London Macmillan, 1969, pp. 90-94.

What emerges from a summary of the historiography is the existence of an elite group of revisionist parliamentarians who brought fresh thinking and leadership to the Labour Party after 1951, intellectually equipped with Crosland's revisionist ideas and strategy. *The Future of Socialism* not only made the case for a revised socialist philosophy, it also developed a practical political programme for achieving the goal of a more egalitarian society. However, thirty years later the death of Crosland, the political ascendancy of the New Left and New Right, and the formation of the SDP represented the demise of Labour's post-war revisionist tradition.

This synopsis raises questions about the political feasibility and intellectual durability of revisionist social democracy. Much of the existing literature has grappled with the failings of Crosland's original thesis and strategy²¹, but it can be argued that too much was expected of the *Future of Socialism*. It was surely a product of its time, providing a response to the condition of socialism and British society during the immediate post-war years in a largely empirical fashion. It is clear that a revisionist thesis can expect to be revised, as revisionism implies a continuously evolving process of adaptation in response to changing conditions and the lessons of experience. So this raises an intellectual puzzle. What were the constraining factors and practical difficulties that faced the implementation of Crosland's revisionist strategy, and why did it prove so difficult to successfully renew his ideas in the light of observable realities? I do not pretend that other more qualified individuals have not wrestled with this puzzle. But it appeared to me that a gap existed within the historiography for a dedicated account of Labour's post-war revisionist tradition that could help increase understanding of the central failure to rethink Crosland's ideas in the light of shifting political and economic realities.

This dissertation provides a new work of contemporary history, which traces the political experience of the main revisionist advocates and political actors within the British Labour Party. The main purpose is to examine their attempts to implement Crosland's egalitarian strategy, and to highlight the main factors that prevented them from successfully revising his original thesis. The

²¹ See for example the essays by Raymond Plant and David Marquand in *The Ideas That Shaped Post-War Britain*, Marquand and Seldon (Ed.), 1996.

revisionist tradition provides the perfect case study for exploring the ‘real world’ problems associated with translating ideas into action, as the revisionists were an identifiable group of intellectuals who chose to commit themselves to the practical world of parliamentary politics.

The relatively new discipline of contemporary history has an important part to play in exploring innovative new approaches that aid our understanding of British political life. Greater attention to social and cultural history provides an antidote to the traditional preoccupation with the world of Westminster and Whitehall. There is evidence of this new approach in recent work relating to the history of the Labour Party, focussing upon the wider cultural setting within which politics operated and away from the traditional concentration upon ‘high politics’. Steven Fielding, one of the principal advocates of this new approach, speaks of the need “to recover what the party and its purpose meant to voters, members and leaders”²². Whilst accepting the importance of such projects, it is necessary to admit that this study takes a rather traditional approach. To a large degree this is a symptom of the subject matter. Labour’s revisionist tradition was sustained by an elitist parliamentary group and so their political world revolved around House of Commons debates, Cabinet rivalries and the conduct of government. In fact their preoccupation with the ‘Westminster village’ can be viewed as an important source of political vulnerability in the context of developments within the Labour Party during the 1970s, which saw an activist backlash against parliamentary elites. Nevertheless, by examining the history of Labour’s revisionists, one is inevitably drawn towards the world of ‘high politics’ and the actions and views of key parliamentarians, as evidenced within political diaries, biographies and personal papers.

Also, by seeking to trace the political experience of the key revisionist actors, this dissertation readily lends itself to traditional approach, with the use of a chronological narrative.

The discipline of history has received considerable criticism from a postmodernist critique, sparking off a fruitful debate concerning the nature and

²² Steven Fielding, *The Labour Governments 1964-1970. Volume 1. Labour and Cultural Change*, Manchester: Manchester University Press, 2003, p. 25; Lawrence Black has also produced a

methodology of historical works. Post-modernists have argued that there can be no such thing as an objective truth and therefore ‘facts’ are heavily laden with interpretation and tainted with bias. Taken to its logical and extreme conclusions, this world-view threatens the basis of history, as it can be viewed as merely a linguistic construct and a pliable tool within the hands of political ideologues. In response, historians have had to justify themselves and to argue that a basic core of ‘facts’ does exist, whilst interpretation and narrative must be based upon strong source-based evidence and a systematic approach to the collection of data²³.

The postmodernist debate forces contemporary historians to confront the problems inherent in the use of particular approaches and sources. Firstly it is important to accept that no author can be completely objective. His or her work will inevitably be affected, either consciously or sub-consciously, by individual personality, social background and political ideology. We are also naturally drawn towards subject matter to which we have an affinity or association. Eric Hobsbawm has stressed the heightened relevance of this approach to the pursuit of contemporary history, as we are often dealing with events that occurred within or close to our own lifetime²⁴. This inevitably raises the problem of partisanship, as it is more difficult to escape the assumptions of the time. Although we cannot hope to reach some perfect state of objectivity, self-awareness can help in reducing excess partiality and challenging underlying assumptions.

At this stage I should declare my interest in the subject matter of this dissertation, as a former Labour Party member of a broadly social democratic persuasion. *The Future of Socialism*, as many readers will testify, still appears to me to provide a highly attractive vision of a more socially cohesive and contented society, whilst attempting to deliver an inspirational synthesis of social equality and individual freedom. A concern to understand the historical fate of Crosland’s thesis is a natural consequence of a degree of ideological affinity for its objectives. But it

fascinating study of the cultural proclivities of the British left in *The Political Culture of the Left in Affluent Britain, 1951-64*, Basingstoke: Palgrave Macmillan, 2005.

²³ For a discussion on the postmodernist critique see Joe Bailey, ‘Postmodernism and postmodernity: a user’s guide’, *The Contemporary History Handbook*, Brivati, Buxton and Seldon (Ed.), Manchester, 1996; Eric Hobsbawm, *On History*, London: Weidenfeld and Nicolson, 1997; Arthur Marwick, ‘A Fetishism of Documents?’, *Developments In Modern Historiography*, Henry Kozicki (Ed.), Basingstoke: Palgrave, 1998.

²⁴ Eric Hobsbawm, ‘The Present as History’, *On History*, London, 1997

also stems from an interest in the complex relationship between the intellectual realm of ideas and the practical world of political action. How are ideas affected by their contact with certain realities, such as unforeseen events, external pressures, economic conditions and a changing political climate? All the above can have a negative impact upon the effective translation of ideas into action. One of the central objectives of this dissertation is to gain a greater understanding of the impact of practical political experience upon Crosland's revisionist thesis²⁵.

A second important issue is the evidential approach. All varieties of history must use precise and rigorous attention to sources. The use of sources is vital in adding substantive weight to the construction of an overarching historical narrative and the development of a logical argument. But the problem inherent to contemporary history, as opposed to the study of the medieval period for example, is a surfeit of sources and therefore the issue of selection. How do you decide what is relevant and what isn't? A clear research purpose is crucial (see page six for the central purpose).

I set out the main objectives of my study and selected the sources appropriately. My primary consideration was to focus upon the subject matter in question and to read all the available secondary literature within this area, focussing upon the specialist work concerning Crosland and Labour Party revisionism. From this reading it was possible to identify and study the main primary sources, drawing out the information that I felt informed my overall research objective. This approach has been referred to as the 'problem-oriented approach', as opposed to a 'source-based approach' that allows the subsequent discoveries to dictate the nature of the enquiry.

This thesis was weighted towards 'the problem-oriented' approach but, as John Tosh has stated, neither approach is generally pursued to the complete exclusion of the other²⁶. Due to the nature of my research, I organised the data in a chronological fashion, related to the broad time periods of revisionist development and experience. A chronological approach was employed in order to better trace the unfolding of events and conditions that affected the revisionist position and to chart the developing responses of its key actors and advocates.

²⁵ For a discussion of the relationship between ideas and action see Norman Barry, 'Ideas and Interests: the problem reconsidered', *Ideas, Interests and Consequences*, London: IEA, 1989.

²⁶ John Tosh, *The Pursuit of History*, Harlow: Pearson Education, 2002, p. 85.

This thesis does not set out to discover new sources and therefore I have turned to well-known materials, although with a new purpose in mind. My aim is to use these known sources for a new historical account, based upon the gap I have identified within the existing literature on Labour's post-war revisionism. As all sources contain strengths and weaknesses, the best approach is to draw from a wide variety and quantity of material in order to strengthen the argument or case being made. A range of different sources can help reveal discrepancies or inaccuracies within the data through corroboration and cross-referencing. Consequently, I have drawn heavily from the authoritative past work of other historians in order to provide a strong grounding in the events and conditions that prevailed in the post-war period, aiding a more thorough understanding of the context in which the revisionist ideas and actions were developed. But I have also relied upon information available within biographies, memoirs and diaries, the frequently used sources for the contemporary history of 'high politics'. The main primary sources relate to the ideas and responses of an identifiable group of Labour revisionists, of which Crosland plays the central role as the principal intellectual force. His private papers, books and essays are complemented by the journalistic contributions of other prominent revisionists. These sources provide the crucial foundations for tracing the development of revisionist ideas and strategy in response to their political experience, whilst aiding a greater understanding of the problems inherent in implementing and adapting the Croslandite thesis.

The structure of this thesis was developed by reference to the overall research objective outlined above. Section I, examines the political ascendancy of revisionism from 1951 to 1964 in order to understand its origins, character and content, whilst also appraising the extent of its influence within the Labour Party. Section II examines the practical political experience of Labour revisionism during the years in government, 1964 to 1970. The main aim is to discover how the realities of power impacted upon the implementation of Crosland's revisionist strategy and how the main revisionist politicians reacted to their time in office. Section III examines the causes of the revisionists' declining political influence within the Labour Party during the period 1970-77, focussing upon the negative impact of events upon Crosland's revisionist strategy. Section IV examines the

attempts of a new generation of revisionist social democrats to rethink Crosland's original revisionist ideas in the changing political conditions of the period 1977-81.

Section I

The Revisionist Ascendancy,

1951-64

The Origins and Character of Labour Revisionism

The development of revisionism within the British Labour Party after 1951 involved a reworking of the meaning and purpose of democratic socialism in response to electoral defeat and changing conditions. The revisionist position has been closely associated with the Gaitskellite parliamentary faction, a small group of Labour politicians who gave strong support to the political leadership of Hugh Gaitskell²⁷. His ascendancy to the Labour leadership was a crucial factor in helping to establish the dominant influence of revisionism upon Labour's policy development during the 1950s. However, revisionism represented something more than a factional grouping. It was also an intellectual movement committed to the modernisation of Labour's political doctrine²⁸. Stephen Haseler, in his original study of the Gaitskellites, stated that "revisionism was more than a grouping of practical and moderate politicians; it contained an ideology"²⁹. Ideas mattered, not for their own sake, but as a reliable and practical guide to political action.

In this opening chapter I will discuss the emergence of revisionism within the post-war British Labour Party by examining the origins and character of the Gaitskellite grouping. This will involve looking closely at the historical context, in terms of the political conditions and events that gave rise to revisionist influence, focussing largely upon the catalytic impact of the political challenge posed by the Bevanite grouping. I will then examine the development of Labour revisionism by reference to the political complexion, intellectual foundations and the early stages of revisionist thinking that characterised the Gaitskellites. An understanding of the Gaitskellite political ascendancy provides the context for a more in-depth analysis of Anthony Crosland's *The Future of Socialism* (1956), the most coherent and complete expression of the revisionist position. It is first worth discussing the defining purpose and origins of revisionism. This brief explanation is intended to

²⁷ Hugh Gaitskell (1906-63): Labour MP for Leeds South 1945-63; Chancellor of the Exchequer 1950-51; Labour Party leader 1955-63.

²⁸ For an in-depth study of the modernisation tendency within the Labour Party see Tudor Jones, *Remaking the Labour Party: from Gaitskell to Blair*, London: Routledge, 1996.

²⁹ Stephen Haseler, *The Gaitskellites: Revisionism in the British Labour Party 1951-64*, London: Macmillan, 1969, p. 7.

clarify its political meaning and provide some historical perspective upon the usage of the term.

Revisionism has commonly referred to the considered review and modification of traditional doctrine and party policy. Established philosophies and programmes are subject to rethinking and adaptation in order to aid the rejuvenation of political movements. This process might appear to be a relatively uncontroversial phenomenon, as doctrine and policy clearly require regular reassessment and adaptation in the light of new developments. But it has been acknowledged that the attempts to revise socialist doctrine have tended to provoke a greater degree of internal political division and tension than experienced by movements connected to other political philosophies³⁰. The strength of traditionalism and orthodoxy, often informed by a competing vision of what socialism should mean in practice, have historically been powerful forces constraining the modernisation of social democratic parties³¹.

The tradition of revising socialist doctrine stretches back to the earlier revisionism of Eduard Bernstein and his followers in the latter part of the nineteenth century. It was Bernstein who was originally associated with challenging the Marxist orthodoxy of socialist fundamentalism that dominated the German Social Democratic Party (SPD) during the 1890s³². He would remain an intellectual inspiration to future revisionists, who would revive his concern with rethinking socialist doctrine to ensure the practical and electoral success of social democratic politics³³. His original revisionist thesis contained many of the arguments and principles that would be employed by post-war revisionists.

³⁰ Robert Leach, *British Political Ideologies*, Hemel Hempstead: Philip Allan, 1991, p. 117; W. H. Greenleaf reflected that revisionist socialism became “synonymous with some form of reinterpretation of doctrine so critical as to amount (in the eyes of orthodoxy) to heresy or deviation”, W. H. Greenleaf, *The British Political Tradition*, Volume Two: The Ideological Heritage, London: Methuen, 1983, p. 475.

³¹ The conservatism inherent in an adherence to traditionalism, and the subsequent resistance to change, would be a factor that affected the development and implementation of a revisionist political programme in post-war Britain, 1951-1981. It is therefore an element of some significance to this thesis, as will become apparent in subsequent chapters.

³² See Robert Fletcher (Ed.), *Bernstein to Brandt: a Short History of German Social Democracy*, London: Edward Arnold, 1987.

³³ The use of the terms ‘social democracy’ and ‘democratic socialism’ has become problematic due to philosophical and factional divisions within left-wing politics. This thesis will touch upon the development of these divisions, but my preferred tendency is to accept the interchangeable nature of the terms. A social democrat is someone who wishes to implement socialist policies by democratic means. Social democrats may disagree over the meaning of socialism and the best policies for achieving it, as in the case of revisionists and traditionalists, but they have historically been equally committed to socialist politics aimed at extending social justice and equality.

In his classical work, *Evolutionary Socialism*³⁴, Bernstein set out to revise the Marxist orthodoxy that had dominated socialist doctrine. Donald Sassoon, author of a history of West European socialism, considered that the central element within Bernstein's argument was the decoupling of the Marxist theory of a 'final goal' from "the everyday struggle for political improvements"³⁵. Bernstein's intellectual assault focussed upon the need for socialism to be defined in terms of the short-term strategy of implementing practical measures through democratic channels. He considered that socialism did not require an ultimate aim, as it was the 'movement' and the endless process of social and political progress that mattered. This 'movement' had been damaged by the theoretical attachment to an irrelevant and obscure 'final goal'³⁶.

Bernstein examined the changes to capitalist society and concluded that the prevailing social and economic conditions invalidated much of the dominant Marxist theory. He believed that the positive impact of democratisation and the modern development of capitalism had falsified Marxist predictions of mass worker pauperisation, socio-economic polarisation and inevitable capitalist collapse. Socialists should embrace liberal democracy as the best method for establishing their goals of social justice and equality³⁷, whilst focussing upon developing practical policies aimed at furthering social and economic reform, free from the outworn revolutionary rhetoric of Marxism³⁸. The key revisionist lesson that Bernstein offered was that democratic socialism should be characterised by evolutionary, rather than revolutionary, change, and that socialist doctrine should be regularly open to revision in the light of empirical observation of changing conditions. He claimed that his intellectual assault upon Marxist orthodoxy was intended to ensure the continued relevance and practical success of his party's socialism: "for a party which has to keep up with a real evolution, criticism is indispensable and tradition can become an oppressive burden, a restraining fetter"³⁹.

³⁴ The German version was entitled *The Preconditions for Socialism and the Tasks of Social Democracy*.

³⁵ Donald Sassoon, *One Hundred Years of Socialism*, London: Fontana Press, 1997, pp. 17-18.

³⁶ Eduard Bernstein, *Evolutionary Socialism*, New York: Schocken Books, 1961, pp. 202-205.

³⁷ Bernstein, 1961, p. 170

³⁸ Bernstein, 1961, p. 197.

³⁹ Bernstein, 1961, p. 197.

Bernstein's revisionism was condemned as heresy by many of his contemporaries within the SPD because his critique of Marxism equated to an acceptance that capitalism was a flexible system that could be modified and improved, rather than a degenerative phase in human development. His evolutionary socialism pointed towards a moderate and reformist approach to politics, informed by the gradualism inherent in parliamentary democracy. This was a highly controversial position at a time when Marxist analysis prevailed over all other strands of socialist thought⁴⁰. The main socialist parties of the Second International rejected the capitalist economic system and fully expected its inevitable collapse under the weight of its own fundamental weaknesses and contradictions. In this Marxist-dominated intellectual climate it was unsurprising that the early revisionism of Bernstein was politically marginalised and suffered almost universal denunciation. In contrast the political climate of the 1950s would prove more propitious for the development of a new revisionism within Western European socialism. Many of Bernstein's original arguments, revived and updated, would become influential in both Britain and West Germany after 1951, gaining the support of principal socialist leaders within the Labour Party and the SPD⁴¹.

The opportunity for the development of Labour revisionism

Historians generally view the post-war Labour Government of 1945-51 as the high point of British social democracy. Attlee's administration implemented the majority of its domestic programme of social reforms and ensured the nationalization of most basic industries, whilst playing a major role in establishing the post-war system of international alliances⁴². The broad outlines of a social democratic settlement had been established through the combination of full employment and the foundations of the modern welfare state. Its success, having

⁴⁰ Anthony Wright has described the result of 19th century Marxist intellectual hegemony as a narrowing of the definition of socialism. Anthony Wright, *Socialisms: Theories and Practices*, Oxford: Oxford University Press, 1986, p. 3.

⁴¹ Sassoon, 1997, p. 241

⁴² Andrew Thorpe, *A History of the British Labour Party*, Basingstoke: Palgrave, 2001, pp. 103-105; Kenneth O. Morgan, *The People's Peace: British History 1945-1989*, Oxford: Oxford University Press, 1990, 29-31; Kevin Jefferys, *The Labour Party Since 1945*, Basingstoke & London: Macmillan, 1993, pp. 8-10.

fulfilled much of its pre-war Fabian programme by 1947, subsequently created an intellectual vacuum at the heart of the Labour Party. The conditions appeared favourable for a restatement of the meaning and purpose of British socialism, as part of a wider regeneration of Labour politics.

The Labour Government left office in 1951 both intellectually and physically exhausted. Kenneth Morgan stated that Labour's gerontocracy was no longer able to inspire fresh ideas: "an era foreshadowed in Edwardian days, amongst the social workers and upper-class philanthropists of the East End, pursuing the path trodden by Charles Booth and his investigators in the nineties, had reached fulfilment in 1945-47. The programme was complete, and finite. England had indeed arisen, and Attlee's idea of socialism had nothing else to offer"⁴³. This observation implies that a new generation of political leaders, more in touch with contemporary society, were required to breathe fresh life into Labour politics.

It would also become clear, on closer scrutiny, that the opportunity for further political radicalism had not been exhausted by Labour's six years in office. The legacy of the Attlee governments, although they provided the foundations from which British social democracy could develop, was strictly limited in terms of a radical transformation of British society. The contemporary analysis of political scientists, in assessing the impact of the outgoing Labour Government, concluded that they had acted in an overwhelmingly pragmatic fashion, succeeding in improving and extending the reach of the welfare state rather than instigating a dramatic recasting of British society in a radical socialist direction⁴⁴. It had also been assumed that the opposition parties would instinctively fight a socialist political programme. Yet, Conservative opposition was not believed to have been based upon fundamental ideological or philosophical differences. Nationalization had generally occurred in the basic industries and public utilities, and with ample compensation, whilst much of Labour's reforming edge appeared to have been supplied by Lord William Beveridge, who was affiliated to the

⁴³ Kenneth O. Morgan, *Labour People; Leaders and Lieutenants; Hardie to Kinnock*, Oxford: Oxford University Press, 1987, p. 145.

⁴⁴ R. V. Sampson, 'The Dilemma of British Labour', *Foreign Affairs*, Vol. 30, No. 3, April 1952, p. 459; Leon D. Epstein, 'Socialism and the British Labour Party', *Political Science Quarterly*, Vol. LXVI, No. 4, Dec 1951, p. 557.

Liberal Party. The measures that were considered to be distinctively socialist were considered to be few, such as the creation of the NHS and steel nationalization⁴⁵.

More recent analysis considered the Labour governments' legacy to be the continuation of capitalism, albeit with a human face. If socialism meant the traditional commitment to the public ownership of the means of production, distribution, and exchange, then the economy remained predominantly capitalist, as 80% of industry remained in private ownership⁴⁶. It also became evident that the Attlee administration had not fundamentally altered the class structure of British society⁴⁷. These two assessments highlight that the potential existed for the post-1951 Labour Party to move towards a new programme of radical social reform, based upon overcoming the rigid class-divisions and social inequalities that continued to characterise British society. *Socialist Commentary*, a Labour supporting journal, lent its voice to a growing scepticism of the 'old gospel', with its central socialist commitment to public ownership. Their post-election editorial stated that "socialists must now devote at least part of their efforts to examining what is needed for creating not only an equal society, but a good and rich one"⁴⁸. There were early signs of greater social fluidity and cultural change within British society, which could be channelled and directed towards progressive outcomes, such as a more egalitarian and classless society.

A period of opposition, free from the responsibilities of office, provided the opportunity to develop a revisionist outlook that reflected upon the achievements of the Labour governments and redirected the party's socialist commitment towards new egalitarian policies. Yet, equally, the potential existed for the resurrection of a more traditional approach, calling for the pre-war Fabian programme of nationalization to be extended and the balance of the mixed economy to be shifted further in favour of public ownership. Nick Ellison, in examining the Labour Party's post-war ideological divisions, referred to the distinction between the 'technocratic socialists', looking to extend economic equality through public ownership and state control of the economy, and the

⁴⁵ Norman Ira Gelman, 'Bevanism: a Philosophy for British Labour?', *The Journal of British Politics*, Vol. 16, No. 4, Nov 1964, p. 654

⁴⁶ Peter Dorey, *British Politics Since 1945*, Oxford: Blackwell, 1995, p. 38.

⁴⁷ Kenneth O. Morgan, 1990, pp. 107-109.

⁴⁸ *Socialist Commentary*, 'Editorial', 11th November 1951; The 1951 Labour Party General Election Manifesto, *Forward with Labour or Backward with the Tories*, referred to the new political aims of "greater social equality and the establishment of equal opportunities for all".

‘Keynesian socialists’, who sought to extend social equality through fiscal and social welfare measures⁴⁹.

These distinctions were characteristic of the different perspectives of traditionalists, wedded to the old Fabian approach, and revisionists, embracing new economic techniques and a new social reform agenda. They provided the intellectual undercurrent for the bitter internal disputes that would afflict the Labour Party after 1951. Consequently the historical development of Labour’s post-war revisionism was not destined to be a smooth and uncontested process. It has been seen as a political movement born out of the ensuing intra-party battle “to determine the future purpose of the Labour Party”⁵⁰. Revisionist foundations and character were shaped by the historical context in which it developed, influenced by external realities, such as the emergence of the Cold War, and internal party disputes. Having described the conditions that provided the opportunity for revisionism to develop, it is now necessary to examine in more detail the events that helped to propel the revisionists towards greater political influence within the Labour Party.

The Bevanite Challenge

The political challenge of the Bevanites is viewed as a major catalyst for the development of Gaitskellite revisionism⁵¹. The Bevanite grouping represented a rebellion against Labour’s established parliamentary leadership, aiming to redirect party policy towards a greater doctrinal commitment to public ownership at home and a more neutral Cold War position abroad⁵². Gaitskell emerged as the defender of party unity and the main opponent of Bevanite political ambitions, which explicitly aimed to win control of the leadership and policy of the Labour Party.

⁴⁹ Ellison, ‘Consensus Here, Consensus There’, *The Myth of Consensus*, Jones and Kandiah (Ed.), Basingstoke: Macmillan, 1996, pp. 23-26.

⁵⁰ John Callaghan, *Socialism in Britain Since 1884*, Oxford: Blackwell, 1990, p. 170.

⁵¹ Philip M. Williams, *Hugh Gaitskell: A Political Biography*, London: Jonathan Cape, 1979, pp. 320-321.

⁵² The political commentator, Norman Gelman, observed that the Bevanites’ concern to develop a distance from US Cold War policy could be seen as an extension of their domestic policy, as they feared that aggressive US actions would increase international harmony and put their socialist agenda in jeopardy. Gelman, 1954, p. 662; The Bevanites were not uncritical of the Soviet Union, and were not supporters of communism; rather they believed that the West carried much of the blame for the distorted and undemocratic development of communism, and that a ‘third way’ should be developed. See Aneurin Bevan, *In Place of Fear*, London: Heinemann, 1952, pp. 41-42.

The ensuing internal power struggle was between two alternative policy routes: the traditionalist-neutralist route associated with Bevanism, and what Brian Brivati has referred to as “the revisionist-Atlanticist-managerial road” associated with Gaitskell.⁵³ Gaitskell’s eventual triumph would prove crucial in ensuring the dominance of the revisionist route.

The Bevanite group originated from the formation of a backbench parliamentary rebellion. The Keep Left group were protesting against the pro-Atlanticist foreign policy of the Attlee administration. This original grouping would gradually harden into an intra-party faction determined to secure the Labour Party leadership for Aneurin (Nye) Bevan, its charismatic political figurehead and inveterate parliamentary rebel⁵⁴. Mark Jenkins, in his sympathetic account of Bevanism, identified three phases of Bevanite activity: the pre-Bevanite Keep Left Group of 1946-51; the ‘open’ Bevanite Group of 1951-October 1952, which included Labour MPs Nye Bevan, Barbara Castle, Richard Crossman, Tom Driberg, Michael Foot, Jennie Lee, Ian Mikardo and Harold Wilson, amongst others; and a ‘clandestine’ Bevanite Group of October 1952-1954⁵⁵. The Bevanite members offered mutual support, organising and recruiting at grass roots level to strengthen their position in the wider Labour Party⁵⁶. The Bevanite challenge gained publicity from the editorial support of left-wing journals, especially *Tribune* and *The New Statesman*.

The formation of the ‘open’ Bevanite Group marked the beginning of Labour’s bitter internal disputes. It started with the resignations of Nye Bevan, Harold Wilson and John Freeman from the Labour Government in April 1951⁵⁷. John Campbell, in his critical biography of Bevan, has stated that these resignations “opened a Pandora’s Box of grievances, mutual suspicion and genuine differences of political philosophy which, once released, proved impossible to put back into the box again, but, on the contrary, took wing and

⁵³ Brian Brivati, *Hugh Gaitskell*, London: Richard Cohen Books, 1996, pp. 132-133.

⁵⁴ One influential and unsympathetic observer considered that Bevan’s widespread support amongst parliamentary colleagues and constituency activists was due to the power of his oratory which gave him “tremendous political sex appeal”. Hugh Dalton, *Hugh Dalton’s Memoirs, 1945-1960: High Tide and After*, London: Frederick Muller Ltd, 1962, p. 363.

⁵⁵ Mark Jenkins, *Bevanism: Labour’s High Tide*, Nottingham: Spokesman, 1979, p. 147.

⁵⁶ Jenkins, 1979, pp. 154-155

⁵⁷ Kenneth O. Morgan, 1990, p. 103

multiplied to create a deep division in the party”⁵⁸. The Bevanites were protesting at the imposition of health charges by the Chancellor of the Exchequer, Hugh Gaitskell. It was Gaitskell who would become the main target for the ire of the Bevanites, as they saw him as the main leadership rival and representative of a moderate Labour leadership that was taking the Party further away from their vision of socialism⁵⁹.

Once the Labour Party left office in October 1951, the Bevanites began to organise effectively in order to make political advances within the Party. Their high point came at the 1952 Morecambe Conference, with the passing of resolutions demanding further nationalization of key industries and the successful election of major Bevanite figures to the Labour’s National Executive Committee (NEC), the Labour Party’s main policy-making body. This provoked a furious reaction from the Labour leadership, led by Gaitskell. His infamous Stalybridge speech, attacking communist infiltration and accusing the Bevanites of creating a ‘party within a party’, spurred on the emergence of a Gaitskellite grouping opposed to the political irresponsibility of their opponents, and committed to party unity, collective responsibility and anti-communism⁶⁰. Revisionism, in terms of a domestic socialist agenda, was still in its infancy, but Gaitskell would henceforth become the political figurehead for parliamentary loyalists and political moderates in opposition to the Bevanite challenge.

The decline of ‘the Big Five’⁶¹, who had dominated the Labour Party during the 1930s and 1940s, led to a power struggle between Bevan and Gaitskell, reflecting their emergence as rivals for the leadership succession. The Gaitskellite revisionists gradually developed as an alternative political grouping to the Bevanites, offering loyal support to Gaitskell’s leadership ambitions. Gaitskell’s tireless work as the central representative of the Labour leadership, defending it against the Bevanite challenge, enabled him to gain widespread party support,

⁵⁸ John Campbell, *Nye Bevan and the Mirage of British Socialism*, London: Weidenfeld and Nicolson, 1987, p. 253.

⁵⁹ Campbell, 1987, pp. 243-244.

⁶⁰ Williams, 1979, pp. 304-305.

⁶¹ ‘The Big Five’ included Prime Minister, Clement Attlee (1883-1967); Foreign Secretary, Ernest Bevin (1881-1951); Deputy Prime Minister, Herbert Morrison (1888-1965); Chancellor until his retirement in 1950, Stafford Cripps (1889-1952); Chancellor from 1945-47, Hugh Dalton (1887-1962). By 1952 both Bevin and Cripps had died, whilst the authority of Morrison and Dalton had waned. Attlee stayed on as leader until 1955, but was increasingly affected by ill-health.

including the crucial backing of major trade union leaders⁶². It was the development of a strong political alliance, beyond his closest supporters, that enabled him to win the leadership of the Labour Party in 1955.

The factional divisions that developed around Gaitskell and Bevan reflected a whole range of overlapping factors and, as a consequence, it is difficult to pinpoint the fundamental essence of the dispute. Nevertheless, it is evident that a combination of elements – including personality differences, rival political ambitions, alternative policy options and philosophical distinctions – contributed to the extreme bitterness in which the disputes were conducted. The resulting divisions between Bevanites and Gaitskellites provided the basis for the subsequent ‘Left’ and ‘Right’ labels attached to groups and individuals within the Labour Party, and would endure well beyond the deaths of the two original protagonists. These labels have traditionally referred to a degree of ideological distinction but, in practice, have also related to a combination of political character and approach, personal loyalties and preferred company. Historically, in post-war Labour politics, they have derived from the bitter experience of the original factional hostilities between Bevanites and Gaitskellites⁶³. The Labour Left and Labour Right would subsequently hold separate meetings, form their own dining clubs, contribute to different journals and attend different conference fringe meetings.

The mutual personal antagonism between Gaitskell and Bevan underwrote their political rivalry and formed the basis for the factional in-fighting that occurred after 1951. It has been considered that Bevan’s hostility towards Gaitskell derived from his original opposition to Gaitskell’s swift political elevation to Chancellor in 1950⁶⁴. Bevan believed that the Labour Party should be led by a working class leader, with deep roots in the Labour movement and direct

⁶² Stephen Haseler, 1969, p. 42; Brivati, 1996, p. 161.

⁶³ Ben Pimlott considered that Harold Wilson was a prime example of an accidental Bevanite, becoming a member of the ‘Left’ due to events and poor relations with Gaitskell, rather than fundamental differences in the realm of ideas. The bonds of loyalty that had formed would subsequently remain throughout his political life. Ben Pimlott, *Harold Wilson*, London: Harper Collins, 1992, pp. 175-178, 213; a recent biographer of Barbara Castle has written that “for the rest of her life, Barbara never trusted or allowed herself to get really close to anyone who had been a Gaitskellite”. Lisa Martineau, *Politics and Power. Barbara Castle: A Biography*, London: Andre Deutch, 2000, p. 117.

⁶⁴ Brivati, 1996, p. 103; Campbell, 1987, p. 221.

experience of 'the class struggle'. He was opposed to the leader being drawn from the ranks of the Oxford educated middle class⁶⁵. For his part, Gaitskell saw Bevan as a potential electoral liability and a source of political instability within the Labour Party, due to his temperamental and unreliable nature⁶⁶. The clash between different personalities, with "differences of political style and emphasis, compounded by a rapid hardening of individual loyalties", aggravated the bitterness of the factional conflict between Bevanites and Gaitskellites⁶⁷. But these personal factors were underpinned by real differences in terms of policy and philosophy.

The political and intellectual weaknesses of Bevanism

The original issue of contention that would dominate the internal battles of the early 1950s related to foreign policy. The Gaitskellites could be differentiated from the Bevanites in their strong pro-Americanism and vehement anti-communism⁶⁸. The Keep Left group of 1947, the resignations of 1951, and the continued Bevanite opposition to rearmament, are evidence that international relations provided the main focus of dissension. The Bevanites reaction to the Labour leadership's strongly pro-Atlanticist stance tended to overshadow issues of domestic policy, although they would remain strong supporters of extending public ownership. But the preferred Bevanite position of Cold War neutrality, and a distancing of Britain away from the Atlantic Alliance, was difficult to maintain. After 1947 it became increasingly difficult to argue that the international communist threat was exaggerated, due to the aggressive actions of the Soviet Union⁶⁹. Anti-communism became the dominant position and, in the polarised

⁶⁵ Campbell, 1987, p. 257; Bevan considered that Labour leaders should be representative, in both word and deed, of their natural supporters. He stated that "a political party which begins to pick its personnel from unrepresentative types is in for trouble", Bevan, 1952, pp. 14-15.

⁶⁶ Thorpe, 2001, pp. 121-122; Gaitskell eventually attempted to have Bevan expelled from the Labour Party, See Brivati, 1996, pp. 204-212.

⁶⁷ Kevin Jefferys, *The Labour Party Since 1945*, Basingstoke & London: Macmillan, 1993, pp. 40-41.

⁶⁸ Williams, 1979, pp. 313-315; Brivati, 1996, pp. 180-181.

⁶⁹ Dan Keohane, 'Labour's International Policy: A Story of Conflict and Contention', *The Labour Party: a Centenary History*, Brivati and Hefferman (Ed.), Basingstoke & London: Macmillan, 2000, p. 373.

context of the Cold War, choices over which alliance to join became impossible to avoid⁷⁰.

The Bevanites, having staked their political position on trying to avoid making a clear choice between the US and the USSR, were politically weakened by the unfolding realities of the international situation. Lawrence Black claimed that Socialist Union, a revisionist group that came to be strongly identified with Gaitskell's leadership, originally advocated the idea of Britain adopting a social democratic 'third way', free of contamination from the two superpowers, the overtly capitalist US and the communist USSR. But they, like other social democrats, were forced to choose sides in the polarised conditions of the developing Cold War: "The Cold War exaggerated the meanings and differentiation of 'Left' and 'Right' by forcing an unpalatable choice between totalitarian, 'socialist' Russia and liberal, capitalist America on serious and respectable socialists of all persuasions"⁷¹. The revisionists unambiguously sided with the US, whilst the Bevanites were determined to remain ambiguous.

Bevan's continued advocacy of a 'third way' in foreign affairs, despite the established pro-Atlanticist foreign policy of the Labour Party and the political realities of the Cold War environment, fatally damaged his leadership chances. His behaviour became erratic and uncoordinated and, in 1954, he wrecked his political ambitions through his own actions. He resigned from the Shadow Cabinet, after embarrassing Attlee in a provocative parliamentary speech that challenged the cross-party consensus on rearmament. He then gave up his seat on the NEC to unsuccessfully contest the position of Party Treasurer⁷². When he subsequently lost the 1955 Labour Party leadership contest to Gaitskell, the Bevanite faction had failed in their primary political purpose. One of the main reasons for this failure had been the character and behaviour of their figurehead.

⁷⁰ John Callaghan, 'The Cold War and the March of Capitalism, Socialism and Democracy', *Contemporary British History*, Vol. 15, Autumn 2001, No. 3, p. 4; Lawrence Black, 'The Bitterest Enemies of Communism: Labour Revisionists, Atlanticism and the Cold War', *Contemporary British History*, Vol. 15, Autumn 2001, No. 3, p. 4.

⁷¹ Lawrence Black, *Socialist Democracy as a Way of Life: Fellowship and the Socialist Union, 1951-59*, *Twentieth Century British History*, Vol. 10, No. 4, 1999, pp. 518-519.

⁷² Campbell, 1987, pp. 287-290.

Unfortunately for the Bevanites, Bevan proved to be an ineffective factional leader, as testified by close observers⁷³. He would sometimes appear disinterested in leading an organised group, would often fail to attend meetings and acted without consulting his closest supporters⁷⁴. Bevanism disintegrated as a political movement after Bevan reconciled himself to the leadership of Gaitskell after 1955⁷⁵. The loss of their leader left the Bevanites bereft of political purpose and, having failed to undergo any considerable rethinking of policy, they were largely intellectually defenceless against the emerging revisionist position.

The Bevanites' overwhelming motive had been to press Nye Bevan's leadership claims, rather than the development of a new domestic policy programme⁷⁶. In terms of their political background, the Bevanites drew upon the heritage of the radical, Marxist-inspired, intellectual ferment of the 1930s, reflected in the influence of the Left Book Club and the Socialist League⁷⁷. An understanding of Bevanism, in terms of a socialist philosophy, is largely reliant upon reading Nye Bevan's main publication, *In Place of Fear* (1952). It would represent the main intellectual contribution provided by the Bevanites during the 1950s.

In Place of Fear has an autobiographical quality, with the author recounting stories and struggles relating to his life and that of the South Wales mining community from whence he came. Bevan's personal experiences had shaped his political view and provided the essence of his political motivation: "a young miner in a South Wales colliery, my concern was with the one practical question, where

⁷³ Ruth Winstone (Ed.), *Tony Benn: Years of Hope. Diaries, Letters and Papers 1940-1962*, London: Hutchinson, 1994, p. 251; Barbara Castle, *The Castle Diaries 1964-1970*, London: Weidenfeld and Nicolson, 1984, p. 303.

⁷⁴ Campbell, 1987, pp. 273-274; Castle, 1993, pp. 202-203.

⁷⁵ Bevan made his peace with Gaitskell and served in his Shadow Cabinet, as Shadow Foreign Secretary, playing the role of elder statesman and refusing to resume factional hostilities with the Gaitskellites. See Campbell, pp. 311-313.

⁷⁶ According to their biographers, leading Bevanites, Michael Foot and Richard Crossman, focussed their considerable journalistic energies upon championing the political ambitions and philosophy of Bevan, rather than developing new ideas. See Mervyn Jones, *Michael Foot*, London: Victor Gollancz, 1994, p. 184; and Anthony Howard, *Crossman: The Pursuit of Power*, London: Jonathan Cape, 1990, pp. 156-159.

⁷⁷ See the radical views set out in various essays within the Socialist League publication, *Problems of the Socialist Transition*, London: Victor Gollancz Ltd, 1934; Many of the Bevanites foremost political experiences came through membership of the rebellious Socialist League grouping (dissolved in 1937), regular contributions to the journal *Tribune*, and the political patronage of Stafford Cripps, the veteran Labour Left radical. See Barbara Castle, *Fighting All The Way*, London: Macmillan, 1993, pp. 72-80.

does power lie in this particular State of Great Britain, and how can it be attained by the workers?”⁷⁸ His answer, influenced by his reading of Marx, was that power lay with the owners of capital. But Bevan eschewed the revolutionary bloodshed or syndicalist militancy as the means for overturning capitalist power. He held a strong faith in parliamentary democracy to give power to the working class and advance the welfare of ordinary men and women. Marxists, in his view, fatally underrated the importance of political democracy under a full franchise in transforming the power relations in society⁷⁹.

Yet, for Bevan, socialism meant state control, as he saw this as the best means for securing the personal freedom of the majority. Only the minority capitalist class would be deprived of freedom due to direct state control of the commanding heights of industry. Bevan strongly believed that public ownership was the fundamental socialist means for drastically altering the “power relations of public and private property”⁸⁰. The core assumption was that power in society derived from economic ownership, so the task of the democratic socialist was to transfer that power from private capital to the state, in order to ensure that economic power directly served and was fully accountable to the people. Indirect sources of economic management, such as budgetary policy, were seen as woefully insufficient because they failed to strike at the heart of private capitalist power, deriving from ownership.

Bevan’s democratic socialism meant an insistence that parliamentary democracy “be used progressively until the main streams of economic activity are under public direction”⁸¹. The core of his socialism meant the exercise of democratic power to ensure economic control on behalf of the working class. Public ownership was a vital and central component for achieving this goal, although he also advocated moves towards greater industrial democracy⁸². He therefore opposed all attempts to revise socialism because the definition, in his view, was cast in stone. During the early period of revisionist development, Bevan

⁷⁸ Bevan, 1952, p. 1.

⁷⁹ Bevan, 1952, pp. 19-21; There is general agreement that Bevan was not simply a Marxist fundamentalist in terms of his political philosophy, as he understood and accepted the realities and inevitable gradualism of parliamentary democracy. See Morgan, 1987, p. 206, and Campbell, 1987, p. xii; Bevan, 1952, pp. 169-170.

⁸⁰ Bevan, 1952, p. 124.

⁸¹ Bevan, 1952, p. 31.

⁸² Bevan, 1952, pp. 102-105.

stated his rejection of the exercise: “socialism is the substitution of public for private ownership. There is no way round this”⁸³. He continued to see private property as the main feature of a competitive capitalist society, and believed that public ownership was inevitably more efficient in terms of production and budgeting than the inherent wastefulness and decadence of private capital⁸⁴.

In Place of Fear has been seen as failing to provide a major intellectual contribution to Labour’s search for a new direction⁸⁵. It was more a semi-biographical work that sought to explain the author’s personal approach to politics, than a work of coherent political philosophy. In this regard it is very informative. But, in terms of Labour’s search for a new direction and a fresh programme for the years ahead, it was largely irrelevant. It appears likely, from the nature of the book, that it was never his intention to participate in revising socialism. His attachment to the struggles of the past, with his faith in the lessons that these struggles had taught the Labour movement, informed his politics and pervaded his book. The Bevanite Left’s dependence upon their leader for political and intellectual inspiration proved a source of weakness. It signified a lost opportunity to take the initiative, leaving the way open for the revisionists to fill the intellectual vacuum and set the future political agenda of the Labour Party for the next two decades.

The political complexion of the Gaitskellites

Bevanism brought into sharper focus the need for a fundamental revision of democratic socialism, away from the traditional socialism of public ownership, whilst simultaneously demanding a greater degree of political organisation, capable of successfully overcoming the Bevanites’ political challenge. The early stages of revisionist thinking preceded the development of party factionalism, but many of those most associated with rethinking Labour’s socialist commitment would gradually become affiliated to a Gaitskellite grouping, the political complexion of which, in terms of membership and outlook, would help shape the revisionist position. The background and character of its central political figure

⁸³ Tribune, 13th June, 1952.

⁸⁴ Bevan, 1952, pp. 57-58.

⁸⁵ Thorpe, 2001, p. 128; Campbell, 1987, p. 264.

was of fundamental importance, as Hugh Gaitskell championed and influenced revisionist development, enabling it to gain in influence within the Labour Party.

Kenneth Morgan has suggested that the most effective Labour leaders have been primarily political organisers, rather than intellectuals, as this has enabled them to concentrate on ensuring “unity and a sense of cohesion” within the Labour Party⁸⁶. But it could equally be argued that many of Labour’s leaders have suffered from a lack of firm intellectual foundations and ideological commitment. The exaggerated focus upon political organisation and tactics, which served them well in opposition, tended to lead to the absence of clear political purpose and direction when in power⁸⁷. Perhaps, ideally, political leaders should be intellectuals, in the sense of being interested in ideas as a basis for guiding practical political action, as well as able party managers and organisers. Hugh Gaitskell embodied the revisionist approach of attempting to combine intellectual endeavour and integrity with political organisation and leadership.

Gaitskell was representative of the new generation of young, university educated Labour politicians that came to prominence during the 1940s and 1950s, propelled into the Parliamentary Labour Party (PLP) by a combination of high-level patronage and the unexpected level of the Labour Party’s electoral success after 1945⁸⁸. Gaitskell was both an intellectual and a practical politician. His early political development was guided by the economic historian Professor Michael Postan and the philosopher Professor John Macmurray. These academic contacts, made whilst he was a lecturer at University College London (UCL), are credited with influencing him towards a strong intellectual and moral grounding in a non-Marxist, socialist outlook. Gaitskell developed a political psychology that stressed the altruistic objective of gaining personal happiness through helping others to be happy, whilst representing a rebellion against the “snobbish rich”. This expressed

⁸⁶ Kenneth O. Morgan, *Labour People; Leaders and Lieutenants: Hardie to Kinnock*, Oxford: Oxford University Press, 1987, pp. 9-11.

⁸⁷ Peter Hennessy’s comment, in relation to Harold Wilson’s leadership, is pertinent: “winning three elections out of four, keeping Labour in business, just being there, is not, in the end, enough”. Peter Hennessy, *Muddling Through: Power, Politics and the Quality of Government in Postwar Britain*, London: Victor Gollancz, 1996, p. 266.

⁸⁸ Hugh Dalton has been acknowledged as the major patron of young, politically aspirant intellectuals, using his influence to find them parliamentary seats and supporting their ministerial ambitions. See Williams, 1979, p. 70; Morgan, 1987, p. 120.

itself in a practical commitment to tackling poverty, unemployment and slum housing through Labour politics⁸⁹.

Gaitskell was one member of an influential group of pre-war economic specialists that worked upon developing a policy programme to overcome the vacuum in practical Labour Party thinking. They provided an alternative set of ideas to rival the influence of the Marxist-inspired radical left⁹⁰. The work of Gaitskell, along with Douglas Jay and Evan Durbin⁹¹, can be considered crucial, in providing the intellectual foundations from which post-war revisionism could develop. They have been recognised as the key figures responsible for bringing economic planning and Keynesianism into the heart of Labour's economic policy development, providing social democrats with the economic tools to reconcile socialism with liberalism and state intervention with a market economy. In doing so they initiated the first break with the old style Fabianism of centralised state collectivism⁹². All three young intellectuals were significant participants in the work on economic policy produced by think tanks linked to the Labour Party, such as the New Fabian Research Bureau and the XYZ Club⁹³. They would rise to political prominence as civil servants during the war and as ministers in the subsequent Attlee administration.

The rapid ascent of Hugh Gaitskell to the Labour leadership, having only been in parliament for ten years, led to the advancement and enhanced influence of a younger generation of intellectuals. He gave his full backing to the development of revisionist ideas, which would serve as the basis for a new policy programme after 1955, although Gaitskell's own theoretical input during this period is considered to have been relatively limited⁹⁴.

⁸⁹ Williams, 1979, pp. 32-38.

⁹⁰ The downfall of the Labour Government, 1929-1931, led to the intellectual ascendancy of a more extreme leftist fundamentalism during the 1930s. An influential Marxist intelligentsia doubted the possibility of achieving socialism by democratic means and called for the intensification of the class war and the replacement of private ownership by social ownership. For an example of this thinking, see The Socialist League, *Problems of the Socialist Transition*, 1934.

⁹¹ Douglas Jay (1907-96): Labour MP for Battersea North 1946-83; author of *The Socialist Case* (1937); Evan Durbin (1906-1948): Labour MP for Edmonton 1945-48; author of *The Politics of Democratic Socialism* (1940); died in a drowning accident in Cornwall in 1948.

⁹² John Callaghan, 1990, pp. 171-172; Morgan, 1987, p. 113.

⁹³ The XYZ dining Club, founded in Jan 1932 by Labour Party sympathisers in the City, met to discuss economic issues, including how a future Labour Government might overcome deliberate disruption by the financial markets. Durbin, Jay and Gaitskell became members from 1934. See Williams, 1979, pp. 47-48; Morgan, 1987, pp. 107-109.

⁹⁴ Brivati, 1996, p. 287.

The intellectual vacuum in Labour thinking, the 1951 electoral defeat and the subsequent Bevanite challenge all contributed to the emergence of a Gaitskellite grouping, composed of individuals and groups supportive of Gaitskell's political leadership and intent on aiding the development of Labour Party policy. The intellectual challenge of rethinking the meaning and content of socialism was originally taken up by Socialist Union (1951-59), an exclusive group of intellectuals under the central direction of Allan Flanders⁹⁵.

Socialist Union was conceived as a think tank aiming to revive socialism through "the discussion, maturation and propagation of socialist ideas", as a response to the apparent exhaustion of pre-war Fabianism⁹⁶. They produced one of the first statements of revisionist intent, with an early publication entitled *Socialism: A New Statement of Principles* (1952), which called for the need to "refine – even revise – the apparent certainties of the past" and rejected the traditional definition of socialism as based upon public ownership, preferring to stress an ethical, rather than a materialistic, dimension⁹⁷. Through their journalistic contributions in *Socialist Commentary*, the members of Socialist Union have been credited with playing an important role "in the inter-party rhetoric and factionalism of the period...ensuring that the {Bevanite} Left did not have a monopoly in the field of day-to-day political warfare"⁹⁸.

Socialist Commentary became an influential revisionist journal after 1951, providing an important voice of loyal support for the leadership of Hugh Gaitskell and a counter to the Bevanite-dominated journals, *The New Statesman* and *Tribune*⁹⁹. Rita Hinden was a major influence, as editor from 1955 until her death in 1971. She was well known amongst Labour's revisionist politicians for her intellectual integrity and dedication to the democratic socialist cause, driven by an ethical commitment to egalitarianism¹⁰⁰. Her influence ensured that *Socialist Commentary* developed the role of candid friend to Labour's parliamentary leadership, not afraid to engage in constructive criticism. Familiarity with the

⁹⁵ Allan Flanders: Chairman of Socialist Union; joint editor of *Socialist Commentary* 1971-73.

⁹⁶ Lawrence Black, 'Social Democracy as a Way of Life: Fellowship and the Socialist Union, 1951-59', 1999, pp. 504-505.

⁹⁷ The Socialist Union, *Socialism: A New Statement of Principles*, London, 1952, pp. 12-13. Cited in Greenleaf, 1983, p. 479.

⁹⁸ Haseler, 1969, p. 80.

⁹⁹ Williams, 1979, p. 320; Haseler, 1969, p. 69.

¹⁰⁰ Rita Hinden (1909-1971). See Kenneth Morgan's biographical essay. Morgan, 1987, pp. 239-244.

journal provides evidence of its highbrow quality, with its highly informative ‘special supplements’ on diverse areas of policy, such as foreign affairs, industrial relations, race relations, drawing upon the work of specialists and experts in a whole range of fields. Its crucial role as the voice of Labour revisionism makes it an invaluable source for understanding the development of revisionist ideas, the political dilemmas that were faced during the 1960s and 1970s and the various responses made by those associated with the revisionist wing of the Party¹⁰¹.

The Gaitskellites have been described as a minority group of intellectuals ‘parachuted’ into the Labour Party in order to provide ideas and leadership¹⁰². Middle-class Oxbridge graduates made up the bulk of the revisionist movement of the 1950s and 1960s. Their political influence and closeness to the new party leader led to the ‘Gaitskellite’ label, though they would also be derided by political opponents as the ‘Hampstead Set’, referring to the informal gatherings of Gaitskell’s ‘inner circle’ at his Froggnal Gardens address¹⁰³. Key Gaitskellite figures included members of Gaitskell’s own generation, such as Frank Soskice, Patrick Gordon-Walker, Christopher Mayhew, Frank Pakenham (later Lord Longford) and Douglas Jay. But it was the younger generation of Gaitskellites that would provide the main intellectual contribution to post-war revisionist development, of whom Anthony Crosland, Roy Jenkins and Denis Healey would become the most influential¹⁰⁴.

The route by which the Gaitskellites travelled into Labour politics is worth examining. I have already mentioned Bevan’s views concerning Gaitskell and the nature of representative political leadership, and it is clear that Labour’s revisionist generation were set on a parliamentary course that bypassed

¹⁰¹ Regular contributors have included Hugh Gaitskell, Anthony Crosland, Roy Jenkins, Denis Healey and Patrick Gordon-Walker, and later a younger generation of aspiring Labour politicians, including John Mackintosh, Giles Radice and Bill Rodgers.

¹⁰² Radhika Desai, *Intellectuals and Socialism: Social Democrats and the British Labour Party*, London: Lawrence & Wishart, 1994, p. 75.

¹⁰³ Williams, 1997, p. 475.

¹⁰⁴ Anthony Crosland (1918-77): Labour MP 1950-55, 1959-77; author of *The Future of Socialism* (1956); Roy Jenkins (1920-2003): Labour MP 1948-76; Denis Healey (b. 1917): Labour MP 1952-1992. Crosland and Jenkins were closer, socially, to Gaitskell than Healey. The latter was a valued political ally for his expertise on defence and his generally revisionist views, but was never one of ‘the inner circle’. See Pearce, 2002, p. 159.

involvement in the Labour Party's wider organisational structure. Radhika Desai, in a study of Labour's socialist intellectuals, believed this led to the revisionists' lack of strong 'party feeling' or understanding of the Labour movement: "theirs was a world of parliamentary affairs (and, by aspiration, of government), constituency cultivation, and for some, literary and other professional endeavours; of the Fabian Society and journals like *Encounter*, *Political Quarterly*, and *Socialist Commentary*"¹⁰⁵.

The career trajectory of the Gaitskellite inner circle certainly appears to have been characterised by a relatively smooth rise into the higher echelons of Labour politics, as a result of intellectual abilities and high level contacts. Their entry into the Parliamentary Labour Party (PLP) generally progressed from their early political activism in the Oxford Labour Club; the patronage of senior party figures, especially Hugh Dalton, which led to parliamentary candidatures; with recruitment to party research departments, such as the Fabian Research Bureau, helping to increase their access to a network of high level political contacts¹⁰⁶.

The Oxford background of the Gaitskellite revisionists would have probably inculcated the expectation of political preferment. John Campbell has written that the career path of the post-war revisionist generation of Labour parliamentarians was in line with the Oxford tradition of producing the nation's political leaders. Balliol College, attended by Crosland, Jenkins and Healey in the late 1930s, was "self-consciously training up the next generation not only of Cabinet Ministers but of Ambassadors, Permanent Secretaries and Bishops"¹⁰⁷. Involvement in Oxford political life was potentially the first step on the path to Westminster. Another alternative for young intellectuals was a career in academia. It has been considered that Healey could have become an Oxford Don rather than a Labour MP, whilst Crosland became a Fellow in Economics at Trinity College, Oxford after the war, before entering parliament for the first time in 1950. The intervention of Hugh Dalton helped to secure them for Labour politics¹⁰⁸.

¹⁰⁵ Desai, 1994, p. 76.

¹⁰⁶ The career path of Christopher Mayhew is largely representative of other Gaitskellites. See Christopher Mayhew, *Time to Explain*, London: Hutchinson, 1987, pp. 39-50

¹⁰⁷ John Campbell, *Roy Jenkins: A Biography*, London: Weidenfeld & Nicolson, 1983, pp. 9-10.

¹⁰⁸ Edward Pearce, *Denis Healey: A Life in our Times*, London: Little Brown, 2002, pp. 53, 63-65; Kevin Jefferys, *Anthony Crosland*, London: Politicos, 2000, pp. 27, 32-33.

An important element in the political character of the Gaitskellite revisionists was their strong allegiance to a pro-Atlanticist foreign policy, underpinned by a deeply held anti-communism and a cultural attraction to the US. Their uncompromising Cold War stance was based upon the foreign policy position established by Ernest Bevin¹⁰⁹ and their pro-Americanism was not unusual amongst left-wing intellectuals of the 1940s and 1950s¹¹⁰. Critics of the Gaitskellite revisionists have attempted to cast aspersions upon their relationship with American Cold War organisations. Richard Fletcher implied that key revisionist figures were connected to CIA operations to undermine radical socialism in Europe¹¹¹. The main area of contention concerns the participation of Crosland, Healey and Gaitskell in the American led Congress for Cultural Freedom (CCF), an anti-communist organisation set up in June 1950 to promote freedom and democracy. In 1953 CCF launched *Encounter*, an influential monthly journal, originally edited by Irving Kristol and later by Melvin Lasky¹¹². Labour Party revisionists would provide notable contributions to *Encounter* over the next few decades, helping to combat the traditional anti-Americanism of British left-wing intellectuals. It was later revealed in 1967 that the CCF, and therefore *Encounter*, had previously received funds from the CIA. This led to doubts about its journalistic integrity and independence¹¹³.

But critics are forced to acknowledge that there is no clear evidence that contributors to *Encounter* knew where the funds came from¹¹⁴, and there can be no certainty that this funding impacted upon their political outlook. It has been suggested that the extreme and conspiratorial aims of Cold War groups like CCF are open to exaggeration. Marcus Cunliffe has stated that the CCF “was intelligently but not obsessively anti-communist” in seeking out Britain’s “non-

¹⁰⁹ Bevin, as Labour’s Foreign Secretary from 1945-51, established a vigorous anti-Soviet position, influencing the setting up of NATO and winning the commitment of the US to the struggle against communism. See Morgan, 1990, pp. 52-60.

¹¹⁰ According to Kenneth Morgan, Harold Laski, the influential Marxist intellectual, saw the US as a land of great promise in relation to social progress. See Morgan, 1987, pp. 99-100.

¹¹¹ Richard Fletcher, ‘How CIA Money Took the Teeth Out of Socialism’, 1978. This essay is available on the Working Class Movement Library website, www.wcml.org.uk/internat/wattw.htm (10th October 2005).

¹¹² Melvin Lasky was a founding member of CCF, editor of *Encounter* from 1958-1990, and a close acquaintance of many Labour revisionists, including Gaitskell and Crosland. See Andrew Roth, ‘Melvin Lasky’, *The Guardian*, ‘Obituaries’, 22 May 2004.

¹¹³ *Socialist Commentary* had also benefited from CCF funding. See Black, ‘Social Democracy as a Way of Life, 1999, p. 517.

¹¹⁴ Fletcher, 1978, p. 1.

communist Left...the Left of Hugh Gaitskell, Anthony Crosland, Shirley Williams and Roy Jenkins". The main motive was to build up an 'Atlanticist intellectual community' to counter the intellectual influence of the pro-communist Left¹¹⁵. Revisionists, especially Gaitskell and Healey, never sought to hide their strong hostility to communism and the Soviet Union, which had revealed itself as an undemocratic, tyrannical and aggressive regime. Anti-communism was not the sole preserve of Labour's Gaitskellite revisionists¹¹⁶, and they clearly advocated taking a strongly anti-communist/pro-Atlanticist position because they believed it to be in the interests of both the nation and the Labour Party. Therefore it seems relatively uncontroversial to suggest that involvement in US inspired organisations, such as the CCF and the Bilderberg Group, merely drew out and confirmed the Labour revisionists' anti-communism, rather than created it¹¹⁷.

The intellectual foundations of revisionism

It is important to stress the debt owed by the post-war revisionist generation to pre-war socialist thinkers. The revisionist ideas that emerged after 1951 represented the further development of an important non-Marxist stream of political thought, which had previously developed within the Labour Party and had helped lay the intellectual foundations for post-war social democracy.

Evan Durbin is generally credited with producing one of the most outstanding intellectual contributions to democratic socialism in his book *The Politics of Democratic Socialism* (1940). He has been acknowledged as the first socialist writer to assert the primacy of political democracy over more overtly socialist goals¹¹⁸ and for providing a major contribution towards overcoming the

¹¹⁵ Marcus Cunliffe, 'Anti-communism, Anti-Anti-communism', *American History*, Vol. 18, No. 3, Sept 1990, p. 410.

¹¹⁶ Hugh Wilford's investigations have shown that the British branch of the CCF gained widespread membership after it was set up in 1951, including those identified with the Labour Left, such as Richard Crossman and Victor Gollancz. Hugh Wilford, 'Unwitting Assets? British Intellectuals and the Congress for Cultural Freedom', *Twentieth Century British History*, Vol. 11, No. 1, 2000, pp. 47-48.

¹¹⁷ Lawrence Black, 'The Bitterest Enemies of Communism: Labour Revisionists, Atlanticism and the Cold War', *Contemporary British History*, Vol. 15, Autumn 2001, No. 32001, p. 44; Wilford, 2000, p. 54.

¹¹⁸ Williams, 1979, p. 41.

dominant influence of Marxism in intellectual circles¹¹⁹. His work was characterised by great breadth and complexity, spanning the full range of the social sciences, including a focus upon the relatively new fields of psychology, sociology and anthropology. Durbin's primary aim was to utilise the knowledge gained from these various specialist fields in an attempt to understand the causes of human cooperation and conflict, in order to promote the former and overcome the latter.

His focus upon reconciling and strengthening socialism and democracy was based upon the threat posed by the rise of anti-democratic totalitarianism, in the form of Nazism and Communism, which he saw as rooted in the desire to rationalize hatred and fear¹²⁰. He was convinced that socialism, defined as the achievement of greater social justice, could only be realised through the democratic method¹²¹. Durbin's concept of a just society was underpinned by a commitment to the safeguarding of a democratic culture, where common consent, mutual tolerance and compromise were crucial elements.¹²² These values underpinned the pursuit of both equality and liberty¹²³, and provided the political foundations for the revisionist approach to democratic politics. The practical problems that such commitments raised would take on the quality of eternal dilemmas that had to be faced and resolved by democratic socialist politicians in the future.

Durbin's democratic principles imposed inevitable constraints upon the formation and implementation of an effective strategy for achieving socialist goals. They demanded a continuous balancing act between different values and interests. Durbin stated that political method must be moderate, due to democratic commitment, but the objectives must be radical, ensuring economic control and social equality; extreme solutions that might provoke physical resistance or could not be expected to gain widespread electoral support were necessarily ruled out; programmes should be moderate but not too moderate; the aspirations of left-wing

¹¹⁹ Kevin Jefferys, 'The Old Right', *The Struggle for Labour's Soul*, Edited by Raymond Plant, Matt Beech and Kevin Hickson, London: Routledge, 2004, p. 70.

¹²⁰ E. F. M. Durbin, *The Politics of Democratic Socialism*, London: George Routledge & Sons Ltd, 1940, p. 151.

¹²¹ Durbin, 1940, p. 235.

¹²² Durbin, 1940, pp. 261-265.

¹²³ Durbin, 1940, p. 270.

activists must be reconciled with the moderate demands of the electorate¹²⁴. Durbin's socialist strategy would prove too statist for many of Labour's post-war revisionists¹²⁵, but his non-Marxist, democratic socialist principles set the parameters for their moderate political approach, whilst highlighting the inherent constraints.

In terms of a distinctly revisionist analysis of contemporary society, Durbin was one of the first Labour intellectuals to observe that capitalism was in transition from its traditional *laissez-faire* guise due to popular democratic reaction against economic insecurity and inequality. The development of voluntary and democratic institutions, with the power to insist upon social protectionism, had enforced changes upon the capitalist system¹²⁶. Durbin, alongside Douglas Jay, were foremost in attacking the economic basis of Marxist fundamentalism and advocating a reformist socialism that remedied the failings of capitalism through state intervention¹²⁷. Marxist prophesies of working-class pauperisation and capitalist economic collapse had been proved false and a new system had emerged, characterised rather awkwardly by Durbin as "state organised, private property, monopoly capitalism"¹²⁸.

The development of a non-Marxist economic theory, which could provide practical guidance in overcoming the socially unjust capitalist tendencies of gross inequality and unemployment, was aided by the discovery of Keynesianism. Gaitskell and Jay, in particular, were influenced by the demand management theories contained in Maynard Keynes' book *The General Theory of Employment, Interest and Money* (1936)¹²⁹. It argued for the rejection of the classical economic position, with its belief in the self-regulating qualities of the economy, and proposed that economic management and expenditure by the state should be practiced to ensure full employment and high levels of growth. This was largely to be achieved by fiscal policy measures that sought to manage demand within the

¹²⁴ Durbin, 1940, pp. 283-290.

¹²⁵ Durbin believed that the changes to capitalism necessitated control of private monopolies through socialization or strong price controls. He therefore gave a greater priority than the revisionist to public ownership over spending on social services, so as to ensure the effective reorganisation of the economy. See Durbin, 1940, pp. 298-305.

¹²⁶ Durbin, 1940, pp. 87-91.

¹²⁷ See Douglas Jay, *The Socialist Case*, London: Faber (1937) and *New Trends in Socialism*, George Catlin (Ed.), London: Faber, 1934, pp. 106-118.

¹²⁸ Durbin, 1940, pp. 136-146.

¹²⁹ Pimlott, 1992, p. 65; Williams, 1997, pp. 66-69.

overall economy. Keynes' economic ideas gained more direct influence upon high politics during the 1940s, when he served as an economic advisor on the Chancellor's 'consultative council' during the war. His ideas penetrated the thinking of top government officials, and were most readily identifiable in the content of the 1941 budget and the 1944 White Paper on Employment policy¹³⁰.

Keynesianism has been seen as the economic basis for post-war Labour revisionism. Eric Shaw, the Labour Party historian, has even referred to Labour revisionism as 'Keynesian social democracy', signifying the importance of Keynesian economics to the revisionists' moderate reformist socialism. He has stated that 'Keynesian social democracy' represented "a rapprochement between the egalitarian and welfare aspirations of socialism and the capitalist mixed economy"¹³¹. Keynesianism would provide the economic tools for the democratic state to control economic power through fiscal policy, and without recourse to large-scale programmes of nationalization. Subsequently, revisionist socialists could rethink the role of public ownership in relation to their egalitarian goals.

The ethical socialism of Richard Tawney was a major inspiration to the post-war revisionist generation¹³². From his influence sprung the idea that socialism meant a commitment to equality, and all adopted practical policies, including public ownership, should be measured by how far they aided the achievement of this core objective. Tawney's socialism was suffused with Christian morality, English patriotism and the public service ethic of the Victorian upper middle class, which gave him an intense concern for the poor and the need to improve society's values¹³³. His Christianity and his service during the First World War trenches strengthened his moral commitment to the non-materialist values of selfless service to others and 'fellowship'.

The main elements of Tawney's socialist philosophy can be gleaned from his 1931 publication, *Equality*. As an economic historian he could see that *laisser-*

¹³⁰ Morgan, 1990, pp. 5-15.

¹³¹ Eric Shaw, *The Labour Party Since 1945*, Oxford: Blackwell, 1996, p. 55.

¹³² Gaitskell considered him to be "the leading socialist philosopher of our time", Cited in Greenleaf, 1983, p. 439. Black stressed his influence upon Socialist Union. Black, 'Social Democracy as a Way of Life, 1999, p. 506.

¹³³ For an account of Tawney's social background and socialist philosophy see Norman Dennis and A. H. Halsey, *English Ethical Socialism: Thomas More to R. H. Tawney* – Oxford: Clarendon Press, 1988, pp. 152-175

faire model was in the process of transition to a new formula, to a more 'mixed economy', but his concern was that there had not been a concomitant change in traditional habits and attitudes, which continued to foster the social divisions of classical capitalism. Tawney believed that social inequalities ran so deep in Britain that they had become akin to "a national institution"¹³⁴ and could not purely be overcome by organisational change or greater income equality.

Tawney's broad-based commitment to a social equality "of environment, of habits of life, of access to education and the means of civilisation, of security and independence"¹³⁵, his focus upon educational reform¹³⁶ and his stress upon combining equality of opportunity with equality of outcome¹³⁷, would find an echo in the thought of post-war revisionists. His belief that social inequalities were the constructs of particular social conditions and values, and therefore could be altered by purposive action, formed the basis for practical egalitarian politics¹³⁸. Democracy was now a crucial tool in the hands of socialists in their quest to overcome those social inequalities that were the conscious product of society's organisation and character, although the discovery of the correct means for achieving greater equality remained difficult and the path to a better society strewn with obstacles¹³⁹.

Tawney's rich egalitarian vision perfectly expressed the cultural aspirations of ethical socialists for a 'classless society', in which people were equal enough in status and income to mix freely, without eliminating the variations that naturally arose from human diversity: "it is possible to conceive a community in which the necessary diversity of economic functions existed side by side with a large measure of economic and social equality, and in which, therefore, while the occupations and incomes of individuals varied, they lived nevertheless, in much the same environment, enjoyed similar standards of health and education, found different positions, according to their varying abilities, equally accessible to them, intermarried freely with each other, were equally

¹³⁴ R. H. Tawney, *Equality*, London: George Allen and Unwin Ltd, 1931, pp. 24.

¹³⁵ Tawney, 1931, p. 46.

¹³⁶ Tawney, 1931, pp. 96-97, 201-207.

¹³⁷ Tawney, 1931, pp. 139-148.

¹³⁸ Tawney, 1931, pp. 58-62.

¹³⁹ Tawney, 1931, pp. 289-290.

immune from the more degrading forms of poverty, and equally secure against economic oppression”¹⁴⁰.

The intellectual foundations provided by pre-war thinkers, such as Tawney and Durbin, were an inspiration to those that followed. But a new generation of democratic socialists, politically active in the post-war Labour Party, were looking for new ideas that were more directly relevant to the social and political conditions of the 1950s¹⁴¹.

The New Fabianism

John Callaghan has maintained that the *New Fabian Essays* marked the beginning of the revisionists’ intellectual dominance within the Labour Party: “for the next 20, even 30, years the ruling orthodoxy in Labour socialism was the ‘revisionism’ associated with Anthony Crosland and Hugh Gaitskell, which most of the contributors supported”¹⁴². It was composed of contributions from a new generation of Labour Party intellectuals, including from some, such as Richard Crossman and Ian Mikardo, who would be identified with the Bevanite wing of the party. Nevertheless, the various essays reflected a general acceptance that new thinking was required to guide the future direction of the Labour Party, in the light of the changes that had occurred to capitalism¹⁴³. The most striking contributions to the issue of capitalist transformation, and its subsequent impact upon socialist doctrine, came from Anthony Crosland and John Strachey.

Crosland was soon to become the leading revisionist intellectual and close advisor to Gaitskell. In his essay, ‘The Transition from Capitalism’, he attacked the traditional Marxist analysis as redundant because capitalism had not collapsed but had been modified by internal structural changes, Keynesian intervention and state welfare. As a consequence, Marxist predictions had proved incorrect, as a less polarised class structure had been created and an ideological shift had

¹⁴⁰ Tawney, 1931, p. 87.

¹⁴¹ Bill Rodgers, *Fourth Among Equals*, London: Politicos, 2000, p. 49.

¹⁴² John Callaghan, ‘The Fabian Society Since 1945’, *Contemporary British History*, Vol. 10, Summer 1996, No. 2, p. 40.

¹⁴³ Richard Crossman, editor of the essays, asserted the need to move away from old fashioned Fabianism, but was pessimistic of the prospects for future social progress unless freedom of choice was enlarged and a strong social conscience was cultivated. R. H. S. Crossman, ‘Towards a Philosophy of Socialism’, *New Fabian Essays*, R. H. S. Crossman (Ed.), London: J. M. Dent & Sons Ltd, 1952, pp. 8-12.

occurred, away from traditional *laissez-faire* and in favour of state action and the virtues of cooperation¹⁴⁴. This gradual transformation towards a new 'statist society' required an updated form of socialism, with policies based upon the objectives of social welfare and social equality, rather than further nationalization and other forms of economic controls. Crosland stated his main political motivation as the creation of "the new society of which socialists have always dreamed, a society that is not bedevilled by the consciousness of class"¹⁴⁵.

The increasing influence of this revisionist outlook was signified by the essay of John Strachey, formerly associated with the Marxist ferment of the 1930s and his membership of The Socialist League. He stated that he had moved from his fundamentalist position due to the impact of Keynesianism, as capitalism had been modified and its old economic problems of unemployment and lack of investment overcome¹⁴⁶. Strachey observed that capitalism was now more socially acceptable due to the growth in democratic pressure, the new economic techniques and the impact of the 1945 Labour administrations reforms¹⁴⁷. He was wary of future economic problems, but placed his faith in the maintenance of a social climate that continued to favour welfare and full employment, and so sustain a revised social democratic political settlement. Labour's central mission was therefore "to preserve, to perfect, to extend our newly developing social and economic system"¹⁴⁸.

Strachey's conversion to the revisionist cause was evidence of its intellectual ascendancy within the Labour Party, and the revised position of his Fabian essay was given more detailed treatment in his book *Contemporary Capitalism* (1956). In this publication, Strachey would elaborate upon the success of the Keynesian state, backed by democratic pressure, in modifying and humanising capitalism, whilst relegating the importance of Marxist analysis to socialist theory. Yet, unlike other revisionists he still saw a central role for public ownership in maintaining democratic control of the economy and was not willing to rely solely on economic growth to ensure the preservation and extension of

¹⁴⁴ C. A. R. Crosland, 'The Transition from Capitalism', Crossman (Ed.), 1952, pp. 38-42.

¹⁴⁵ Crosland, 1952, p. 68.

¹⁴⁶ John Strachey, 'Tasks and Achievements of British Labour', Crossman (Ed.), 1952, pp. 183-184.

¹⁴⁷ Strachey, 1952, p. 188.

¹⁴⁸ Strachey, 1952, p. 214.

socialism, as more attention might need to be paid to “the moral, active, side of human beings”¹⁴⁹.

Roy Jenkins, along with Anthony Crosland, was more representative than Strachey of the new generation of Gaitskellite revisionists that would play a central role in Labour Party politics over the next twenty five years. Jenkins’ essay expanded upon the meaning of the principal revisionist objective of equality. This was defined as the gradual achievement of a classless society, in which social cohesion and equality were advanced. Jenkins advocated greater equality of opportunity, through education and training, but did not consider that the creation of a meritocracy was enough to produce the required level of cohesion in society¹⁵⁰. Consequently his prescriptions largely focussed upon the removal of exaggerated economic inequalities through the redistribution of wealth. Income tax had already reached its redistributive limits and so Jenkins’ proposals for redistributing wealth targeted ‘unearned incomes’, such as capital gains, death duties and a capital levy¹⁵¹. Public ownership remained a useful tool, if applied flexibly and sensibly¹⁵². A moderate approach to egalitarian reform pervaded Jenkins’ approach. He advocated a gradual movement towards equality, based upon democratic consent¹⁵³, and warned that as the success of a reforming party increased so its level of support might well decrease, as further attacks on equality benefited fewer people¹⁵⁴.

The remaining essays covered various themes, many of which would become integral elements of the revisionist position. Denis Healey had begun to make a name for himself in the Labour Party as a hard-line defender of Ernest Bevin’s pro-Atlanticist foreign policy¹⁵⁵, in his role as International Secretary of the Labour Party at Transport House. His Fabian contribution stuck to his specialist theme, arguing the case for the Labour Party to embrace a ‘new realism’ in relation to the ‘power politics’ of international affairs¹⁵⁶. Healey contended that the world was a dangerous place in which nations continued to put their own

¹⁴⁹ John Strachey, *Contemporary Capitalism*, London: Victor Gollancz, 1956, p. 292.

¹⁵⁰ Roy Jenkins, ‘Equality’, Crossman (Ed.), 1952, pp. 85-87.

¹⁵¹ Jenkins, 1952, pp. 77-80.

¹⁵² Jenkins, 1952, pp. 81-84.

¹⁵³ Jenkins, 1952, pp. 72-73.

¹⁵⁴ Jenkins, 1952, p. 90.

¹⁵⁵ His pamphlet, *Cards on the Table* (May 1947) was a vigorous ‘realist’ response to the ‘third way’ proposals of the Keep Left grouping. See Pearce, 2002, pp. 82-89.

¹⁵⁶ Denis Healey, ‘Power Politics and the Labour Party’, Crossman (Ed.), 1952, pp. 162-164.

interests first. In the context of the Soviet threat, Britain's fundamental interest was, having brought the US out of isolation, to remain one of its closest allies¹⁵⁷.

Margaret Cole's essay advocated the implementation of a comprehensive system of education as an essential element in a social egalitarian programme: "I do not believe that any socialist can call any educational system socialist or even democratic which does not bring children together in a common school life, whatever their parents' income or previous history"¹⁵⁸. Educational reform would become a key revisionist policy, gaining a higher priority than public ownership. Austen Albu, in his essay 'The Organisation of Industry', provided a revisionist explanation for the loss of faith in the traditional socialist goal. The Labour Government's nationalization programme had not had the positive effects that socialists had expected and the new Keynesian methods for controlling the economy had proved more effective¹⁵⁹.

New Fabian Essays reflected the beginnings of a new intellectual movement within the Labour Party. But it was considered that the publication of essays by a variety of contributors was ultimately unsatisfactory. *The Times* considered that the New Fabian thinkers appeared to draw back from exploring in more detail the natural implications of their ideas – showing an "unwillingness to admit how complete is the break they have made with so much earlier socialist thought"¹⁶⁰. *New Fabian Essays* was considered to have raised more questions than answers, providing signposts without producing a distinctive diagnosis or programme for political action. Reviewers saw its strength in preparing the ground for a new philosophy to replace the outdated shibboleths of socialist orthodoxy, but criticised the publication for failing to fulfil the task of providing a coherent alternative¹⁶¹.

American reviewers appeared bemused by the New Fabians continued commitment to the idea of 'socialism', as it appeared that having discarded the

¹⁵⁷ Healey, 1952, pp. 178-179.

¹⁵⁸ Margaret Cole, 'Education and Social Democracy', Crossman (Ed.), 1952, p. 108.

¹⁵⁹ Austen Albu, 'The Organisation of Industry', Crossman (Ed.), 1952, pp. 127-129.

¹⁶⁰ *The Times*, 'Book Reviews', Thursday June 26th 1952.

¹⁶¹ *The Guardian*, 'The Fabians', Friday May 23rd 1952; *The Spectator*, 'Book Review by Walter Taplin', Friday May 30th 1952; *The Evening Standard*, 'Book Review', Friday May 23rd 1952.

traditional definition, due to obvious defects, the inevitable conclusion should be an acceptance that there was nothing of substance left within the socialist idea. Figures, such as Arthur Schlesinger, Samuel Beer and J. K. Galbraith, felt that the New Fabians were essentially in the mould of American ‘New Deal’ Democrats – supporting state welfare and the mixed economy – but could not understand why these British ‘New Dealers’ refused to give up their commitment to ‘socialism’. In their view, the Labour Party’s new thinkers were engaged in a fruitless search for an elusive new meaning when, in reality, socialism now meant very little, as many of the original 19th century goals had been achieved¹⁶².

The alternative perspective of these American intellectuals raised an important dilemma. Had socialism already served its historical purpose or could it still be meaningfully revised? Was the role of Labour’s revisionists to gradually educate and explain how socialism was no longer a relevant political aspiration, or was it their role to rethink its application? The opinion of these American commentators, in favour of dropping the socialist commitment, highlighted differences in political culture. The commitment to socialism would continue to have an enduring relevance in British politics that was not present in an American context. The search for, what Schlesinger referred to as “the elusive Holy Grail” of ‘socialism’¹⁶³, remained an important quest amongst Labour’s new thinkers. It was to be Anthony Crosland’s revisionist thesis that would prove the most influential attempt to restate the case for socialism in modern post-war Britain.

¹⁶² Arthur Schlesinger, Samuel Beer, J. K. Galbraith, David McCord Wright, ‘Appraisals of New Fabian Essays’, *The Review of Economics and Statistics*, Vol. 35, No. 3, Aug 1953, pp. 200-210.

¹⁶³ Schlesinger, Beer, Galbraith, McCord Wright, ‘Appraisals of New Fabian Essays’, 1953, p. 201.

Crosland's Revisionist Thesis

As early as 1940, Anthony Crosland had proclaimed his ambition to become “the modern Bernstein”¹⁶⁴. In the following years he would see active wartime service in the Parachute Brigade; return to Oxford to gain a first-class honours degree in politics, philosophy and economics; work as an economics tutor at Trinity College, Oxford; and finally win election to the House of Commons in 1950, serving as Labour MP for South Gloucestershire until 1955¹⁶⁵. During his early years in parliament, Crosland quickly established his reputation as an intellectual in politics¹⁶⁶, with regular contributions on economics in national newspapers and Labour journals. He gradually moved towards Labour's Gaitskellite wing, serving successfully in Hugh Gaitskell's opposition finance team, although he was unhappy at the factional divisions that emerged in the party during that period. Crosland continued to admire Nye Bevan and resented the ‘right-wing’ label that was attached to him on account of his Gaitskellite connections¹⁶⁷. Yet, having lost his South Gloucestershire seat in 1955, Crosland gained the opportunity to complete his revisionist thesis, and henceforth confirm his status as the Gaitskellite Right's most important intellectual.

The Future of Socialism was published in October 1956, sixteen years after Crosland's bold proclamation of intent. Hugh Dalton considered it to be “a most important book, brilliant, original and brave. It has already had much clarifying influence on current thought, both inside and outside the Labour Party. And its influence will grow”¹⁶⁸. Dalton's assessment would prove pertinent, as Crosland's book helped make his political reputation, with his revisionist ideas gaining widespread appeal amongst a younger generation of aspiring politicians¹⁶⁹,

¹⁶⁴ Anthony Crosland Papers (ACP) 3/26, 72, Letter to Phillip Williams, 5th July 1940.

¹⁶⁵ For details of Crosland's early life, 1940-55, see Jefferys, 2000, Ch. 2-6.

¹⁶⁶ Crosland's first major publication was *Britain's Economic Problem* (1953), which called for increased industrial output and modernisation, based upon more effective government planning, to overcome the long-term deterioration in Britain's foreign exchange position.

¹⁶⁷ Jefferys, 2000, pp. 49-51.

¹⁶⁸ Hugh Dalton, *Hugh Dalton Memoirs 1945-1960: High Tide and After*, London: Frederick Muller Ltd, 1962, p. 412.

¹⁶⁹ Charles Pannell told Crosland of rank and file members whose submissions for entry to the Labour Party's parliamentary panel “bore the impress of their writers' having read your book”. ACP 13/10, 11, letter from Charles Pannell to Crosland, 14th March 1957.

especially those who would later be identified with the social democratic wing of the party.

Roy Jenkins, Crosland's Oxford friend and fellow Gaitskellite, believed that *The Future of Socialism* grew in stature over the decade following its publication, and "influenced a generation"¹⁷⁰. A mark of its success and political importance was the publication of a second edition in 1964, just as Labour was poised to return to power after a thirteen year absence. It is therefore not surprising that it would become an inspiration to a new wave of Labour parliamentarians, such as Roy Hattersley, David Owen, Shirley Williams and Bill Rodgers. Many of Labour's 1960s intake have since commented on the impact it had upon them and their contemporaries, with some even speaking in quasi-religious terms.

David Marquand confirmed that the book made Crosland's reputation as "the high priest of revisionism"¹⁷¹; Bill Rodgers stated that Crosland's thesis became the 'bible' for revisionist social democrats¹⁷²; whilst Giles Radice asserted that "*The Future of Socialism* helped shape my approach to politics"¹⁷³. Crosland's biographer, Kevin Jefferys, wrote that the book had a wider political significance, in "providing exactly what the Labour centre-right had been looking for: an exciting synthesis of reformism and radicalism which went beyond Morrisonian 'consolidation', making socialism look relevant to the circumstances of the day and offering a balance between economic efficiency and social justice"¹⁷⁴.

Crosland's book became the seminal revisionist tract, providing strong intellectual reinforcement to Gaitskell's political leadership. It is rightly seen as articulating the most coherent and convincing case for the Gaitskellite revisionist position. Yet, Martin Francis, in a recent re-appraisal of Crosland's book, persuasively argued that it was not simply a Gaitskellite manifesto. Many of Crosland's ideas pre-dated the Gaitskellite/Bevanite feuds of the early 1950s and

¹⁷⁰ Roy Jenkins, 'Crosland, (Charles) Anthony Raven (1918-1977)', *Oxford Dictionary of National Biography. Volume 14*, H. C. G. Matthew and Brian Harrison (Ed.), Oxford: Oxford University Press, 2004, p. 416.

¹⁷¹ David Marquand, *The Progressive Dilemma*, London: Heinemann, 1992, p. 166.

¹⁷² Bill Rodgers, *Fourth Among Equals*, London: Politics, 2000, p. 49.

¹⁷³ Giles Radice, *Friends and Rivals*, London, Little Brown, 2002, p. 1.

¹⁷⁴ Jefferys, 2000, p. 63.

reflected his own personal journey away from the Marxism of his youth¹⁷⁵. Nevertheless, Reisman was surely correct to assert that *The Future of Socialism* gave expression to the developing attitudes of a new generation of Labour socialists: “Crosland’s socialism was his work alone; but it was also the reasoned restatement of a world-view that was a common possession”¹⁷⁶.

The extensive treatment that is afforded to *The Future of Socialism* in this chapter is due to two important factors. Firstly it is commonly regarded as the pre-eminent statement of post-war Labour revisionism¹⁷⁷, bringing together into one coherent thesis the various revisionist themes that developed after 1951. It therefore remains the central and most relevant text for understanding the fundamental elements of revisionism: including an analysis of contemporary society, which provided the basic intellectual foundations upon which a revised socialism was built; a restatement of socialist meaning, which clarified the principal objectives, or ‘ends’, whilst distinguishing these from specific measures, or ‘means’; and a practical policy programme for achieving these principal objectives. Secondly, due to its intellectual rigour and honesty (and the considerable review comments that it provoked), the thesis provides an insight into the potential constraints and dilemmas that would impede the implementation of Crosland’s revisionist agenda. This is clearly of significance to a study that seeks to appraise the subsequent attempts to translate revisionist ideas into practical political action.

The nature of Crosland’s thesis

The Future of Socialism called upon the Labour Party to adopt a new and relevant socialist programme, based upon an analysis of the political and economic changes that had occurred in Britain since the war. In summary, Crosland believed that classical capitalism had been transformed out of all recognition in comparison to its traditional characteristics. The changes that had occurred to British society demanded a comparable transformation to the political beliefs and objectives of

¹⁷⁵ Martin Francis, ‘Mr Gaitskell’s Ganymede?: Reassessing Crosland’s *The Future of Socialism*’, *Contemporary British History*, Vol. 11, No. 2, Summer 1997, pp. 52-55.

¹⁷⁶ David Reisman, *Anthony Crosland: The Mixed Economy*, Basingstoke: Macmillan, 1997, p. 109.

¹⁷⁷ Desai, 1994, p. 83; Francis, ‘Mr Gaitskell’s Ganymede?’, 1997, p. 51.

socialists. Crosland's work gave impetus to the revisionist concern to move the Labour Party away from its traditional doctrinal preoccupation with public ownership, although differences of practical emphasis remained between revisionists¹⁷⁸. Socialism, under the new prevailing conditions, related to the overriding objective of moving towards a society characterised by far greater social equality, and a higher priority given to a rising level of social welfare¹⁷⁹. Nationalisation was no longer necessarily the best means for achieving these central goals¹⁸⁰. The objective of greater social equality should be the defining commitment of a revised socialism. It was this purpose that informed the practical policies which Crosland proposed, including educational reform, economic policies that encouraged higher consumption, extensive tax reforms, large increases in social expenditure and a broadening of the scope for trade union bargaining towards new areas of non-pecuniary concern¹⁸¹.

Extending to over 500 pages, *The Future of Socialism* is exhaustive and wide-ranging in nature. This reflected Crosland's view that socialists now needed to come to terms with an increasingly complex world and accept that the task of rethinking socialism would involve a far more detailed analysis than had been formerly realised. Crosland believed that recent contributions to the revision of Labour Party policy had been too dominated by short essay writing¹⁸². He therefore set out to rectify this problem by producing a substantial and thorough body of work. It drew upon an extensive bibliography from experts in a whole range of different fields, including sociology, psychology, economics, education, history, political theory and industrial relations.

Crosland's own expertise and training lay in economics, but this did not prevent him from immersing himself in an in-depth examination of other academic disciplines. His work was both scrupulously researched and extensively referenced. Nevertheless, the lack of genuine expertise across all the fields (a somewhat impossible ambition) provided Crosland with a genuine concern. He acknowledged this difficulty and admitted to a certain degree of rashness on his

¹⁷⁸ Gaitskell, for instance, still believed that public ownership had a major role in economic/industrial policy, and in assisting the advance to greater equality. See Hugh Gaitskell, *Socialism and Nationalisation*, Fabian Tract 300, 1956, pp. 14-18.

¹⁷⁹ C. A. R. Crosland, *The Future of Socialism*, London: Jonathan Cape, 1956, pp. 112-115.

¹⁸⁰ Crosland, 1956, pp. 483-487.

¹⁸¹ Crosland, 1956, pp. 518-520.

¹⁸² Crosland, 1956, p. 11.

part in attempting to fulfil the task, especially as he fully expected the modern field of sociology to provide many of the answers to socialist dilemmas in the future. This was still an academic discipline in its infancy and Crosland recognised his own amateur status¹⁸³. However, his efforts to give a commitment to a range of political values – especially liberty, equality and democracy – meant that his work would take on a broad reach across the full spectrum of the social sciences and would also attempt to give expression to a balanced and moderate political approach.

The book was divided into five main sections. In Part I, ‘The Transformation of Capitalism’, Crosland examined the ways in which post-war Britain had been altered, undermining the Marxist analysis that had dominated socialist intellectual discourse before the war. In Part II, ‘The Aims of Socialism’, he considered the varied traditions of socialist thought and meaning, concluding with his own judgement upon what a revised and updated socialism should now stand for in modern post-war Britain. In Part III, ‘The Promotion of Welfare’, and Part IV, ‘The Search for Equality’, he looked in detail at the two main objectives that he believed should now define British socialism, namely a commitment to social welfare and social equality¹⁸⁴. Part V, ‘Economic Growth and Efficiency’, discussed the necessity of a fast rate of growth in support of the main revisionist objectives, the potential impact of socialist policies upon the efficiency of the national economy and the nature of future economic policy under a revisionist Labour Government. The Conclusion provided a summary of his proposals but also contained some of his most colourful passages relating to his desire to see the development of a more libertarian and cultured society.

The quiet revolution: the transformation of classical capitalism

The Future of Socialism is notable for its intellectual assault upon the established nostrums of Marxist-inspired fundamentalism and its doctrinaire commitment to public ownership as both the ‘means’ and the ‘ends’ for a socialist transformation

¹⁸³ Crosland, 1956, pp. 11-12.

¹⁸⁴ Part IV is by far the longest section in the book, reflecting Crosland’s commitment to egalitarianism.

of capitalism¹⁸⁵. David Reisman has suggested that, although it might appear that in practice the Labour Party was not guided by Marxist ideology, the ‘pseudo-Marxist’ Labour Left was “vocal beyond their numbers” and the party, in general, was still too often “willing to flirt with class-based anti-capitalist” politics. Crosland was not alone amongst revisionists in wishing to finally expunge the Marxism of his youth, whilst also eradicating its influence within the post-war Labour Party¹⁸⁶.

Crosland’s revisionism consciously followed in the footsteps of Bernstein and Durbin before him. There was little new in pointing out that Marxist predictions had proved incorrect. Crosland stated, as others had before him, that the proletariat had not suffered pauperisation; capitalism had not collapsed amidst its own internal contradictions, and showed no sign of doing so¹⁸⁷. Yet Crosland’s denial of Marx was significant for its vehemence. He made it clear that he did not believe a single shred of Marxist analysis had stood the test of time, especially due to the extensive changes that had occurred since the 1930s¹⁸⁸. His uncompromising revisionist position would serve to justify the abandonment of Labour’s Clause 4 socialism¹⁸⁹, and to replace the economic definition of socialism with an ethical commitment to greater social equality¹⁹⁰.

Crosland’s updated assault upon traditional Marxist doctrine was in line with current intellectual fashion¹⁹¹, as he asserted that four major developments had emerged to ensure the transfer of economic power away from ‘the capitalist

¹⁸⁵ Although the politics of many on the Labour Left cannot be purely defined in terms of Marxism, it remained of some influence upon their socialist world-view. See Bevan, *In Place of Fear*, 1952, p. 18; J. Morgan (Ed.), *The Backbench Diaries of Richard Crossman*, London: Hamish Hamilton and Jonathan Cape, 1981 – p. 615.

¹⁸⁶ David Reisman, *Crosland’s Future: Opportunity and Outcome*, London and Basingstoke: Macmillan, 1997, pp. 8-16.

¹⁸⁷ Crosland, 1956, pp. 21-24.

¹⁸⁸ Crosland, 1956, pp. 20, 25.

¹⁸⁹ The Labour Party’s Constitution, ‘Labour and the New Social Order’ (1918), contained, in Clause 4, the apparently fundamentalist socialist commitment to achieve equality by abolishing private ownership: “to secure for the producers by hand or 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 exchange”. See Samuel Beer, *Modern British Politics*, London: Faber and Faber, 1982, p. 132; Greenleaf, 1983, pp. 466-471.

¹⁹⁰ Crosland, 1956, p. 101.

¹⁹¹ The work of American academics, such as A. Berle and James Burnham grew in influence during the 1940s and 1950s, representing the belief that capitalism had been transformed by the increasing dominance of large-scale corporations. The control of private enterprises had passed to a new managerial class with different motivations and character to the traditional capitalist owner. See Edward S. Mason, ‘The Apologetics of Managerialism’, *The Journal of Business*, Vol. 31, No. 1, Jan 1958, pp. 1-11.

class'. Firstly, they had lost economic power to democratic political authority. Governments had been pressured by electoral opinion to produce policies in favour of the working class and the mass electorate in general, and this was reflected by the leftward shift of the Conservative Party after 1945; economic outcomes, in terms of taxation policy and the share of profits going to workers, were generally no longer in favour of private capital; and there had also been a simultaneous, and decisive, shift in social and political attitudes, with a subsequent psychological impact upon the self-confidence and power of business leaders. Secondly, Labour's nationalisation of basic industries had led to an increase in democratic state power. Thirdly, industrial management had lost a significant degree of power to the ordinary worker, due to changes in the political balance, the social climate and the labour market. Fourthly, internal changes to industry as a result of the managerial revolution, the increasing importance of technical expertise and the divorce between management and ownership of industry, all meant that capitalism had been transformed. Profit was still an important industrial motive for business managers, but it was now balanced by other motives, such as social prestige and local reputation¹⁹².

All these changes led Crosland to announce that "it is indisputable that the economic power of the capitalist (i. e. industrial property-owning) class is enormously less than a generation ago; while even that of the managerial business class is significantly restricted by the new economic activism of governments and the greater strength of organised labour"¹⁹³. The crucial revisionist point was that the transfer of economic power had greatly altered the conditions in which socialists operated and therefore there was the need for a new political outlook. These changes meant that the traditional capitalist enemy was not what it was. Crosland even debated whether it was any longer relevant to refer to contemporary Britain as a capitalist society. Obviously this judgement depended upon an individual's favoured definition of capitalism. Crosland defined it in terms of the specific and salient historical features that characterised the classical capitalist model of the 19th century: *laissez-faire* economics, industrial decisions

¹⁹² Crosland, 1956, pp. 26-38.

¹⁹³ Crosland, 1956, pp. 38-39.

entirely dominated by private owner-managers, excessive inequalities in distribution of income, high levels of class antagonism and the supremacy of a competitive-individualist ideology. In these terms, Crosland believed that the pre-1914 model of classical capitalism had been superseded by a wholly new type of society, although he refused to be drawn on choosing a new label¹⁹⁴.

The discussion on the demise of classical capitalism threw up a crucial factor in the disagreement between the views of revisionists, such as Crosland, and those of his opponents on the Labour Left. Many of the latter group, though not necessarily self-confessed Marxists, clung to the traditional socialist belief that capitalism was essentially defined by the existence of private ownership. Crosland acknowledged this crucial difference, but considered this definition to be too narrow because ownership was no longer the defining feature of modern society: “The definition of capitalism in terms of ownership, whether or not it was helpful 100 years ago, has wholly lost its significance and interest now that ownership is no longer the clue to the total picture of social relationships: and that it would be more significant to define societies in terms of equality, or class relationships, or their political systems. In any event, I personally think, as I argued earlier, that the proper definition of the word capitalism is a society with the essential social, economic, and ideological characteristics of Great Britain from the 1830s to the 1930s; and this, assuredly, the Britain of 1956 is not. And so, to the question ‘is this still capitalism?’ I would answer no”¹⁹⁵.

The quality of democracy and the character of industrial management were just two of the elements which he considered to be of more importance in achieving progressive political outcomes. Crosland did not accept that the type of ownership, either private or public, was the root cause of workers’ alienation or exploitation. The existence of these phenomena was considered to be a consequence of modern industrial production, especially in terms of the scale of

¹⁹⁴ Crosland had previously referred to the new society as ‘statism’, but now decided that this had been an unsatisfactory label. Crosland, 1956, pp. 62-67.

¹⁹⁵ Crosland, 1956, pp. 75-76.

organisation now prevailing in all such nations, regardless of their pattern of ownership¹⁹⁶.

A restatement of socialism: Crosland's revisionist objectives

If classical *laissez-faire* capitalism had been transcended, it was necessary for socialists to re-evaluate their belief system and to ask difficult questions about what socialism should stand for. How should it be defined under these fundamentally changed conditions? Crosland examined the many traditional and contradictory ideas that had characterised socialist doctrine throughout history and picked out five recurrent themes: collectivism, cooperation, workers control, the welfare commitment and the aim of full employment¹⁹⁷. After discussing their various merits and contemporary relevance, he considered that most of these traditional objectives had either been largely achieved or rendered obsolete by the social, political and economic changes that he had referred to in Section I. Therefore, Crosland considered that a fundamental restatement of socialism was required, despite the expected opposition of the traditionalists¹⁹⁸.

A major element of Crosland's revisionism was his judgement that socialism should unambiguously be defined in terms of 'ends' not 'means' and he judged that these revised 'ends', or objectives, should relate to the character of society. He came to the view that society would be more socialist if it were more equal, more classless in nature and gave a greater priority to social welfare¹⁹⁹. These social aspirations were now more important than previous ones because Crosland observed that "the worst economic abuses and inefficiencies of modern society have been corrected". This was not to say that economic problems did not exist, but he now believed that the areas where reform was most needed resided in the sphere of social relations²⁰⁰.

The promotion of welfare was a key revisionist objective and an essential element in moving towards a much higher level of social equality. The post-war Labour Government had implemented the Beveridge recommendations, which

¹⁹⁶ Crosland, 1956, pp. 69-73.

¹⁹⁷ Crosland, 1956, pp. 81-88.

¹⁹⁸ Crosland, 1956, pp. 89-100.

¹⁹⁹ Crosland, 1956, p. 115.

²⁰⁰ Crosland, 1956, p. 113.

formed the basis for the modern Welfare State. Crosland provided an in-depth account of the record of the social services since the war and examined the likely demographic trends in future years²⁰¹. He concluded that the nation required even greater increases in social expenditure over the coming decades, in order to provide investment in key social services, such as health, education and housing, and to reduce the social distress of both primary and secondary poverty²⁰². Beveridge established important welfare principles, not least concerning the duty of the state to provide universal social provision, but Crosland believed that the task of socialists was to expand upon these important foundations.

There was, in Crosland's view, a need for a far wider perspective and a new orientation in welfare policy, so as to ensure that special cases were not neglected. He stressed the need to address secondary poverty, meaning poverty that was not necessarily directly linked to a lack of basic financial means. These cases often occurred during specific periods in life, such as infancy and old-age, when greater need for welfare was more pronounced²⁰³. If these demands were met, and there was unconditional universal access to services, it would help "in creating a sense of social equality and lack of privilege" akin to that existing in Sweden, where high quality public services were used by all and were effectively a badge of equal citizenship²⁰⁴.

The issue of class was an overriding concern for Crosland, and connected his socialist commitment to the ethical tradition of Tawney. Crosland's updated analysis of class inequalities in Britain were based on his observations of social relations in modern nations such as the US and Sweden²⁰⁵. In comparison, Britain appeared to suffer from extensive class divisions, which revealed themselves through an exaggerated sense of class consciousness and too large a variation in lifestyles and living standards between different social classes. There was little mixing between different classes. The social divisions, too easily apparent in both style and appearance, were cemented by a hierarchical structure of social organisations. The system of education, the nature of occupations and lifestyles,

²⁰¹ Crosland, 1956, pp. 121-129.

²⁰² Crosland, 1956, p. 133-137, 148.

²⁰³ Crosland, 1956, pp. 154-156.

²⁰⁴ Crosland, 1956, pp. 142-143.

²⁰⁵ Some criticism was made of Crosland's over-reliance upon US sources by friends who read his draft manuscript. ACP 13/8, 4-7, Comments of Michael Young; ACP 13/8, 49, Note on the *Future of Socialism* by Hugh Dalton.

not to mention the impact of inheritance, all helped prevent the emergence of a more relaxed and egalitarian national culture²⁰⁶. But why should this matter? Crosland judged that this intensely hierarchical society was an outdated hangover from the old aristocratic society²⁰⁷. He considered that, under modern conditions, the class-ridden society helped entrench social inequalities and provided the main source of social resentments that afflicted relations in both the political and industrial spheres²⁰⁸.

Crosland judged that it was right to tackle the problem of social inequality for two reasons. Firstly, it was necessary to produce a better society, marked by an increase in social justice, the avoidance of social waste and the reduction of social antagonism between classes²⁰⁹. He was therefore making an ethical judgement on the need to tackle the causes of social discontent in the name of fairness and justice. Secondly, there was also a practical requirement. Excessive social inequalities were deemed responsible for the lack of social mobility existing in British society. But Crosland also believed that modern societies increasingly demanded higher average standards, rather than an exaggerated focus upon leaders and elites²¹⁰. Greater social equality would positively aid economic efficiency by raising the standards of the majority and encouraging greater equality of opportunity.

Crosland backed away from advocating a form of social equality defined purely in terms of equal opportunities. Meritocratic considerations were important but insufficient to Crosland's overall objective because of "the danger that under certain circumstances the creation of equal opportunities may merely serve to replace one remote elite (based on lineage) by a new one (based on ability and intelligence)"²¹¹. Crosland's egalitarian model was primarily concerned with creating a relaxed and contented society. Although he was willing to concede the importance and justice of the claims for greater equality of opportunity, his aims were less specific and more related to the creation of a particular social atmosphere. He wished to see the development of a society where people mixed

²⁰⁶ Crosland, 1956, pp. 177-186.

²⁰⁷ Crosland, 1956, p. 177.

²⁰⁸ Crosland, 1956, pp. 193-196.

²⁰⁹ Crosland, 1956, p. 192.

²¹⁰ Crosland, 1956, pp. 214-215.

²¹¹ Crosland, 1956, p. 233.

freely, uninhibited by socially devised forms of segregation and “glaring status differences”²¹².

Crosland’s aspiration implied a psychological shift in the national culture, with the consequence that obvious solutions, in the form of practical policies, did not automatically reveal themselves. Although political action lends itself to legal or organisational change, Jeremy Nuttall recently suggested that Crosland’s political vision relied upon a national culture supportive of his socialist values²¹³. Nevertheless, Crosland chose to combine his intellectual pursuits with political action. He was therefore interested in finding practical solutions to identifiable problems, and so *The Future of Socialism* set out to develop a policy programme to guide the Labour Party to power and subsequently to move Britain in a more egalitarian direction.

The Croslandite strategy: a programme of egalitarian reforms

Crosland’s personal papers reveal his awareness of the practical difficulty involved in changing the social culture in favour of greater egalitarianism²¹⁴. He concluded that education should play a central role in the revisionists’ reformist agenda. Crosland judged that “the school system in Britain remains the most divisive, unjust, and wasteful of all the aspects of social inequality”²¹⁵. He condemned the grammar school system, based upon the 1944 Education Act, for cementing class-based segregation and failing to overcome the handicap of disadvantaged social background. The development of a new state system, based upon the comprehensive principle, would provide the basis for overcoming the apparent inadequacies and injustices of the current system²¹⁶.

A comprehensive system would ensure that children of all classes would be educated under the same roof and those from underprivileged families would have the opportunity to develop their potential throughout their school life.

²¹² Crosland, 1956, p. 233.

²¹³ Jeremy Nuttall, ‘Labour Revisionism and Qualities of Mind and Character, 1931-79’, *The English Historical Review*, Vol. CXX, No. 487, June 2005, p. 669.

²¹⁴ ACP 4/1, 13, miscellaneous notes.

²¹⁵ Crosland, 1956, p. 258.

²¹⁶ Crosland, 1956, pp. 266-268.

Crosland intended that comprehensive schools would set pupils by ability so that standards were maintained. It was never his intention to eradicate all competition or envy “but to avoid the extreme social division caused by physical segregation” and the concomitant “extreme social resentment caused by failure to win a grammar school place, when this is thought to be the only avenue to a ‘middle class’ occupation”²¹⁷.

The problem of how to reform the state education system was complicated by the significant existence of private schools (confusingly, often referred to in Britain as ‘public schools’), offering greater social and economic opportunities to children of the wealthier classes. The private schools provided a more obvious source of injustice both in terms of social segregation and lack of equal opportunities. But Crosland considered abolition to be too illiberal, preferring a voluntary scheme of gradual integration into the state system²¹⁸. Having provided a moderate solution for private schools, Crosland was forced to take a pragmatic approach to grammar schools, to avoid the sudden drop in standards that might follow their immediate closing down: “it would, moreover be absurd from a socialist point of view to close down the grammar schools, while leaving the public schools still holding their present commanding position. This would simply intensify the class cleavage by removing the middle tier which now spans the gulf between top and bottom”²¹⁹. Crosland’s approach to educational reform was reflective of his moderate style of politics, as he advocated a slow, gradual process of change towards his long-term aim of a more egalitarian school system.

Crosland prioritised educational reform but also paid considerable attention to fiscal policies, social expenditure and changes to industrial relations. He was unusual, in relation to the puritanism of traditional socialism, in placing higher consumption as one of his stated objectives. He was well aware that this required the Labour Party to overcome its negative image as the party of austerity and restriction: “we should now proudly proclaim the fact, though it seems almost incredible that we should need to do so, that we want to see individuals happy, and rich, and enjoying what in the past have been solely the luxuries of the upper

²¹⁷ Crosland, 1956, p. 272.

²¹⁸ Crosland, 1956, pp. 263-265.

²¹⁹ Crosland, 1956, p. 275.

classes; and in the process we should take a long stride forward towards the classless society”²²⁰.

Tax reform, in order to produce a more equal distribution of wealth, was more likely to gain support from Labour Party traditionalists, especially as 50% of private capital was still owned by 1% of the population²²¹, with all the social and economic advantages that this allowed them to accrue. Crosland’s focus was on inequalities that derived from property rather than income. He targeted wealth that was considered to be unearned, and therefore not directly related to incentives to work or develop occupational skills, especially share dividends, inheritance and capital gains. Higher death duties combined with a tax on gifts, to close the loophole that enabled avoidance, would alter the “pattern of property distribution” and reduce the inequalities that derived from inheritance²²². Crosland wanted to reform the British tax system to correct the bias that favoured the property owner and tended to target income from work. To this end he also proposed a capital gains tax²²³, but was at pains to stress that there were clear economic and political limits to how much taxation any government should impose upon the general public²²⁴.

The trade unions also had an influential role to play in moving forward to a more social democratic society. Crosland recognised that Britain’s troubled industrial relations were symptomatic of a wider societal discontent at glaring social inequalities. This observation went to the heart of his thesis and the measures he proposed were therefore concentrated on egalitarian policies²²⁵. Disparities in status, privilege and power in industry needed to be overcome, not only by government action but also through trade union action. Crosland therefore called upon trade unions to retain their traditional independence from management but to extensively widen the scope of their bargaining. He wanted them to demand more in areas of non-pecuniary privileges, rather than merely target the traditional and basic focus upon wage levels²²⁶.

²²⁰ Crosland, 1956, pp. 293-294.

²²¹ Crosland, 1956, p. 298.

²²² Crosland, 1956, pp. 299-307.

²²³ Crosland, 1956, pp. 331-332.

²²⁴ Crosland, 1956, pp. 407-408.

²²⁵ Crosland, 1956, p. 336.

²²⁶ Crosland, 1956, pp. 344-350.

Crosland's revisionist objectives were largely defined in social, rather than economic terms. Yet, *The Future of Socialism* contains considerable economic analysis and is notable for the degree of optimism that it displayed in regard to future prospects. Economic policy remained a vital area for a future Labour Government, as growth would remain an "important objective" requiring "agility and determination", but Crosland expected that questions of economics would no longer be seen as "the overriding priority". He confidently expected that, assuming the economy was managed effectively, his revisionist objectives could be met by maintaining the growth rates of the mid 1950s²²⁷. Crosland set out a list of technical economic policies that a Labour Government should follow to maintain the stability of the post-war British economy²²⁸, but stated that his thesis was ostensibly "not a book about growth" or how to achieve it²²⁹. The explicit assumption was that growth rates would be maintained and the next Labour Government, on inheriting a stable economy, should be judged on the success of its social policies. Crosland wrote in his concluding remarks that "we {the Labour Party} can increasingly divert our energies into more fruitful and idealistic channels and to fulfilling earlier and more fundamental socialist aspirations"²³⁰.

The Croslandite political approach: moderation and gradualism

Crosland has been considered a radical of "the English liberal tradition" due to the nature of his libertarian and egalitarian objectives²³¹. He believed that a socialist commitment to greater equality was an essential means for increasing personal freedom²³². His libertarian instincts become clearer in his concluding chapter, where he expressed the view that exclusively socialist aims should be just one element in the armoury of a political reformer. He then declared his advocacy of a more libertarian culture marked by more permissive attitudes to social issues, alongside a greater promotion of both leisure and cultural endeavour²³³. Yet, despite his radical social intentions, he was clearly in the traditional liberal mould

²²⁷ Crosland, 1956, pp. 378-380.

²²⁸ Crosland, 1956, pp. 515-517.

²²⁹ Crosland, 1956, pp. 385-386.

²³⁰ Crosland, 1956, p. 517.

²³¹ Jenkins, 'Crosland', 2004, p. 416.

²³² Crosland, 1956, p. 341.

²³³ Crosland, 1956, pp. 520-523.

in terms of his opposition to intolerant and extreme approaches to political action. His support for the traditions of British parliamentary democracy was uncompromising, and in tune with the gradualist approach to economic and social policy that historically characterised British social democracy.

Crosland's thoughts on political method were expressed in some depth as a result of his considered opposition to the Labour Left's enthusiasm for a punitive capital levy. He was concerned about the social and political results of extreme acts of expropriation, causing unforeseen results and confusion: "the fact is that a society like ours is an organic unity – 'a going concern', in Mackinder's phrase: and is so highly organised and interdependent between its various parts, resting as it does on a balance of tensions, thrusts, and stresses, that intervention at one point will have effects at numerous and often unexpected other points. One therefore cannot give it a shock of more than a certain violence without the risk of damage to the entire structure". This appears at first like a typically conservative, if not Burkeian, disapproval of revolutionary politics²³⁴. But Crosland's pragmatism is designed to aid his radical social objectives, as a gradualist approach enables the reformist "to be experimental, since the problems involved in change then unfold themselves at a speed which gives ample time for dealing with them". A violent and extreme approach was considered to be counter-productive, as "the old has gone before the new has grown to take its place; and the result is a dangerous vacuum. One should never monkey about with society too much; if we do, we may find that history has some unpleasant surprises up its sleeve for us"²³⁵.

This caution, and fear of doing more damage than good, meant that Crosland's revisionism would require time and patience for successful implementation. It was important to tread carefully to avoid unpredictable economic consequences and moving out of line with the political mood of the electorate. Crosland was unwilling to risk damaging the democratic fabric of the nation by overstepping "those crucial though indefinable boundaries of mutual tolerance and willingness to compromise, on the preservation of which a democratic system ultimately rests"²³⁶. He respected the history of "social and

²³⁴ Edmund Burke, author of *Reflexions on the Revolution in France* (1790), advocate of the 'English way' of respect for established institutions and practices.

²³⁵ Crosland, 1956, p. 314.

²³⁶ Crosland, 1956, p. 317.

political tolerance” that characterised British parliamentary democracy, because it had produced significant gains for socialism.

Crosland squarely placed himself within the same democratic socialist tradition as Durbin in his defence of the liberal political principles and values of compromise and moderation²³⁷. These were the central and non-negotiable means for achieving socialist ends. An extreme approach might provoke considerable opposition, lead to unforeseen consequences and fail to “help towards the real objective, namely a society which, being classless and egalitarian, is therefore also more just and more contented”²³⁸. Crosland’s socialist objectives were radical, but his approach to achieving them was essentially moderate and pragmatic.

Crosland’s political approach was also based upon his moral philosophy, influenced by the ethical theorist A. J. Ayer²³⁹. Crosland asserted that his revisionist thesis came down to subjective value judgements, which could never be irrefutably proved one way or another, and he even admitted that it was not clear that socialism would lead to greater individual happiness. Moral judgements as to what constituted social justice could not be proved or disproved²⁴⁰. Crosland therefore did not argue that an egalitarian commitment was morally superior to other values, as this was merely his personal preference. Instead he stated his case in terms of the practical gains that could be achieved through egalitarian policies. His strategy was therefore reliant upon empirical evidence and practical political success. Gradualism provided revisionist socialists with the time and space to prove that their policies were beneficial and the opportunity to deal with problems and dilemmas as they arose.

This emphasis on rigorous empiricism and moral relativism underpinned Crosland’s revisionist analysis and, as a consequence, his responses to potential dilemmas and problems often seem unsatisfactory in their lack of precision and certainty. It was clear that Crosland was not in favour of mere equal opportunity as a guide to action. He also wanted a stronger degree of equality of outcome. But

²³⁷ See Ch. 1, *the intellectual foundations of revisionism*.

²³⁸ Crosland, 1956, p. 318.

²³⁹ A. J. Ayer’s influence upon Crosland’s philosophy is confirmed by John Vaizey, ‘Remembering Anthony Crosland’, *Encounter*, August 1977; Raymond Plant, ‘Social Democracy’, *The Ideas That Shaped Post-War Britain*, David Marquand and Anthony Seldon (Ed.), London: Fontana Press, 1996, pp. 172-173.

²⁴⁰ Crosland, 1956, pp. 205-208.

how much equality should be permitted? There was no precise answer; just a sense of direction in wanting far more than was prevalent in the Britain of the 1950s. This position reflected Crosland's opposition to Marxist style blueprints for the future, and his belief that socialism could not be defined in exact terms²⁴¹. His was a general ethical commitment to an egalitarian society, but the level of equality required at any specific time would remain a matter of judgement.

The potentially negative impact of greater equality upon the level of economic growth was certain to be a central element in the critique of political enemies on the British right, and so Crosland dealt in detail with this issue. He believed that his balanced definition of equality, and the programme that sprung from it, would lead to greater economic efficiency due to the likely increase in social mobility, enabling those with ability to rise from humble social backgrounds²⁴². But, true to his hard-line empirical approach, he fended off any suggestion that the outcome of greater equality was an inevitably negative one by stating that not enough knowledge of economic psychology existed to be sure of the effects upon incentives, innovation and levels of growth. So he effectively acknowledged that it was possible that by pursuing his egalitarian objectives there may be an adverse effect upon economic efficiency. But Crosland insisted that it was a matter of experience, as judgements would have to be made at the time by those holding the levers of power²⁴³.

Crosland's political approach, although it might appear an impeccably pragmatic and rational intellectual position, appears to contain the potential for practical vulnerability. Would egalitarian politicians have the time and opportunity for gradualism and experimentation in implementing their social reforms? The gradualist approach to equality would surely rely upon long periods in office, which in turn relied upon sustained public support for egalitarian objectives. However, this could not be guaranteed, especially as Crosland's moral philosophy ruled out an activist strategy for creating egalitarian citizens. Crosland therefore relied upon an indirect strategy, reliant upon continued economic success producing high growth rates, in order to fund his egalitarian spending

²⁴¹ Crosland, 1956, p. 216.

²⁴² Crosland, 1956, p. 238.

²⁴³ Crosland, 1956, pp. pp. 239, 386-387.

programmes, and the good practice and judgement of political elites, in order to retain public support.

The commitment to equality would be pursued in a flexible and imprecise fashion: “exactly what degree of equality will create a society which does sufficiently embody them {socialist values}, no one can possibly say. We must reassess the matter in the light of each new situation”. Crosland did not believe it was possible to say at what point his egalitarian programme would have achieved all its objectives but he was sure that “society will look quite different when we have carried through the changes mentioned earlier” and then a new generation of revisionists would have to rethink and reassess²⁴⁴. Revisionism was not to be a static or dogmatic political position. Its future prospects would rely upon the evolution of ideas, in the light of experience and empirical evidence.

The prospects for revisionism: potential constraints and dilemmas

The Future of Socialism received considerable recognition through book reviews in national newspapers, periodicals and journals. It provoked both complimentary and critical comment. Of the newspapers that were generally favourable towards Crosland’s revisionist thesis, *The Financial Times* praised it for being more radical and relevant than the Bevanite prescriptions²⁴⁵. Similarly, James Margach of *The Sunday Times* believed that Crosland had shown “courage” in his “ruthless treatment” of traditional socialism²⁴⁶. In contrast, *The Co-operative News* was concerned that even the modified capitalist system contained more problems for socialists than Crosland appeared willing to admit²⁴⁷. More dismissive comment came from *The Daily Telegraph*, which considered the book to be of “tedious length and dressed up in the specious jargon of sociology”²⁴⁸. *The Times Literary Supplement* and *The Economist* were critical of Crosland’s egalitarian commitment, considering it too vague and liable to an over-reliance upon state

²⁴⁴ Crosland, 1956, pp. 216-217.

²⁴⁵ *The Financial Times*, Monday 1st October 1956.

²⁴⁶ *The Sunday Times*, Sunday 30th September 1956.

²⁴⁷ *The Co-operative News*, 10th November 1956.

²⁴⁸ *The Daily Telegraph*, Monday 1st October 1956.

action²⁴⁹. *The Evening News* declared that Crosland's views were "preposterous and dangerous"²⁵⁰.

Despite the strong opposition from reviewers of a Conservative or anti-egalitarian political character, many of the most hostile reviews tended to come from within the Labour Party. It is worth examining their reactions in more depth in order to highlight the nature of the opposition that Crosland's revised brand of socialism would face from within his own party. Converting the Labour Party to a revisionist mindset might be seen as a necessary first step towards the adoption of a Croslandite socialist programme. But, once in government, successful implementation would rely upon the veracity of the revisionist analysis. Reviews by the more constructive critics, many of an academic nature, contained some cogent evaluations of the potential weaknesses of Crosland's thesis, raising concerns over the validity of his judgements and the practicability of his political agenda.

There was a view, expressed amongst some reviewers, that Crosland may have been far too optimistic in his analysis, exaggerating the extent of the changes that had taken place in British society and underestimating future problems²⁵¹. It was even suggested that this complacency and over-optimism was due to Crosland's determination to prove the irrelevance of Marxism²⁵². But what if capitalism had not been transformed to the extent that he supposed? What if economic growth could not be relied upon and mass unemployment had not been consigned to history? There was already evidence that Britain was facing new economic problems in the light of increased foreign competition. Asa Briggs stated that "the future of socialism will be determined, not in Britain, but in the world as a whole"²⁵³. It was stressed that the revisionist thesis, reliant upon continued economic success, was therefore vulnerable to the impact of external influences, which were less open to the control of democratic national government. The

²⁴⁹ *The Times Literary Supplement*, Friday 28th December 1956; *The Economist*, 27th October 1956.

²⁵⁰ *The Evening News*, 27th October 1956.

²⁵¹ H. H. Wilson, 'Book Review', *The Nation*, 14th Sept 1957, pp. 137-138; H. R. G. Greaves, 'Book Review', *Political Quarterly*, Vol. 28, 1957, p. 86.

²⁵² 'Book Reviews', *The Listener*, 18th October 1956.

²⁵³ Asa Briggs, 'Book Review', *The American Political Science Review*, Vol. 52, No. 3, Sept 1958, p. 854.

benign conditions that Crosland observed might prove transient and his revisionist thesis might therefore be proved wrong. As one reviewer noted, “one need only to adopt the contrary hypothesis, that the post-war decade of full employment and sustained world prosperity is unique and fortuitous...for the picture to alter most radically”²⁵⁴.

At this stage it was still a matter of conjecture as to whether or not Crosland’s revisionist thesis had overestimated the extent of capitalist transformation and underestimated the economic problems ahead. His thesis was inevitably reliant upon future events and conditions that could not yet be foreseen. The charges of over-optimism remained to be proved. Yet, the expression of sceptical opinions highlighted the potential vulnerability of Crosland’s thesis. The revisionist egalitarian strategy remained largely reliant upon his bold economic assertions being proved right and only time and the tide of events would tell whether the “the worst economic abuses and inefficiencies of modern society have been corrected”²⁵⁵; “the cycle in its classical form – in the form, that is, of deep and rhythmical fluctuations – is unlikely to reappear in Britain”²⁵⁶; or whether Britain stood “on the threshold of mass abundance”²⁵⁷. The critical reviewers may have been drawn to these eye-catching statements as evidence of an optimism bordering upon complacency. There is a sense in which Crosland’s thesis reflected the buoyant national mood of the mid 1950s, as Britain entered a period of affluence relative to the austerity of the immediate post-war years. However, it is also clear that many of his judgements, although asserted with confidence, were not a result of complacency.

Crosland made clear, in the preface to his thesis, that there could be no guarantees of future success and no simple answers to the problems facing socialists²⁵⁸. His later economic assertions were often carefully argued, backed up by analysis of economic trends and balanced by important caveats. For instance, Crosland acknowledged the risk of “a formidable fiscal problem” by the mid 1960s, due to the pressures of demand for improved social capital, as a result of the war and previous neglect. This, combined with the reality of scarce resources,

²⁵⁴ H. Smith, ‘Book Review’, *The Economic Journal*, Vol. 67, No. 266, June 1957, p. 315.

²⁵⁵ Crosland, 1956, p. 113.

²⁵⁶ Crosland, 1956, p. 396.

²⁵⁷ Crosland, 1956, p. 515.

²⁵⁸ Crosland, 1956, p. 12.

placed a heavy burden on government expenditure. He therefore accepted that his revisionist agenda was reliant upon maintaining high levels of economic growth to meet both his own socialist objectives and the strong demand that already existed for rising government expenditure²⁵⁹.

Crosland also gave careful consideration to the potential threat of inflation under conditions of full employment. He warned against taking the policy of full employment too far, expressing the view that “flat-out employment” could become “converted into definite excess demand and inflation” and “when this occurs the balance of advantage shifts and the losses begin to outweigh the gains”²⁶⁰. Crosland saw part of the answer lying with increased savings, as this would help in avoiding excess demand. He consequently listed active encouragement of savings amongst his economic policy priorities for a future Labour Government²⁶¹. Crosland did not underestimate potential economic problems ahead, and often provided practical technical solutions that might help to overcome them. But he did make the judgement, based upon the available evidence and his observation of the post-war experience so far, that the future was one of opportunity and promise for a revised socialist programme.

Crosland’s case for greater social equality, and the nature of his egalitarian strategy, also provoked the doubts of some critics. Crosland considered that exaggerated social divisions and inequalities were an underlying cause of social resentment and industrial disruption. Yet, he provided little evidence of the existence of democratic demand for his egalitarian strategy from a critical mass of the British people. One reviewer agreed with Crosland’s focus upon social equality as an important objective, and believed that the British people probably should demand greater equality, but doubted whether the majority spent much time “brooding about what their betters think of their accents, diet, tastes in sport, etc”²⁶². Richard Crossman went further in stating that most working-class people were not at all envious of the rich and privileged, exemplified by the existence of

²⁵⁹ Crosland, 1956, pp. 134-137.

²⁶⁰ Crosland, 1956, pp. 397-398.

²⁶¹ Crosland, 1956, p. 516.

²⁶² Donald Dewey, ‘Book Review’, *The Journal of Political Economy*, Vol. 66, No. 6, Dec 1958, p. 565.

working-class Tories who positively embraced their unequal status²⁶³. The philosopher A. J. Ayer was broadly sympathetic towards Crosland's thesis but regarded the stress it laid upon the evils of class consciousness and social divisions to be much exaggerated, especially in relation to education: "no doubt the people who worry about the type of school they went to, worry very acutely, but I wonder if such feelings are quite so widespread as he assumes"²⁶⁴.

If there were doubters concerning the potential level of public support for a programme of egalitarian reforms, there were also those who were uncertain that such a programme could achieve the type of 'classless society' that Crosland envisaged. Daniel Bell, a notable American academic and friend of Crosland's, was sympathetic to his sociological and cultural objectives but doubted that government action could provide the solutions²⁶⁵. Another reviewer believed that Crosland's aim of a 'classless society', characterised by greater personal freedom and social contentment, was more reliant upon the nation's 'grass roots' – its "teachers and preachers, psychologists and mystics, theologians and philosophers" – than on the governmental actions of a political elite²⁶⁶.

There was also a belief that Crosland's revisionist objectives and strategy had been overly influenced by an idealised and over-simplified assessment of the US social model, which was not necessarily relevant to British conditions and not a good example in terms of producing an effective education system²⁶⁷. Crosland's thesis was certainly influenced by a lengthy trip that he made to the US in 1954, and it is clear from his notes that he showed great interest in the political dynamics of US society and how it compared to the British experience, whilst greatly admiring the egalitarian atmosphere and image that prevailed in comparison to British society²⁶⁸.

Crosland certainly admired aspects of American culture, most significantly in regard to the classless atmosphere that he had witnessed, but was under no illusions that the US was necessarily a better society than Britain in all areas²⁶⁹.

²⁶³ ACP 13/10, 3, letter from R. H. S. Crossman to Crosland, 23rd October 1956.

²⁶⁴ A. J. Ayer, 'Book Review', *Encounter*, Vol. VII, No. 6, Dec 1956, p. 77.

²⁶⁵ Daniel Bell, 'Book Review', *The New York Post*, Sunday 23rd February 1958.

²⁶⁶ Gordon Sewell, 'Book Review', *The Bournemouth Daily Echo*, 12th October 1956.

²⁶⁷ ACP, 13/9, 41-42, Maurice Cranston, 'A Search for Equality'; 'Book Review', *The Listener*, Oct 18th 1956; 'Book Review', *The Times Literary Supplement*, Fri 28th Dec 1956; A. J. Ayer, 'Book Review', *Encounter*, Vol. VIII, No. 6, Dec 1956, p. 78

²⁶⁸ ACP 8/1, 1-49, USA Trip, note book, 1954; Crosland, 1956, p. 249.

²⁶⁹ Crosland, 1956, p. 249.

Crosland visited the US on many occasions and the notes he made on these visits confirm that he could see as many ‘debits’ as ‘credits’ in relation to American society²⁷⁰. On his 1954 trip he observed that substantial social snobbery still existed in US and that social mobility was, in practice, no greater than in Britain, although he considered that there was significantly less ‘class feeling’²⁷¹. He was critical of the ‘appalling’ standard of teaching in US schools²⁷² and, although he admired the ‘vitality and gaiety’ of US life, he was not impressed by the balance between work life and cultural life. He felt that Americans read to little, did not engage in ‘proper conversation’, worked too hard and went to bed too early²⁷³.

What is clear is that Crosland was no uncritical admirer of the US and had some doubts about the propensity for a reactionary political culture. This more balanced perspective is apparent from closely reading *The Future of Socialism*. He openly stated that the strong atmosphere of social equality in America could “quite well be combined with a reckless foreign policy, an illiberal attitude to civil liberties, an unenlightened tariff policy, an excessive tenderness to business interests, large-scale unemployment, social intolerance, and all manner of reprehensible things”²⁷⁴. There were clearly many political tendencies present within American society of which Crosland did not approve, yet his interest in domestic political reform, and the problems he detected within British society, meant that something could be learnt from the more classless atmosphere prevalent in the US.

Crosland’s preferred international model was Sweden because, as he asserted, “it gives a higher priority to social welfare and the social services, it has greater equality of wealth, it enjoys a more harmonious and cooperative pattern of industrial relations, it is characteristically ruled by socialist governments, and its cultural record is exceptional”²⁷⁵. His extensive use of American material was largely due to availability of research material, but he also believed that Swedish

²⁷⁰ See ACP 4/7, 1, Notes on US.

²⁷¹ ACP 8/1, 13-16, USA Trip, Note book, 1954, ‘Sociological’.

²⁷² ACP 8/1, 29-30, USA Trip, Note book, 1954, ‘School System’.

²⁷³ ACP 3/1, 49-50, USA Trip, Note Book, 1954, ‘Old Jottings’. He didn’t like the hotel baths either – they were too large!

²⁷⁴ Crosland, 1956, p. 255.

²⁷⁵ Crosland, 1956, p. 249.

society had achieved similarly relaxed and informal social relations between classes²⁷⁶.

Crosland used international comparison with the US and Sweden to show that it was possible for human societies to prosper with a far greater degree of social equality than existed in Britain. By observing the style and appearance of other nations he was better able to identify what he considered to be the crucial defect in British life, namely strong class divisions and hence an exaggerated sense of class consciousness²⁷⁷. But this did not mean that he believed it was either possible or desirable to simply attempt to import a foreign model of society or replicate their policies. Crosland believed that, because of Britain's different traditions, history and culture, there was a need for a far stronger egalitarian political approach than that which existed in the US²⁷⁸. His revisionist strategy was primarily based upon practical solutions that specifically addressed the situation in Britain.

Crosland's book provided the Gaitskellite wing of the Labour Party with a coherent programme of political action, and was greeted with acclaim by fellow revisionists²⁷⁹, but several commentators believed that it would inevitably trigger conflict with the more traditional elements of the Labour Party. The cultural historian and writer, Asa Briggs, believed that Crosland's revisionism threatened to alienate traditionalists within the Labour Party, including many non-Marxist socialists. He was not convinced that the rank and file activists would ever accept his thesis²⁸⁰. Desmond Donnelly MP believed that Crosland's revisionist thesis, with its call for greater equality, would fail to provide the 'burning ideal' required for inspiring political activism. He stated that it reflected the conscience of the middle class socialist, desiring to "bring their fellow men to their own standards of taste and social life" through educational opportunity and the 'dull' egalitarian model of Sweden²⁸¹.

²⁷⁶ Crosland, 1956, p. 214.

²⁷⁷ Crosland, 1956, pp. 177-186.

²⁷⁸ Crosland, 1956, pp. 256-257.

²⁷⁹ Frank Pakenham, *The Fabian Journal*, Nov 1956; Roy Jenkins, *Forward*, Oct 5th 1956.

²⁸⁰ Asa Briggs, 'Socialism and Society', *The Observer*, Sun 30th Sept 1956.

²⁸¹ Desmond Donnelly, 'Book Review', *News Chronicle*, 4th October 1956.

Crosland encountered criticism from a range of substantial figures within the Labour Party. Some considered that his revisionist thesis went too far in denying the continued salience of public ownership as a significant policy option. John Strachey had moved towards a revisionist position and agreed with Crosland's stress upon equality and education, but disagreed with Crosland's basic contention that 'ownership' was no longer a central political and economic issue. Strachey believed that, in practice, Crosland had actually shown that he did care about ownership, but his fiscal measures for increasing equality of wealth, through redistributive taxation, were reactive rather than proactive in dealing with the question of ownership. Strachey did not understand why Crosland would allow the fortunes of 'functionless ownership' to build up in the first place if he was merely going to build up a massive state bureaucracy to confiscate it off them later. Better to do the same job in a more direct way and use public ownership as an essential tool for redistributing wealth²⁸².

The uneasiness that Crosland's book provoked in Rita Hinden, the editor of the Gaitskellite journal *Socialist Commentary*, is also instructive. As a committed democratic socialist, she was greatly troubled by Crosland's vision. She considered that it was too vague and unsystematic, whilst grossly underestimating the issue of economic power and who controls it. Hinden feared that the natural conclusion to the arguments made in *The Future of Socialism* was that there was no future for socialism²⁸³.

Crosland's irreverence towards many of the traditions of socialism made it difficult for his critics to accept that his revisionism was radical enough to be considered a socialist political creed. Radicalism, at least in the socialist sense of the word, had always related to the commitment to public ownership. The amount of radicalism, therefore, was related to how much public ownership was proposed. This traditional psychological approach to socialism was unlikely to be instantly reversed, regardless of the intellectual strengths of Crosland's thesis. Many reviewers, regardless of whether they considered themselves socialist or not, believed that the arguments set out in *The Future of Socialism* held only the most

²⁸² John Strachey, 'Book Review', *The New Statesman*, 1956; A similar view was expressed by Richard Crossman. ACP 13/10, 1-6, letter from R. H. S. Crossman to Crosland, 23rd October 1956.

²⁸³ Rita Hinden, 'Book Review', *Socialist Commentary*, Nov 1956.

tenuous connection to socialism²⁸⁴. One reviewer, although impressed by Crosland's clarity, pragmatism and morality, asserted that "since social ownership of the means of production is usually considered the benchmark of socialism, one begins to wonder how Crosland, repudiating this approach, can call his book, *The Future of Socialism*. A better title would have been *In Place of Socialism*"²⁸⁵. Another believed that Crosland's thesis suggested that he was not actually a socialist, but a social liberal: "a militant socialist will have no difficulty in perceiving the true Crosland – an English liberal who has been led to enter the socialist camp by the collapse of the Liberal Party"²⁸⁶. Will Camp, writing in *Tribune*, was reflective of the opposition that revisionists would face from the Labour Left. He accused Crosland of abandoning socialism, based upon complacent optimism and watering down of any radical commitment – failing to propose the abolition of 'the public schools' or the imposition of a large capital levy²⁸⁷.

Crosland recognised that his revisionist thesis would provoke resistance within the Labour Party, but believed that this was not necessarily due purely to policy differences relating to public ownership and economic management. He considered that there was an understandable resentment at revisionist realism, which threatened to take away the emotional security of certainty and established doctrine²⁸⁸, and in his book he cited the bitter Bevanite disputes of the early 1950s as "a reflection of a curiously strong tendency within the Labour Party towards a suspicious, militant, class conscious Leftism"²⁸⁹. This tendency towards an oppositionist and obstructive attitude needed to be contained and marginalised. It was apparent to Crosland that, in the battle for the hearts and minds of the rank and file, Bevanism was a problem. He was also concerned that those who were more sympathetic to a revisionist outlook had previously failed to actively engage in educating the Labour Movement about "the facts of contemporary life"²⁹⁰.

²⁸⁴ Graham Hutton, 'Book Review', *The Spectator*, 12th October 1956.

²⁸⁵ Paul T. Homan, 'Socialist Thought in Great Britain: A Review Article', *The American Economic Review*, Vol. 47, No. 3, June 1957, p. 353.

²⁸⁶ Donald Dewey, 'Book Review', *The Journal of Political Economy*, Vol. 66, No. 6, Dec 1958, pp. 564-565.

²⁸⁷ Will Camp, 'Socialism? How Dare He Use The Word', *Tribune*, 5th October 1956.

²⁸⁸ ACP 4/1, 7-8, miscellaneous notes.

²⁸⁹ Crosland, 1956, pp. 194-195.

²⁹⁰ Crosland, 156, p. 388.

These battles had to be fought and won. But what kind of approach should be taken? Should the revisionists adopt a consensual approach or an aggressive stance redolent of Gaitskell's Stalybridge Speech (see Ch. 1)? By the time *The Future of Socialism* had been published the Bevanite disputes had passed their peak but the bitter and resentful feelings of the factional combatants remained. Crosland was of course confronting ideological shibboleths and traditional attitudes but he would have been naïve to imagine that his words would not be raked over by adversaries that saw him as a political mouthpiece for Hugh Gaitskell. This did not appear to have dissuaded him from adopting language that was clearly intended to bait Labour's traditionalist tendency and those associated with the Bevanite wing of the party.

Traditionalists would obviously take exception to the idea that "the much-thumbed {socialist} guidebooks of the past must now be thrown away"²⁹¹, and the Bevanites might have been angered by the dismissive language directed at their political figurehead in regards to the contemporary irrelevance of traditional socialist beliefs: "that one can easily browse amongst 'socialist first principles' without any new policies, or fresh contemporary justification for old ones, emerging at the end, was clearly shown in the most widely-read socialist book of this period". Crosland made it obvious that he was referring to Bevan's book, *In Place of Fear*, as symptomatic of the failure to fundamentally rethink the future direction of socialism²⁹². Later he is equally tempted to employ similarly disdainful vocabulary aimed at those on the Labour Left who would deny the salience of his revisionist thesis. Crosland referred to the "conservative or indolent-minded people on the left" and claimed that "finding the contemporary scene too puzzling and unable to mould it into the old familiar categories, are inclined to seek refuge in the slogans and ideas of 50 years ago"²⁹³. He contemptuously derided them for their insular and old-fashioned attitudes towards doctrine: "the need for a restatement of doctrine is hardly surprising. The old doctrines did not spring from a vacuum, or from acts of pure cerebration performed in a monastery cell"²⁹⁴.

²⁹¹ Crosland, 1956, p. 79.

²⁹² Crosland, 1956, p. 80.

²⁹³ Crosland, 1956, p. 96.

²⁹⁴ Crosland, 1956, p. 97.

The basic point that doctrine should be updated was obviously a serious one, but Crosland's undiplomatic language was designed to inflame intra-party tensions and make cooperation from those associated with the Bevanite wing more difficult. He might well have chosen to be less provocative and stressed, more strongly than he did, the connections between his revisionist ideas and those of prominent Labour thinkers before him. Despite the provocative tone of certain sections within *The Future of Socialism*, and the air of intellectual arrogance that sometimes emerged, Crosland's work was very much connected to the non-Marxist intellectual traditions of the Labour Party, including pre-war Labour thinkers such as Tawney and Durbin. Inevitably he dealt more critically with those pre-war thinkers who were previously influenced in their intellectual outlook by a Marxist analysis, such as Harold Laski and John Strachey, but, as Crosland pointed out, there had been many intellectual strands within the tradition of British socialism, and it could certainly be argued that Marxism only had a strong level of short-lived influence during the 1930s²⁹⁵. A criticism that could be levelled at Crosland's book is that he appeared too ready to create the impression that his analysis meant denying any relevance to the inherited traditions and doctrines of Labour's past. Crosland owed a considerable debt to a whole range of pre-war thinkers. His thesis might have been presented in a less provocative fashion and shown more humility in acknowledging the impeccably socialist intellectual heritage to which it belonged. Sensitivity and tactical acumen would be required if the revisionist position was to gain widespread ascent within the Labour Party.

²⁹⁵ Crosland, 1956, pp. 19-22.

The Struggle for a Revisionist Labour Party

The publication of *The Future of Socialism*, and the author's close ties to the Labour leader, confirmed and strengthened the growing influence of revisionist ideas over the formation of policy²⁹⁶. Party policy documents laid more stress upon social equality and personal freedom²⁹⁷, whilst the traditional economic considerations, especially the commitment to further nationalization, were diluted in importance. Public ownership was increasingly seen as a technical matter, to be applied in flexible ways and according to case-by-case merits within the overall structure of a market-oriented mixed economy, whilst democratic socialism was primarily defined in terms of greater equality²⁹⁸.

Crosland was directly involved in the final draft of the policy document, *Industry and Society* (1957), which has subsequently been viewed as the most significant evidence of revisionist ascendancy²⁹⁹. This rising intellectual authority was underpinned by a strong political position. On the eve of the 1959 general election Gaitskell's position as Labour leader was secure. He had built up a powerful centre-right coalition of loyalist trade union leaders and political moderates. Bevan remained his only potential challenger, but had publicly reconciled himself to Gaitskell's leadership, breaking with many of his closest followers in an anti-unilateralist speech at the 1957 Brighton Conference³⁰⁰. From that moment it was clear that Bevan had put party unity ahead of any lingering personal ambitions to replace Gaitskell, although there were attempts by his former comrades to revive Bevanism through a new organisation, Victory for Socialism (VFS)³⁰¹. Many ex-Bevanites, such as Harold Wilson and Richard

²⁹⁶ Political scientists of the time commented upon the clear trend towards a revisionist Labour Party due to Crosland's significant influence. See Gerhard Loewenberg, 'The Transformation of British Labour Party Policy Since 1945', *The Journal of Politics*, Vol. 21, No. 2, May 1959, pp. 234-240; Stanley Rothman, 'British Labour's New Left', *Political Science Quarterly*, Vol. 76, No. 3, Sept 1961, p. 395.

²⁹⁷ See 'Towards Equality, Labour's Policy for Social Justice', Labour Party, 1956; 'Personal Freedom, Labour's Policy for the Individual and Society', Labour Party, 1956.

²⁹⁸ See 'Industry and Society, Labour's Policy on Future Public Ownership', Labour Party, 1957.

²⁹⁹ Haseler, 1969, pp. 99-107; Brivati, 1996, pp. 301-305.

³⁰⁰ Campbell, 1987, pp. 327-331.

³⁰¹ Brivati, 1996, pp. 318-319.

Crossman, gravitated to the party's centre-ground and came to an accommodation with Gaitskell's leadership³⁰².

The Labour Party entered the 1959 general election with both a revisionist political leadership and policy programme. *The Labour Case* (1959), an electioneering pamphlet written by Roy Jenkins, emphasised the benefits to personal freedom that would flow from affluence and liberal reforms, and has been viewed as "a high water mark of revisionist optimism"³⁰³. It reflected a Labour Party that was positively embracing the move away from the austerity of the immediate post-war years and identifying itself as the party best placed to guide the nations' new-found affluence in a progressive direction, towards greater liberty and equality. It is also generally recognised that the 1959 Labour manifesto was an essentially revisionist document, which appropriated Croslandite language and rhetoric³⁰⁴. The manifesto stressed the need to end the social inequalities that existed between "the haves and the have-nots", appealing to the nation's altruism to meet the social challenge of helping the needy and vulnerable sections that had been left behind by 'the affluent society'. Labour's programme advocated the introduction of comprehensive education, tax reforms and enhanced social provision, and was to be funded through planned economic expansion. Fiscal policy, rather than public ownership, was prioritised as the means for stimulating economic expansion and modernisation³⁰⁵.

Gaitskell's inspirational leadership helped move the Labour Party towards a revisionist position and provided the opportunity for electoral success. The aims of the 1950s revisionists had been essentially twofold, to modernise the Labour Party's policy and then to use this shift as the basis for electoral victory. Although the first ambition had been largely achieved, the second ambition was thwarted, largely due to the tactical skills of Harold Macmillan. The Conservative Prime Minister was able to exploit beneficial economic conditions to ensure a third consecutive electoral triumph for his party in October 1959. Gaitskell's first general election as Labour leader saw his party fall further behind the

³⁰² Pimlott, 1992, p. 212; Anthony Howard, *Crossman: The Pursuit of Power*, London: Jonathan Cape, 1990, pp. 211-213.

³⁰³ Campbell, 1983, p. 59.

³⁰⁴ Thorpe, 2001, p. 134

³⁰⁵ 'Britain Belongs to You: The Labour Party's Policy for Consideration by the British People', The British Labour Party's 1959 General Election Manifesto.

Conservatives, with a lower share of the vote than in 1955³⁰⁶. The revisionist emphasis now shifted towards learning the lessons of electoral defeat and adapting the Labour Party still further to the changed social realities of an increasingly affluent society.

The historian Ben Pimlott observed that “an election defeat does not automatically plunge the Labour Party into civil war. But it usually does”³⁰⁷. The ensuing period of renewed internal strife served to weaken the Gaitskellites’ position in the party and jeopardised the continued dominance of revisionism. In this chapter I will consider the revisionists’ struggle to extend their ascendancy within the Labour Party by reforming Clause 4 of the party’s 1918 Constitution. Brian Brivati, the Labour historian, stated that the Gaitskellite revisionists wanted to link the changes that had already occurred in policy to wider alterations in “the structure, constitution and ethos of the party”³⁰⁸. The failure of Gaitskell’s proposed reform of the party’s socialist doctrine had significant repercussions, revealing the underlying fragility of Labour revisionism in terms of both short-term political control and long-term intellectual influence. It highlighted the enduring attachment of the wider Labour Party to the symbols of traditional socialist faith, whilst temporarily fracturing the Gaitskellite political coalition, which relied upon the crucial backing of major trade union leaders. Gaitskell’s efforts to repair his authority and rebuild a coalition of support would take precedence over further revisionist reforms, which could have helped secure long-term control over the party’s political direction.

The Clause 4 affair

Despite a gradual modernisation of policy in a revisionist direction, the Gaitskellites failed in their ultimate objective of obtaining power, and their

³⁰⁶ Kevin Jefferys, *Retreat From New Jerusalem: British Politics, 1951-64*, Basingstoke: Macmillan, 1997, pp. 78-83.

³⁰⁷ Pimlott, 1992, p. 224.

³⁰⁸ Brian Brivati, ‘The Future Labour Offered: industrial modernisation projects in the British Labour Party from Gaitskell to Blair’, *The Labour Party: A Centenary History*, Brivati and Hefferman (Ed.), Basingstoke: Macmillan, 2000, pp. 358-359.

immediate reaction to electoral defeat was to consider fresh plans for modernising the Labour Party. There was nothing particularly unnatural with Gaitskell holding an informal ‘post-mortem’ to discuss the disappointing general election result. But the events that followed damaged the revisionist cause, providing the first major example of the Gaitskellites failing to coordinate their actions and betraying a tendency towards independence of action amongst the members of the group. Hugh Dalton helped gather some “of the intelligent young men”, with Crosland and Jenkins in attendance alongside older members of Gaitskell’s ‘inner circle’, including the Chief Whip, Herbert Bowden, Hugh Dalton, Douglas Jay and Patrick Gordon Walker. The discussions took place at Gaitskell’s Hampstead address on Sunday 11th October. According to Dalton, most were cautious, mooting the possibility of some constitutional changes that gave more power to the PLP, but to be approached gradually and with care. The contribution of Jay was judged as more radical due to the advocacy of major and immediate changes to the Party’s image, structure and policy³⁰⁹.

Jay’s subsequent article in the journal *Forward* was based upon feedback from the canvassing of his own constituency workers, and suggested that Labour’s electoral chances might be improved by an amendment to the party name and to the further downgrading of any commitment to nationalisation³¹⁰. Although these proposals appear relatively mild³¹¹, it was considered to be the start of a concerted assault by the Gaitskellites upon the traditions and policies of the Labour Party. Philip Williams believed that the Gaitskellites should have been more wary of the “paranoia on the Left, and mistrust of the leadership among some constituency activists”³¹². Brian Brivati concurs, suggesting that Gaitskell’s lack of control over proceedings damaged subsequent reform proposals. The airing of personal views fed the paranoia of the Left and some trade union leaders, helping produce a “whispering campaign” that “turned many in the Labour Party against any form of

³⁰⁹ Ben Pimlott (Ed.), *The Political Diary of Hugh Dalton*, London: Jonathan Cape, 1986, pp. 694-695.

³¹⁰ *Forward*, 10th Oct 1959. An account of Jay’s article is provided in his memoirs. Douglas Jay, *Change and Fortune*, London: Hutchinson, 1980, pp. 271-275.

³¹¹ Jay’s views appear to have been tainted by association with a far more radical article written by the journalist Ivan Yates calling for the end of all nationalisation plans and the breaking of Labour’s trade unions links. Yates was closely connected to the Gaitskellites but not one of the ‘inner circle’ that attended the 1959 post-mortem at Gaitskell’s house. See Brivati, 1996, p. 333.

³¹² Williams, 1979, p. 538.

substantive change”³¹³. Consequently, when Gaitskell sought to use the immediate post-election period as an opportunity for pragmatic reform to Labour’s Constitution, he met with significant resistance.

Gaitskell’s November 1959 Party Conference speech in Blackpool provided him with the opportunity to gain Conference approval for the new revisionist direction in which the parliamentary leadership was taking the party. He decided to lead on doctrine, arguing for Clause 4 to be amended because, in its original form, it left the party “open to continual misrepresentation”, falsely implying to the electorate that Labour intended to nationalize all of private industry. A new set of revised aims would clarify the Labour Party’s commitment to the mixed economy³¹⁴. Although Gaitskell’s speech received some strong endorsements, with his arguments appearing to represent a reasoned call for reform of an ancient shibboleth, it was also received as sacrilege by many sections of the party. He was subsequently forced to retreat in the face of opposition from a vocal combination of traditionalists and fundamentalists within the trade unions and constituency parties³¹⁵.

Historical accounts have tended to deliver a harsh judgment upon Gaitskell’s ill-fated attempts at reform. Tudor Jones believed that Gaitskell’s approach was too rationalistic, undervaluing the sentimental significance and unifying effect of Clause 4 upon the Labour Party³¹⁶. Brian Brivati considered that he had “underestimated the romanticism of the party while overestimating the force that logical argument would have in persuading Conference delegates of the merits of his case”³¹⁷. Gaitskell’s friend, Philip Williams, thought that he had seriously misjudged how the issue would be used by his old enemies to undermine his leadership and revive factional hostilities³¹⁸. It certainly appears that Gaitskell’s tactics were found wanting. The confrontational approach and the hasty timing gave the impression of an over-reaction to electoral defeat. He also struck out on his own, without the full backing and support of his inner circle of

³¹³ Brivati, pp. 331-332.

³¹⁴ For the full text of Gaitskell’s speech see Labour Party Annual Conference Report, pp. 109-113.

³¹⁵ For more detail on Gaitskell’s efforts to replace Clause 4 see Williams, 1979, pp. 548-558; Brivati, 1992, pp. 338-348

³¹⁶ Tudor Jones, ‘Taking Genesis out of the Bible: Hugh Gaitskell, Clause IV and the Socialist Myth’, *Contemporary British History*, Vol. 11, Summer 1997, No. 2, pp. 1-4.

³¹⁷ Brivati, 1996, p. 339.

³¹⁸ Williams, 1979, pp. 548-549.

Gaitskellite loyalists³¹⁹. His failed attempts have been viewed as damaging relations with the trade unions, whilst raising suspicions over the potential treachery of middle-class intellectuals³²⁰. The revisionists were consequently placed on the defensive, compromising their control of the party and stalling their modernisation project.

Kenneth Morgan judged that Gaitskell's decision was rash because there was "no evidence that Clause Four had played any part at all in Labour's electoral defeat" and was merely "an expression of a tendency, a direction, an objective, in achieving long-term social change"³²¹. This appraisal overlooks the importance of electoral considerations to Gaitskell and other revisionists. The reform proposals were informed by polling data suggesting that the electorate were unaware of the revisionist shift that had already taken place in Labour's policy, and continued to view Labour as the party of nationalisation³²². Reform of Clause 4 was meant as an important public declaration to the electorate in order to prevent a further defeat in 1964. Nevertheless, Gaitskell's actions only served to endanger his continued leadership of the Labour Party, whilst emboldening the Left.

At the 1960 Labour Conference a motion in support of unilateral nuclear disarmament was passed with the support of the largest trade union, the Transport and General Workers Union (TGWU). This action threatened to undermine Gaitskell's position still further, as he could not have continued as leader of a Labour Party committed to a unilateralist and neutralist foreign policy position. This further setback was swiftly followed by a leadership challenge from Harold Wilson, styling himself as a unity candidate. He had emerged as the chosen leader of a new centrist grouping, disillusioned with Gaitskell's confrontational approach to party management and angered by reports of their imminent political

³¹⁹ Crosland believed it would "cause far more trouble than the thing is worth". Cited in Susan Crosland, *Crosland*, London: Jonathan Cape, 1982, p. 93; Other Gaitskellites, such as Jenkins and Jay, were also not keen on tackling Clause 4. See Williams, 1979, p. 550.

³²⁰ Tudor Jones, 'Taking Genesis out of the Bible', 1997, pp. 15-17.

³²¹ Morgan, 1987, p. 228.

³²² Mark Abrams analysed the electorate's opinions of the Labour Party and fed the conclusions to the leadership. His findings confirmed the Gaitskellite belief that Labour needed to change its traditional image and policies further, to reflect the changing views of the electorate, especially younger and 'floating' voters. See Mark Abrams, 'Why Labour Has Lost Elections', *Socialist Commentary*, May-June 1960.

marginalisation³²³. Gaitskell successfully defeated Wilson in a leadership ballot in late 1960, overturned the unilateralist motion in 1961, and by the following year had recovered his authority within the Labour Party and the country. However, his successful political recovery was achieved at a cost.

The fallout from the Clause 4 affair underlined the political limits of the revisionist ascendancy. No further attempts were made to reform the Labour Party, whilst Gaitskell decided to risk alienating many of his closest political allies by taking an uncompromising stance against membership of the European Economic Community (EEC). Gaitskell's death from a rare immunological disease in January 1963 robbed the revisionist intellectuals of their leader, whilst threatening to derail their political careers and reduce the influence of Crosland's thesis over party policy. Their precarious political prospects served to highlight the damaging impact of events after 1959 and the failure to resolve the long-term dispute over the meaning and purpose of democratic socialism.

The doctrinal dispute between Left and Right

Gaitskell's attempts to reform the party constitution revealed that significant differences of political outlook continued to exist within the Labour Party. The failure to reform Clause 4 underlined the continued threat to the revisionist ascendancy, as the Bevanite Left may have disbanded as a formal political grouping but they continued to hold a very different political world view to that of the Gaitskellite revisionists. They were willing to fight to defend the fundamentalist doctrine of Labour's 1918 Constitution because it contained immeasurable symbolic value, providing a clear statement of traditional socialist intent through its aim of transforming the capitalist system. In this regard, the Left appeared more in tune with the feelings of the wider Labour Party than the Gaitskellite Right. Robert Taylor asserted that the Constitution, in its entirety, "evoked an ambitious and idealistic social vision, promising the creation of a better society through democratic parliamentary political action", whilst Clause 4 contained the clear belief that an attack upon the capitalist economic system,

³²³ Janet Morgan (Ed.), *The Backbench Diaries of Richard Crossman*, London: Hamish Hamilton and Jonathan Cape, 1981, pp. 958-959, 984-985; Gaitskell was intending, in time, to demote Wilson and promote more of his Gaitskellite supporters. See Pimlott, 1992, p. 247.

through common ownership of the means of production, was a central part of Labour's socialist faith³²⁴.

Although its ideological significance had previously been downplayed³²⁵, Clause 4 provided the Left with a degree of political leverage, enabling the support of fundamentalist doctrine to be framed as a defence of the party's traditional socialist values and symbols. They had warily observed the increasing influence of revisionism but were now prepared to draw a line in the sand, defending the principle of direct public control over 'the commanding heights of the economy'³²⁶. Nye Bevan, in his speech to the 1959 Party Conference, called for party unity and gave a degree of backing for Gaitskell's revisionist policies, accepting that public ownership was not an absolute principle to be applied indiscriminately. But he also restated his belief that socialism should continue to be defined in the traditional manner: "our main case is and must remain that in a modern complex society it is impossible to get rational order by leaving things to private economic adventure. Therefore I am a socialist. I believe in public ownership"³²⁷.

Bevan's position was interesting because, in attempting to emphasise the common ground that might exist between Gaitskell and the traditionalists, he appeared to accept the revisionist view that public ownership should, in practice, make up but one element within a mixed economy. But he also clung to the belief that public ownership was a crucial socialist symbol that served to clearly differentiate Labour from the Conservatives. Williams suggested that this ambiguity reflected the Labour Left's lack of intellectual coherence, although it played well as a defence of the party's traditional faith³²⁸. It can also be seen as an acceptance of revisionist ascendancy over the practical day-to-day party policy, combined with a determination to prevent this short-term control being translated into a statement of permanence. The retention of Clause 4 offered the Left an important symbolic consolation of collectivist hope. With constitutional

³²⁴ Robert Taylor, 'Out of the Bowels of the Movement: The Trade Unions and the Origins of the Labour Party 1900-1918', *The Labour Party: A Centenary History*, Brivati and Hefferman (Ed.), Basingstoke, Macmillan, 2000, pp. 40-41.

³²⁵ Samuel Beer, *Modern British Politics*, London: Faber and Faber, 1982, p. 158; Henry Drucker, *The Doctrine and Ethos of the British Labour Party*, London: George Allen & Unwin, 1979, p. 38.

³²⁶ The chair of the 1959 Conference, Barbara Castle, opened proceedings with a speech attacking the basis for Gaitskell's reform proposals. Cited in Castle, 1993, p. 317.

³²⁷ Labour Party Annual Conference Report, 1959, pp. 151-155.

³²⁸ Williams, 1979, p. 557.

legitimacy on their side, the opportunity remained open for future advance towards the 'rational order' represented by direct state control of the economy. In contrast, the revisionists argued for more indirect forms of state intervention.

The outlook of Labour revisionists led them to seek to remove the ambiguity of Labour's traditional socialist commitment. The constitutional undertaking to pursue 'the common ownership of the means of production, distribution and exchange' conflicted with the practical short-term policies aimed at effective management of a market-based mixed economy. Although he had originally advised Gaitskell against attempting to remove Clause 4, Crosland subsequently gave his full and loyal support to his leader's campaign, becoming a staunch advocate of reform. His influential role within the leader's inner circle was resentfully recognised in *The New Statesman's* hostile depiction of him as 'Mr Gaitskell's Ganymede'³²⁹.

In the March 1960 issue of *Encounter*, Crosland argued that the Labour Left were "schizophrenic on the subject of nationalisation; intellectually they accepted a mixed economy, emotionally they still clung to the dogma of wholesale public ownership"³³⁰. He believed that the Clause 4 debate was an important issue of electoral image. The intellectual confusion and lack of clarity exhibited by sections of the party contributed to Labour's electoral setbacks, as voters did not realise that the Labour Party had revised its policies. Reform of Clause 4 would solve the problem by closing the gap between the practical short-term revisionist policies and the long-term fundamentalist aims of the 1918 Constitution. Crosland therefore attacked the resistance to revisionism from an alliance of militant trade unionists and Labour traditionalists, stubbornly clinging to the comfortable world-view of the past³³¹.

Crosland acknowledged the fear of traditionalists that the policies of the main parties were too similar. But he contended that, although post-war affluence had diminished the sharpness of political conflict, revisionist socialism still contained important differences that clearly separated it from the Conservative vision of society, including the priority given to social welfare, redistribution, the classless society and equality. He offered a pointed challenge to the Labour Left to

³²⁹ *The New Statesman*, 12th March 1960.

³³⁰ C. A. R. Crosland, 'The Future of the Left', *Encounter*, March 1960, Vol. XIV, No. 3, p. 6.

³³¹ Crosland, 'The Future of the Left', 1960, p. 7.

accept that the revisionist approach offered the best chance of electoral victory: “if British socialism succeeds in adapting itself and its doctrines to the mid-20th century, it will still find plenty of genuine battles left to fight. Besides, it might even get back into power, and have a chance to win them”³³².

Crosland’s revisionist challenge prompted a number of essays and letters from members of Labour’s traditionalist Left. These exchanges dominated the pages of subsequent issues of *Encounter* between March and October 1960. They highlighted important differences between rival positions concerning future importance of public ownership, electoral strategy and the respective economic prospects of East and West. These differences informed their perspective on the merits of revising socialist doctrine.

The initial response to Crosland’s challenge came from Richard Crossman; an ex-Bevanite turned tactical centrist, aiming “to restore a proper balance between Right and Left in the Party, by strengthening the Left”³³³. Crossman had temporarily supported Gaitskell’s leadership but eventually settled as a key member of Harold Wilson’s emerging centre-left grouping. He recorded in his diary a private meeting with Gaitskell, prior to his subsequent resignation from the front-bench, in which he declared his intention to produce an alternative to Crosland’s revisionism: “this is the period for revising Party policy. Tony Crosland has put forward his ideas, which I disagree with...we didn’t agree Crosland’s policies before they were announced. I am going to spend the next twelve months putting forward my ideas for the revising of the Party’s policy”³³⁴. Although he never actually produced a substantial intellectual work of comparable scale to *The Future of Socialism*, Crossman’s views represented the alternative world-view of the new centre-left grouping and their jealousy over the influence of Crosland and his revisionist ideas upon the direction of party policy.

In the April 1960 issue of *Encounter*, Crossman accused the Gaitskellite revisionists of reopening “a dreary doctrinal argument” without providing a concrete alternative long-term commitment. He saw nothing extreme in the Clause 4 commitment and criticised Crosland for failing to differentiate between public ownership, a general term to describe social control, and nationalisation, the

³³² Crosland, ‘The Future of the Left’, 1960, p. 12.

³³³ Crossman’s aims were conveyed in a letter to Bevan. Cited in Howard, 1990, p. 188.

³³⁴ Janet Morgan (Ed.), *The Backbench Diaries of Richard Crossman*, 1981, p. 823.

specific and centralised form in which public ownership had actually been implemented. Crossman advocated that Labour should continue to prioritise public ownership as a crucial socialist policy, albeit in a more decentralised and less bureaucratic form³³⁵.

Crossman's continued prioritisation of public ownership as a vital policy option reflected the Labour Left's belief that Britain's main economic challenge in the years ahead was destined to come from the communist East, rather than the capitalist West³³⁶. They fully expected that the Soviet Bloc nations, although wrong in their opposition to political democracy, would prove economically superior due to the supposed benefits of having fully planned, socialised economies. It never appeared to occur to the Bevanites that communist regimes' direct state control over the economy might only be possible in the absence of political democracy. Crossman criticised Crosland for urging socialists to accept the terms of the new political and economic orthodoxy of the West just "as the communist countries demonstrate with ever increasing force the efficiency of nationalisation"³³⁷.

In contrast to revisionist optimism, the emerging Labour Left position rested on a belief that the 'affluent society' of the West was doomed to crisis due to its wastefulness and decadence in relation to the discipline and efficiency of the Soviet economies. As a consequence, Crossman opposed revising Labour's socialist aims to adapt to a system that was bound to fail, and rejected the view that traditional principles should be abandoned to court electoral popularity. The new centre-left continued to preach a sermon of puritanical socialism. The party should remain a "movement of moral protest" in favour of "socialist transformation", continuing to advocate an "austere doctrine" and suffer temporary unpopularity, confident that "we shall win public confidence as history goes our way"³³⁸. This view was echoed by Michael Foot, who rejected the revisionists' electoral strategy of adapting to the new political climate. He argued

³³⁵ R. H. S. Crossman, 'The Spectre of Revisionism. A Reply to Crosland', *Encounter*, April 1960, Vol. XIV, No. 4, p. 25.

³³⁶ See Bevan's 1959 Conference speech, Labour Party Annual Conference Report, 1959, p. 151; Benn Pimlott stated that Wilson "was increasingly persuaded that spectacular growth rates in the Eastern Bloc indicated that the socialist countries were outpacing the West, and much was to be learnt from their methods". Pimlott, 1992, p. 198.

³³⁷ Crossman, 'The Spectre of Revisionism', 1960, p. 28.

³³⁸ Crossman, 'The Spectre of Revisionism', 1960, pp. 26-27.

that Labour's task was to convert voters to the moral correctness of traditional socialist faith and convince them of the 'rotteness' of the 'casino society',³³⁹.

The Left's perspective concerning the inherent economic superiority of the East was a fundamental point of difference with the Labour Right. The revisionist position remained firmly based upon an optimistic analysis of Western political and economic development, and a strongly held pro-Atlanticism. Crosland rejected the view that the Soviet bloc would ever reach Western levels of mass consumption, and contended that its growth rates were largely due to "certain once-for-all factors". The Soviet Union's political character, as an undemocratic regime, meant that it was able to mobilise industrial and human resources at will, whilst imposing low living standards and levels of personal consumption upon the general population³⁴⁰. Crosland repeated the central revisionist argument that public ownership on a large scale was not now required in advanced Western economies due to their "highly developed fiscal system and innumerable methods of government control". These measures should be used to ensure high growth rates with which to achieve an increase in spending on Labour's social priorities³⁴¹.

Crosland argued that the Labour Party could successfully combine political radicalism and contemporary relevance. He opposed the 'austere doctrine' of the Foot/Crossman position, with their preference for sustaining an outdated radicalism and hoping to profit from an impending economic crisis. The revisionist case rested upon the central belief that important advances towards social equality could be achieved without giving primacy to public ownership, and therefore the winning of democratic power was a crucial and immediate task. Electoral success did not necessarily require the absence of radical intent, despite the need to adapt Labour's political approach to social change and the opinions of voters³⁴².

³³⁹ Michael Foot, 'The Future of the Left', *Encounter*, July 1960, Vol. XV, No. 1, p. 70.

³⁴⁰ C. A. R. Crosland, 'On the Left Again: some last words on the Labour controversy', *Encounter*, Oct 1960, Vol. XV, No. 4, pp. 6-7.

³⁴¹ Crosland, 'On the Left Again', 1960, pp. 9-10.

³⁴² Crosland, 'On the Left Again', 1960, pp. 4-6; Similar points were made by Patrick Gordon Walker, 'The Future of the Left', *Encounter*, Vol. XV, No. 1, July 1960, pp. 71-72.

The limits of the Gaitskellite fight back

Crosland's intellectual battles with the Left reflected the gulf in views that still existed within the Labour Party. The defeat of Gaitskell's reform proposals represented a major defeat for the revisionists and a victory for traditionalism. Gaitskell had been forced to accept an addition to Clause 4, rather than its removal, and the new statement included the Bevanite commitment to public ownership of 'the commanding heights of the economy'³⁴³. The lesson of the clause 4 debacle was that the revisionist message, despite its intellectual influence within leadership circles, had not yet penetrated the psyche of Labour's rank and file, many of whom remained wedded to a traditionalist outlook. Gaitskell's attempt to take revisionist doctrine to the heart of the party conference, the power-base of the Labour activist, had failed. His continued leadership of the party was put in doubt, consequently threatening the revisionist political ascendancy.

Crosland, having led the intellectual assault on traditional doctrine, now turned his hand to political organisation, leading a rearguard action to strengthen Gaitskell's position as leader and gain wider party support for the revisionist position. His communications with Gaitskell during 1960 are full of trenchant advice and criticism of his leadership, as well as clear proposals for furthering revisionist objectives. They reveal Crosland's increasing frustration with his leader's tactics, which had stalled the process of revisionist reform and reduced the prospects of electoral success³⁴⁴. They also show how the leading revisionist intellectual was shifting his focus from doctrine to organisation. Crosland asserted that "the crucial weakness of the last 7 months has been our total lack of any overall plan for changing the Party. It was for this reason that, stumbling unprepared into battle we lost Clause 4; and since then we have neither achieved, nor indeed scarcely attempted, anything else"³⁴⁵.

Crosland's solution was to organise an effective Gaitskellite coalition of union leaders, revisionist intellectuals, parliamentary loyalists and moderates to bolster Gaitskell's leadership. He offered his services as a 'Chief of Staff' to plan

³⁴³ Tudor Jones, 'Taking Genesis Out of the Bible', 1997, p. 12.

³⁴⁴ See ACP 6/1, 2-6, letter from Crosland to Gaitskell, 4 May 1960; ACP 6/1, 10-16, memo from Crosland to Gaitskell, Nov 1960.

³⁴⁵ ACP 6/1, 5, letter from Crosland to Gaitskell, 4 May 1960.

a strategy for reforming the Labour Party³⁴⁶. Gaitskell endorsed the founding of the Campaign For Democratic Socialism (CDS), set up in response to the post-1959 political reverses on Clause 4 and unilateral nuclear disarmament. It was intended to be a grass roots movement that sought to educate the party in revisionist ideas and provide an organisational counterweight to Labour Left groupings such as Victory for Socialism³⁴⁷.

Crosland was a driving force behind the creation of CDS, launched in October 1960 with a special conference and the distribution of a Gaitskellite manifesto to the press³⁴⁸. The CDS manifesto articulated the revisionist position set out in *The Future of Socialism*, whilst stressing loyalty to Gaitskell's leadership and the need to overturn the 1960 Conference resolution supporting a policy of unilateral disarmament³⁴⁹. CDS brought Labour revisionists together through involvement in an official organisation, with an unambiguous revisionist manifesto and a fighting cause. The leading parliamentary members of the CDS group included the Gaitskellite 'inner circle' of Crosland, Jenkins, Jay and Gordon Walker, but also brought to the fore a younger generation of future Labour MPs, such as Bill Rodgers, Dick Taverne, David Marquand and Brian Walden. Other influential members included the journalists Ivan Yates and Michael Shanks, and Philip Williams, a close Oxford friend of Crosland and Gaitskell's future biographer. CDS also drew support from a number of local constituency activists, some of whom later became influential politicians, such as Roy Hattersley in Sheffield and John Smith in Glasgow³⁵⁰. It also drew in wider involvement through the production of a newsletter, *Campaign*, with active support from the editorial board of *Socialist Commentary*³⁵¹.

The organisational strength of CDS derived from the considerable abilities of its members. Crosland provided the initial drive and was its main intellectual force and, along with the former general secretary of the Fabian Society, Bill Rodgers, was able to recruit friends and personal contacts to the cause. But the

³⁴⁶ ACP 6/1, 2-4, letter from Crosland to Gaitskell 4 May 1960.

³⁴⁷ The most comprehensive treatment of the history of CDS is provided by Brian Brivati's unpublished doctoral thesis, *The Campaign For Democratic Socialism 1960-1964*, PhD: Dept of History, Queen Mary and Westfield College, University of London, 1992.

³⁴⁸ Brivati, 1992, pp. 134-135.

³⁴⁹ ACP 6/1, 7-9, CDS Manifesto, Oct 1960.

³⁵⁰ Rodgers, 2000, pp. 53-64; Radice, 2002, pp. 116-119.

³⁵¹ Brivati, 1996, p. 390.

social background of CDS members can also be viewed as a potential weakness, making it easy for the Labour Left to characterise it as an elitist organisation dominated by middle-class Oxbridge intellectuals, unrepresentative of the true working class nature of the party.

CDS was divided between two groups, which were brought together by Crosland. There was an Oxford Group, led by Brian Walden, an Oxford Councillor and soon to become a Birmingham MP, and a London Group, led by Bill Rodgers, soon to become MP for Stockton-on-Tees. Brivati stated that CDS was largely funded through the wealthy contacts of a Labour MP, Jack Diamond. Therefore it “hardly reflects the image of CDS as a grass roots movement”, although strenuous attempts were made to give the impression that it was a movement of ordinary party members³⁵². However, the effective planning and organisation, aided by these considerable funds, helped provide much needed support to Gaitskell’s leadership at a time of need.

The impact of CDS in helping Gaitskell’s fight back in 1960-1962, is difficult to measure. Bill Rodgers, as a central participant, testified to its importance in showing how much could be achieved for the revisionist cause through strong and effective political organisation, encouraging a moderate voice in the constituencies and countering the influence of the Left over parliamentary candidate selections³⁵³. Brivati concluded that the direct influence of CDS, in relation to reversing the unilateralist party conference decision, is unclear, but believed that it helped to launch the parliamentary careers of many members of the Labour centre-right and encouraged younger candidates through its youth section, Counterblast³⁵⁴.

Regardless of its direct impact, the short-term objectives of CDS were achieved, as Gaitskell’s leadership was maintained by reversing the trend towards unilateralism. But other goals that would have helped secure the future of the revisionist cause were abandoned. David Marquand, a young revisionist supporter, considered that the battle between the Left and Right had ended in stalemate, with both sides failing to achieve their goals: “no one likes losing, and on this occasion

³⁵² Brivati, 1992, p. 132.

³⁵³ Rodgers, 2000, pp. 60-64.

³⁵⁴ MPs that were given decisive help in gaining parliamentary candidatures by CDS action included William Rodgers, Brian Walden, Denis Howell, Niall Macdermott, Tom Bradley, Joel Barnett, Dick Taverne, Merlyn Rees, Will Howie and Terry Boston. Brivati, 1992, pp. 236-239.

both sides have lost. The Left has failed to commit the party to a neutralist foreign policy or to a programme of full-blooded socialism. The Right has failed to destroy the power of the party conference, to free the party from its electorally embarrassing proletarian associations, or to commit it to an explicitly 'revisionist' ideology"³⁵⁵.

By initially attempting to redefine the party's doctrinal commitment, the revisionists were unable to modify the party structure. Crosland understood the problems that resulted from the Labour Party's peculiar structure of organisation and division of power between paid officials, local Constituency Labour Parties (CLPs), a Party Conference dominated by the trade union block vote and an NEC elected by Conference. He realised that this particular structure meant the party was always in danger of pulling in different directions and betraying a lack of unity in "policy outlook or motivation"³⁵⁶. This was why it was necessary to rationalise the party structure in order to give more power to the PLP and reduce the power that party activists continued to exert through Conference and the NEC. The potential for such a reform programme existed after 1959. A young Tony Benn noted in his diaries that there was a groundswell of parliamentary opinion in favour of party reform, but Gaitskell's approach proved that he did not have the leadership qualities required to marginalise the fundamentalists on the Labour Left and gain assent for the modernisation of the party³⁵⁷.

Gaitskell's failure to reform Clause 4 ruled out further constitutional changes that could have marginalised the activist and increased the ability of Labour's parliamentary leadership to dictate party development. In hindsight, the targeting of party organisation should have been prioritised instead of doctrine and ethos. The failure to achieve any real reform stored up future trouble for the Labour revisionists. Williams claimed that the move on doctrine unnecessarily alienated the Centre of the Party, meaning that "ideas like reform of the Shadow Cabinet and even of the NEC, which might perhaps have been acceptable, were now discredited by association with those that were not"³⁵⁸. In order to ensure the

³⁵⁵ David Marquand, 'Passion and Politics', *Encounter*, Dec 1961, Vol. XVII, No. 6, p. 4.

³⁵⁶ ACP 4/1, 48, miscellaneous notes.

³⁵⁷ Ruth Winstone (Ed.), *Tony Benn: Years of Hope. Diaries, Letters and Papers 1940-1962*, London: Hutchinson, 1994, pp. 318-320.

³⁵⁸ Williams, 1979, p. 543.

future dominance of the revisionist thesis, the Gaitskellites needed the correct Labour Party structure as well as the right policies. The survival of Clause 4 stalled revisionist attempts to improve the party's electoral image or to complete the political marginalisation of the Labour Left. Gaitskell was forced to compromise with his former enemies and to widen his appeal within the party.

The conservative enemies

Gaitskell was advised by Crosland to build bridges with past enemies on the centre-left and to actively widen his appeal across the party. However, Crosland had also wanted his leader to reassert his radical credentials and avoid too many conservative stances on key issues³⁵⁹. Crosland's aim was to make revisionism more politically acceptable to its centre-left critics and to prevent it merely being seen as the expression of a conservative Labour parliamentary leadership leading the party away from radical change. This remained a constant concern to Crosland and he expressed his misgivings to Gaitskell: "we must face the fact that the impression has got around – and, alas, I myself largely share it – that the middle class leadership of the party (yourself, Gordon Walker, Soskice, etc.) is leading from an extreme and rather rigid Right wing position, and has no emotional desire to change any major aspect of the society in which we are living"³⁶⁰. For many revisionists, including Crosland, Britain's proposed membership of the EEC was a litmus test of radical intent, yet it was Gaitskell's uncompromising opposition to involvement in Europe that helped him gather a wider party appeal and to establish closer links with important party figures. The fundamentalist Left were successfully isolated by the political results of his anti-EEC stance, but it also served to alienate many of his closest supporters.

The pro-European views of Roy Jenkins were widely shared by the majority of revisionists³⁶¹. He saw the case for membership as based on the belief "that our great domestic danger is that of a drab, complacent, narrow insularity, and our greatest international danger that of exaggerating our power and expecting

³⁵⁹ ACP 6/1, 14-16, memo from Anthony Crosland to Hugh Gaitskell, Nov 1960.

³⁶⁰ Cited in Crosland, 1982, p. 107.

³⁶¹ Stephen Haseler suggested a 75/25 split in favour. Cited in Brivati, 1996, p. 407.

the rest of the world to accept us at our own, rather inflated, valuation”³⁶². The EEC became an issue of fundamental importance to the younger generation of Gaitskellite revisionists because it reflected their support for a radical reorientation of Britain’s international role based upon a pragmatic and realistic assessment of the shifting balance of world power. Britain was still clinging to the vestiges of global predominance when that mantle had already passed to the two post-war superpowers, the US and the USSR. Crosland attacked the conservatism that came from “Commonwealth fanatics on the Right and nuclear disarmers on the Left” who “share an equal blindness to our changed position in the world”³⁶³.

Gaitskell came from an older imperial generation. His natural inclination was to believe that the loss of empire need not preclude a world role. The Commonwealth was seen as providing an opportunity for Britain’s continued global leadership, whilst the EEC was a potential threat to the nations’ pro-Atlanticist orientation³⁶⁴. Gaitskell made an emotional speech against Britain’s membership of the EEC at the October 1962 Labour Conference in Brighton. He based his rejection upon the threat to the nation’s history, independence and Commonwealth interests³⁶⁵. It was his most successful speech, gaining a standing ovation and carrying the support of the majority of party delegates. The majority of the Labour Party was at last united behind his leadership as a result of Gaitskell taking a stand against the views of his closest political supporters. By distancing himself from the pro-European revisionist intellectuals he had immediately strengthened his position as leader.

Gaitskell followed up his speech by courting former enemies. He quickly held talks with Frank Cousins, the TGWU leader responsible for tabling the unilateralist motion in 1960. Gaitskell offered him a position in a future Labour Cabinet, as well as promising ministerial positions to Crossman and Castle³⁶⁶. Compromise may have been inevitable due to the change in leadership of the TGWU, the largest and most influential affiliated trade union. Its size and strength

³⁶² Roy Jenkins, ‘From London to Rome’, *Encounter*, Vol. XVII, No. 3, Sept 1961, p. 6.

³⁶³ Crosland, ‘On the Left Again’, Oct 1960, p. 3.

³⁶⁴ Williams, 1979, pp. 702-703.

³⁶⁵ For the main text of Gaitskell’s speech see Labour Party Annual Conference Report, 1962, p. 155.

³⁶⁶ Brivati, 1996, p. 418.

made the nature of its leadership of vital importance to the politics of the Labour Party, and when the more left-leaning Frank Cousins became leader it shifted the political balance in the party away from the Right. Consequently the largest union could no longer be relied upon to support the parliamentary leadership³⁶⁷. Gaitskell's concession to a powerful union leader and natural political enemy was pure pragmatism in terms of Labour's internal politics. But his EEC speech and the moves that followed raised doubts over the future influence of his revisionist followers.

The need to compromise and move in harmony with party opinion was a necessary requirement for a Labour leader. Gaitskell's attempts to change the party in 1959 had met with ignominious failure. His greatest leadership success was achieved by moving in step with party sentiment and opposing the views of his closest associates. This raised a major dilemma for the revisionists. Was the Labour Party a viable political vehicle for taking forward and implementing a radical programme designed to reform British society? Or was the Labour Party merely symptomatic of a wider national conservatism that acted as a roadblock to essential change?

Crosland's publication, *The Conservative Enemy: A Programme of Radical Reform for the 1960s*, was published in November 1962, just a month after the Brighton Conference. It aimed to supplement and update Crosland's original revisionist thesis, bringing together a selection of published articles, many of which had appeared in *Encounter* during the past few years. The content of the book was less far-reaching in its revisionist analysis than *The Future of Socialism*, reflecting his more overtly political slant since returning to parliament as MP for Grimsby in 1959. As the title suggested, it included a direct attack upon the Conservative administration for failing to tackle Britain's social and economic malaise, but it was equally an attack upon conservative elements within the Labour Party and the country at large in its call for radical social change.

Crosland's new work was representative of the growing 'state of the nation' literature, a body of work produced from the late 1950s by officially

³⁶⁷ Robert Taylor, 'Trade Union Freedom and the Labour Party: Arthur Deakin, Frank Cousins and the Transport and General Workers Union 1945-64', *The Labour Party: A Centenary History*, Brivati and Heffernan (Ed.), Basingstoke: Macmillan, 2000, pp. 209-216.

politically unaligned authors. Their work analysed the underlying causes of national decline and espoused urgent cultural and institutional reforms in favour of greater meritocracy and changes to Britain's trade unions and civil service³⁶⁸. Crosland acknowledged the opportunity that this 'state of the nation' movement offered the Labour Party. If Labour committed itself to a revisionist analysis, in tune with current debate, it could offer a lead in directing an increasingly progressive climate of opinion towards a radical programme of reform³⁶⁹.

Crosland continued to see the root causes of Britain's failings in sociological rather than economic terms: "the cause is partly our oppressive, traditional pattern of class relations, partly the psychological difficulty of adapting from great power status, partly the complacent ignorance bred by an insular tradition"³⁷⁰. *The Conservative Enemy* reiterated the analysis and strategy of his original revisionist thesis. Social equality remained the central objective, with educational and taxation reform playing a key role in producing a fairer and more meritocratic society³⁷¹. Crosland's commitment to social welfare expenditure remained dependent upon economic success in order to avoid the need to choose between rising personal consumption and increasing public spending: "this difficulty can be met only by rapid growth; for this, by automatically raising the yield of existing taxes, enables the higher spending to be floated off without an increase in rates of tax"³⁷². But Crosland admitted that growth rates were not as high as he had originally expected in his 1956 thesis, and therefore might require greater state activism to ensure "higher investment, more rapid scrapping of obsolete plant, fiercer competition, better technical education, a greater mobility of labour, and more purposive Government planning"³⁷³.

Crosland's latest book gave little consideration to deeper structural problems concerning the failings of the British economy. There was no detailed analysis of the endemic weaknesses in British industry, such as those relating to

³⁶⁸ See Andrew Shonfield, *British Economic Policy since the War*, Harmondsworth: Penguin, 1958; Michael Shanks, *The Stagnant Society*, Harmondsworth: Penguin, 1961; Anthony Sampson, *The Anatomy of Britain*, London, 1962.

³⁶⁹ C. A. R. Crosland, *The Conservative Enemy: A Programme of Radical Reform for the 1960s*, London: Jonathan Cape, 1962, p. 7.

³⁷⁰ Crosland, 'On the Left Again', Oct 1960, p. 3.

³⁷¹ See C. A. R. Crosland, 'Some Thoughts on English Education', *Encounter*, Vol. XVII, No. 1, July 1961; Crosland, *The Conservative Enemy*, 1962, pp. 276-277.

³⁷² C. A. R. Crosland, 'On Economic Growth', *Encounter*, Vol. XVI, No. 4, April 1961, p. 66.

³⁷³ Crosland, April 1961, p. 67.

the quality of management or the obstructive tendencies inherent in Britain's pattern of industrial relations³⁷⁴. Consequently some critics felt that Crosland had failed to provide a more in-depth examination of the most important source of conservatism that pervaded the Labour Party, that of the trade unions³⁷⁵. The newspapers of the Conservative right continued to oppose his socialist vision and the punitive measures that he advocated, especially in relation to taxation of private capital and the proposed abolition of 'the public schools'³⁷⁶. *The Times Educational Supplement* focussed its attack specifically upon Crosland's proposals for a more egalitarian education system, stating that the consequent upheaval might well damage educational standards, whilst failing to create a more socially equal and contented society³⁷⁷.

Since *The Future of Socialism*, Crosland had been forced to modify his original optimism that economic growth was virtually assured. He was now more sanguine, but critics on the Left continued to assail him with accusations of complacency³⁷⁸ and an exaggeration of the benign nature of the new capitalism. Nicholas Davenport, the left-leaning economist, believed that the economic system remained fundamentally capitalist in its nature: the 1945 Labour Government had not upset the system as much as Crosland assumed; the 'commanding heights' of the economy remained under private ownership and control; an 'owner class' still existed, working closely together whenever their shared interests were threatened; and the new managerial class acted in the same way as the old capitalist class of owner/managers, prioritising their own private interest and profit³⁷⁹. Barbara Castle, representing Labour's Tribune Left, considered that Crosland's radical proposals would be dropped when a Labour Government actually took power: "The reason is that it knows that they would interfere with the efficient operation of capitalism and that you cannot use socialist means for capitalist ends"³⁸⁰.

³⁷⁴ These were major concerns of the economic journalist and CDS supporter Michael Shanks. See 'The Comforts of Stagnation', *Encounter*, Vol. XXI, No. 1, July 1963, pp. 35-38.

³⁷⁵ *The Times Literary Supplement*, Friday 23rd November 1962.

³⁷⁶ Peter Goldman, *The Sunday Telegraph*, 11th Nov 1962; Colin Welch, *The Daily Telegraph*, 23rd Nov 1962.

³⁷⁷ *The Times Educational Supplement*, 11th Jan 1963.

³⁷⁸ Crosland was forced to defend himself against the pen of the Labour economist Thomas Balogh in a series of letters to the *New Statesman*. See ACP 13/12, letters to the *New Statesman*, Jan 1963.

³⁷⁹ Nicholas Davenport, *The Spectator*, 11th Jan 1963.

³⁸⁰ Barbara Castle, 'Book Review', *Tribune*, 23rd Nov 1962.

Crosland did gain the support of Bryan Magee, a fellow Labour revisionist. He took on Crosland's critics, accusing them of opposing the very exercise of revising Labour Party thinking through easy, selective and unconstructive attacks. Magee bemoaned the fact that the intellectual task was being left to one man and called for others to stop carping and provide some constructive aid to the revisionist project³⁸¹. But just weeks after the publication of *The Conservative Enemy*, Hugh Gaitskell died and the future of revisionism lay in doubt.

The impact of Wilsonism

The loss of Hugh Gaitskell removed an important unifying factor and highlighted the degree to which many Gaitskellites had relied upon his political patronage for their influence. Without their leader, the Gaitskellites appeared divided and isolated. The European issue had caused disagreement, with a significant minority opposed, and in the upcoming leadership contest there was no clear heir apparent to take up Gaitskell's mantle. George Brown, MP for Belper, had been Gaitskell's deputy leader and was seen by the majority of Gaitskellites to be closest to their political position. Jenkins considered that Crosland was out of step in supporting James Callaghan, Shadow Chancellor and MP for Cardiff South³⁸². Yet, Crosland felt that Brown was notoriously volatile and unreliable, with a reputation for excessive alcohol consumption³⁸³. The third candidate, Harold Wilson, was seen as an opportunist with political allegiances based on his previous associations with the Bevanite faction³⁸⁴. The revisionist Right's failure to agree upon a single candidate to oppose Wilson proved crucial. Brown and Callaghan split the vote, enabling the man of the centre-left to triumph and become Labour's leader in February 1963.

The election of Wilson provoked widespread dismay amongst the Gaitskellites. The chances of serving in a Wilson Cabinet seemed remote in

³⁸¹ Bryan Magee, 'Book Review', *Socialist Commentary*, Jan 1963. Magee had provided his own contribution to Labour revisionism in his book *The New Radicalism*, 1962.

³⁸² Jenkins, 'Crosland', 2004, p. 416.

³⁸³ Jefferys, 2000, p. 87.

³⁸⁴ Crosland, 1982, p. 115; Brivati, 1996, pp. 434-436.

comparison to the almost certain chances of preferment under Gaitskell³⁸⁵. A number of individuals, previously frozen out under Gaitskell, began to gain influence. Leading ex-Bevanites, such as Crossman and Castle, were admitted to Wilson's close circle of associates and brought into positions of influence and responsibility. One of those who benefited from the change was Anthony Wedgewood Benn. He had been a student of Crosland's at Oxford and, despite some political differences, they remained on friendly terms. Benn reflected in his diaries on how Crosland and Jenkins now felt "out in the cold"³⁸⁶, as they found themselves supplanted by the new centre-left grouping that had supported Wilson during the Gaitskell years.

It was possible that many Gaitskellites would leave politics altogether. Jenkins considered a job offer as editor of the *Economist*³⁸⁷ and Crosland's attitude reflected the general sense of "post-Gaitskellism indifference" to political life³⁸⁸. CDS was wound up, as it was largely a loyalist organisation, "conditional on the leadership of Hugh Gaitskell"³⁸⁹, although the 1963 Club, an informal but exclusive dining club, was set up in Gaitskell's memory and continued to meet irregularly into the 1970s³⁹⁰. However, Wilson was determined to play the role of unifier, stressing his different leadership style to that of Gaitskell through job offers to leading Gaitskellites³⁹¹. Wilson offered Shadow foreign affairs to Patrick Gordon Walker, whilst retaining Brown and Callaghan in their respective party positions as deputy leader and Shadow Chancellor, indicating that his future government would contain a careful balance between the various sections of the party. The future ministerial ambitions of younger Gaitskellites were brighter than they might have first imagined. Yet of equal concern to Crosland was the fate of his revisionist thesis under a Wilson-led Labour Party.

³⁸⁵ It is believed by their biographers that Jenkins and Crosland would have been promoted straight into a future Labour Cabinet under Gaitskell's leadership. Campbell, 1983, p. 76; Jefferys, 2000, p. 84.

³⁸⁶ Benn, 1987, p. 16.

³⁸⁷ See Alan Watkins, 'Backbencher', *Roy Jenkins: A Retrospective*, Adonis and Thomas (Ed.), Oxford: Oxford University Press, p. 49.

³⁸⁸ Jenkins' phrase is cited in Jefferys, 2000, p. 89.

³⁸⁹ Brivati, 1992, pp. 286-287.

³⁹⁰ Rodgers, 2000, pp. 71, 113.

³⁹¹ Pimlott, 1992, pp. 262-263.

Wilson was a trained economist and had made his political reputation in the Attlee Government as the youngest President of the Board of Trade. His influence over Labour Party economic policy increased under Gaitskell whilst he was Shadow Chancellor. Wilsonism might best be described as 'revisionism plus'. Wilson basically accepted the revisionist thesis of capitalist transformation and the declining significance of public ownership but placed greater stress on efficiency and planning, rather than on equality and fiscal policy. As one recent study of Wilsonism stated, the centre-left technocrats were still essentially revisionists, with some differences in policy and ideas based on the need to actively stimulate economic expansion³⁹². In terms of specific economic policy, Wilsonism meant focussing upon a greater use of purposive planning initiatives.

Wilson's approach was reflected in party policy documents, such as *Labour in the Sixties* (1960) and *Signposts for the Sixties* (1961). Keynesian social democracy was supplemented by technocratic solutions, planning mechanisms and scientific initiatives. This modification of emphasis took on a sharper focus under Wilson's team of new political centrists, such as Thomas Balogh, Richard Crossman and Peter Shore. Thomas Balogh, as Wilson's economic advisor, reflected the growing belief that demand management, through the manipulation of fiscal and monetary policy, was no longer enough. He believed that more emphasis should be placed on planning and industrial policy, in order to act through supply side policies³⁹³.

Pimlott stated that the main Wilson-inspired economic policy documents, *Signpost for the Sixties* and *Labour in the Sixties*, "successfully bridged the gap between Right and Centre-Left and demonstrated the lack of distance between them. They were essentially revisionist documents, reflecting many of the ideas contained in Crosland's 1956 book, *The Future of Socialism*, while placing a stronger emphasis than Crosland on the role of economic planning"³⁹⁴. It is clear that Crosland had no ideological objection to this renewed stress upon planning. He believed that *Signposts for the Sixties* was "the finest party document since the

³⁹² Ilaria Favretto, 'Wilsonism Reconsidered: Labour Party Revisionism 1952-64', *Contemporary British History*, Vol. 14, No. 4, Winter 2000, pp. 55-57.

³⁹³ Anthony Seldon, interview with Andrew Graham, 'The Influences on Economic Policy', *Contemporary British History*, Vol. 10, Vol. 1, Spring 1996, pp. 153-154.

³⁹⁴ Pimlott, 1992, p. 272.

war”, having injected a much-needed radicalism into Gaitskell’s policy programme, combining economic planning with social egalitarianism³⁹⁵.

By the early 1960s it had become clear that Crosland’s revisionist thesis was too optimistic in relation to economic growth. *The Future of Socialism* had focussed upon the need for a social reform agenda, a strategy to modernise British society rather than to modernise the British economy. He was reliant upon Keynesian demand management techniques to ensure the maintenance of full employment and high levels of growth. The assumption was that the British economy was basically sound and merely required effective management by a future Labour government. This assumption was now being questioned. The early 1960s are seen as marked by an emerging cross-party consensus concerning the requirement for greater state intervention in order to actively modernise British industry, rather than relying solely upon Keynesian budgetary mechanisms³⁹⁶. Crosland gave specific acknowledgement of his over-optimism in the new edition of *The Future of Socialism*, published in 1964, and was now willing to see greater prominence given to the role of planning mechanisms to help achieve higher growth.

There were differences of emphasis between Wilson’s centre-left technocrats and the Gaitskellite revisionists. Crossman and Wilson continued to be fascinated by Russian economic advance and to believe that Britain could learn something from the Russian experience, and it is claimed that they exhibited overtones of a greater antipathy towards the social and cultural impact of capitalism³⁹⁷. Jim Tomlinson suggested that Wilsonism reflected a “strand of thinking” that “emphasised the need for the state to find new mechanisms to influence and to some degree control the large enterprises that dominated the industrial economy, above all in the name of greater efficiency”³⁹⁸. However, although Gaitskellite revisionists may have been sceptical of some of the specifics contained in Wilsonite proposals, they had no argument with the general thrust.

³⁹⁵ Cited in Jefferys, 2000, p. 80.

³⁹⁶ Jim Tomlinson, *The Labour Governments 1964-1970. Volume 3. Economic Policy*, Manchester: Manchester University Press, 2003, pp. 7-12.

³⁹⁷ James E. Cronin, *New Labour’s Pasts: The Labour Party and its Discontents*, Harlow: Pearson Education Ltd, 2004, p. 61.

³⁹⁸ Tomlinson, 2003, p. 69.

Wilson's energetic leadership was widely considered to be a success in the run up to the 1964 election. The Gaitskellite revisionists could not fail to be impressed by the image that he projected, effortlessly exuding the kind of classless appeal that eluded Gaitskell. Here was "a scholarship boy on the way up"³⁹⁹, exactly the kind of meritocratic figure that they should naturally support. Wilson made a series of campaign speeches promising the creation of a 'New Britain', sweeping away the amateurism of the Edwardian Tory establishment and ushering in a meritocratic revolution⁴⁰⁰. The key revisionist themes of equal opportunities linked to greater social welfare commitments were stressed, whilst it was also accepted that the priority given to attacking poverty would rely upon achieving higher growth rates⁴⁰¹.

It is considered that the Labour Party fought the 1964 election on an essentially revisionist policy platform, with social reform and greater social equality prioritised over nationalization⁴⁰². The 1964 manifesto, 'The New Britain', exuded optimism and stressed the need to modernise Britain in preparation for a new scientific age after 'thirteen wasted years' under the Conservatives. Consequently there were proposals for a National Plan and new planning departments in order to provide targets and incentives for industrial expansion. There was only one clear proposal for nationalization, that of steel, whilst stress was laid upon the need for effective management of the mixed economy to ensure higher social welfare spending. There were also plans for taxation and education reforms in line with Crosland's revisionist strategy. The radical and optimistic rhetoric of the 1964 manifesto raised expectations and appeared to bridge the divide between a class-based party appeal and a classless national appeal: "until sixty years ago, when the Labour Party was founded, the ending of economic privilege, the abolition of poverty in the midst of plenty, and the creation of real equality of opportunity were inspiring but remote ideals. They have now become immediate targets of political action"⁴⁰³. Victory in the general election of October 1964 gave the Labour Party the opportunity to turn rhetoric

³⁹⁹ Pimlott, 1992, pp. 266-267.

⁴⁰⁰ Harold Wilson, *A New Britain: Labour's Plans Outlined*, Harmondsworth: Penguin, 1964, p. 10.

⁴⁰¹ Wilson, 1964, p. 16.

⁴⁰² Thorpe, 2001, p. 142.

⁴⁰³ 'Let's Go With Labour For The New Britain', The 1964 British Labour Party General Election Manifesto, p. 69.

into reality. Power would test the revisionist thesis against the practical experience of democratic governance, and offer the chance to implement Crosland's egalitarian programme.

Section II

The Labour Party in Power,

1964-70

The Labour Government's record

The high expectations raised by Wilson's election campaign sharpened the sense of disillusion at the subsequent performance of his Labour administration. The overall sense of failure, even betrayal, is typified by Clive Ponting's influential thesis, *Breach of Promise*. Ponting's overall assessment was that the 1964-70 Labour governments failed to make the radical changes required in order "to write an enduring and significant contribution to the second chapter of the socialist story...the promise remained unfulfilled"⁴⁰⁴. The record has been compared unfavourably to the achievements of the 1945-51 Attlee governments. David Howell went so far as to state that the legacy of this period was the death of "the social democratic inspiration...It had been nurtured after 1931, it had had its heroic hour after 1945, and it had failed to give guidance since then"⁴⁰⁵.

These harsh judgements reflect the central failure of the Labour governments' economic strategy, which impacted negatively upon the promise of a 'New Britain'. The optimistic pre-election rhetoric contrasted starkly with the realities of power. There was no economic modernisation, a lower growth rate than that achieved by the previous Conservative administration, whilst inflation and unemployment began to rise. The planning strategies for growth were sacrificed to deflationary policies, as priority was given to maintaining the exchange rate parity of Sterling and eliminating the balance of payments deficit. The low levels of growth constrained the attainment of Labour's programme of social investment and reform. Despite a marginal decrease in inequalities of income, the resources for large-scale public welfare spending and far higher levels of private consumption were more limited than originally envisaged in *The Future of Socialism*. The attack on residual poverty and social inequalities was reliant upon efficient management and effective expansion of the economy. Yet the Labour Government's growth strategy was capsized by a combination of an unhelpful economic inheritance and the lapse into fiscal orthodoxy. The central

⁴⁰⁴ Clive Ponting, *Breach of Promise: Labour in Power 1964-1970*, London: Hamish Hamilton, 1989, p. 408.

⁴⁰⁵ David Howell, *British Social Democracy: a Study in Development and Decay*, London: Croom Helm, 1980, p. 282.

failure to achieve economic growth damaged the goodwill of the electorate and precipitated political tensions within the wider Labour movement. Subsequent wage restraint conflicted with the materialist demands of the new affluent consumer society, resulting in growing trade union militancy. The period culminated in a botched attempt to reform industrial relations and election defeat in June 1970⁴⁰⁶.

Recent analysis has provided a more balanced perspective, moving away from the 'breach of promise' critique, which is viewed by some as "too dominant in contemporary consciousness"⁴⁰⁷. Jim Tomlinson contended that 'declinism', an exaggerated belief that Britain suffered from economic decline during the post-war era, has coloured judgement of the governmental record of the 1960s and 1970s. The degree and effect of decline has been overstated for political effect and economic gain by groups on the left and right, backed up by politically motivated and partisan academics and journalists. Tomlinson challenged, and attempted to qualify, the explicit exaggerations of the 'declinist' narrative, which were based largely upon relatively low growth rates, and reflected exaggerated expectations⁴⁰⁸. He has contributed to a revision of the period, using recently released government files.

The three volumes published by Manchester University Press in 2003⁴⁰⁹ represent a modification of the less sympathetic appraisals of previous accounts. They stress the need for a greater understanding of the reasons that lay behind the relative lack of achievement, including the high levels of expectation, the personalities of Labour's leaders, the nature of the Labour Party, the condition of the British economy and the importance of electoral conditions. All of the above constrained the performance of Labour in power.

⁴⁰⁶ See Nicholas Woodward, 'Labour's Economic Performance, 1964-70', *The Wilson Governments: 1964-1970*, R. Coopey, S. Fielding, N. Tiratsoo (Ed.), London: Pinter, 1993.

⁴⁰⁷ Lewis Baston, 'The Age of Wilson, 1955-79', *The Labour Party: A Centenary History*, Brivati and Hefferman (Ed.), Basingstoke: Macmillan, 2000, p. 88.

⁴⁰⁸ Jim Tomlinson, 'Economic Decline in Post-War Britain', *A Companion to Contemporary Britain, 1939-2000*, Addison and Jones (Ed.), Oxford: Blackwell, 2005, pp. 167-175.

⁴⁰⁹ Steven Fielding, *The Labour Governments 1964-1970. Volume 1: Labour and Cultural Change*, Manchester: Manchester University Press, 2003; John W. Young, *The Labour Governments 1964-1970. Volume 2: International Policy*, Manchester: Manchester University Press, 2003; Jim Tomlinson, *The Labour Governments 1964-1970. Volume 3: Economic Policy*, Manchester: Manchester University Press, 2003.

It is argued that the Wilson governments' positive accomplishments have tended to be unfairly overshadowed by their failures in planning for growth and improving industrial relations. Successes included the extension of comprehensive education, a rise in social expenditure, and liberal reforms that enhanced personal freedom by replacing restrictive social legislation⁴¹⁰. Morgan suggested that the Wilson Governments' expansion of higher education, increased funding for the Arts and penal reforms helped Britain to become a more civilised society⁴¹¹.

In many respects, the performance of the 1960s Wilson governments compare favourably to the record of subsequent decades. Tomlinson concluded that the disappointments have tended to be emphasised due to the exaggerated expectations that accompanied the election of the 1964 Labour Government⁴¹². But it can equally be argued that it was the Labour Party, inspired by the leadership of Wilson, which initially raised the level of expectations, with the promise of a 'New Britain'. The Labour administrations of 1964-70 singularly failed to meet their own targets or to close the gap in performance between Britain and other developed economies, in terms of both total GDP and per capita GDP, which had "real effects and produced real political and economic problems"⁴¹³. Although the Labour governments' record deserves a more balanced judgement in relation to its overall record, its political impact shaped the subsequent history of the Labour Party. The focus of this thesis is specifically with the experience of the Labour revisionists and the impact of governmental experience upon them and their political position.

Crosland's revisionist strategy relied upon economic success and a favourable political climate. The failure of the Wilson governments to match its economic expectations constrained the success of this strategy and limited the realisation of the central egalitarian objectives. Labour's record in power was a contributory factor to the renewed political challenge of the Labour Left after 1970, as they blamed Crosland's revisionist analysis and strategy for the lack of socialist radicalism. Crosland's thesis provided the Labour Party of the 1950s and 1960s

⁴¹⁰ Thorpe, 2001, pp. 154-155.

⁴¹¹ Morgan, 1990, pp. 240-242.

⁴¹² Tomlinson, 2003, p. 233.

⁴¹³ Hugh Pemberton, 'The Transformation of the Economy', *A Companion to Contemporary Britain, 1939-2000*, Addison and Jones (Ed.), Oxford: Blackwell, 2005, p. 198.

with its most influential source of political ideas. It belonged to the pragmatic democratic socialist tradition, best characterised as ‘intellectualism with a purpose’ – producing a coherent intellectual analysis as the basis for a clear policy programme designed for practical implementation. But how influential was Crosland’s revisionist strategy upon the direction of Labour’s policy in power? It is arguable that the influence was not as great as his Labour Left critics believed.

It is possible to examine how Crosland’s revisionism fared in office by comparing the experience and performance of the 1964-1970 Labour Governments to his strategy and stated objectives. I will firstly examine the events that defined the Wilson administrations’ record, mainly focussing upon the conduct of economic policy and its impact upon the commitment to growth. This can be divided into two periods, with the first dominated by the failed attempt to avoid devaluation and the second by post-devaluation attempts to ensure economic and political recovery. I will then assess the extent to which Crosland’s revisionist objectives were met and the factors that inhibited implementation.

The conduct of policy: pre-devaluation, 1964-67

Crosland’s revisionist thesis rested upon a successful economy achieving high levels of economic growth. On taking power the new Wilson Government inherited a relatively unproductive, low growth economy, with a large balance of payments deficit. Wilson blamed these adverse economic conditions upon the legacy of the outgoing Conservative administration, claiming that it would “dominate almost every action of the Government for five years of the five years, eight months...in office”⁴¹⁴. The projection of an escalation in the balance of payments deficit was compounded by the reality of limited financial reserves with which to defend Sterling from the speculative pressure of the financial markets. Labour’s programme required an economic policy that would free it from these constraints and enable it to pursue its commitment to growth through a new planning department, the Department of Economic Affairs (DEA). Consequently

⁴¹⁴ Harold Wilson, *The Labour Government 1964-70: A Personal Record*, London: Weidenfeld and Nicolson, 1971, p. 5.

there was an immediate and strategically important decision to be taken concerning the exchange rate value of Sterling.

From the outset Crosland was convinced that his revisionist strategy was doomed unless the value of Sterling was reduced from its current level. Before taking office, he had joined with Labour's economic advisers, Nicky Kaldor and Robert Neild, in making the case for an immediate devaluation of Sterling's exchange rate value as a vital first step in prioritising economic growth⁴¹⁵. They believed that devaluation would give a greater competitive edge to British industry and therefore boost exports. It would enable an expansionist economic policy without the fear of a worsening balance of payments deficit. The balance of payments was of central concern because a deficit signified economic weakness. Deficits reduced the confidence of foreign investors and posed the ever-present threat of them selling their holdings in Sterling and precipitating a speculative attack on the pound. Those in favour of a voluntary devaluation believed that it would loosen the economic constraints of attempting to defend the current value. Deflationary policies, aimed at deliberately reducing the level of demand within the economy, were generally used as the main weapon for defending the value of Sterling. But this approach would necessarily limit economic growth. In contrast, Crosland believed that devaluation would give the opportunity for the successful implementation of Labour's National Plan for growth, which Crosland, as Minister of State at the DEA, had responsibility for drafting⁴¹⁶. Unfortunately for his revisionist strategy, devaluation was quickly rejected as a policy option.

The decision not to devalue the pound was taken on Labour's first day in power by the new Government's leading political triumvirate, the Prime Minister, Harold Wilson, his deputy and First Secretary of the DEA, George Brown and the Chancellor of the Exchequer, James Callaghan. They considered that devaluation would have been a highly dangerous response to a difficult economic inheritance and limited electoral mandate⁴¹⁷. Wilson believed that it would merely have led to greater speculation and subsequent economic crises, as investors might fear that Labour would always devalue if economic difficulties arose. He also believed that

⁴¹⁵ Crosland, 1982, p. 120.

⁴¹⁶ According to his wife, these points were made by Crosland in a letter to the Prime Minister, just two days after he had been appointed to the DEA. Crosland, 1982, p. 130.

⁴¹⁷ The 1964 Labour Government had a parliamentary majority of just 4, on 44% of the vote, and would soon need to seek a more substantial electoral mandate.

devaluation would have a limited impact upon Britain's competitive position, as other nations would simply have made retaliatory devaluations⁴¹⁸. Callaghan agreed with these points, but also stressed the danger of damaging the Bretton Woods system⁴¹⁹ and unfairly penalising Commonwealth holders of Sterling. He believed that it was better to focus upon improving industrial productivity and moderating wage increases to bolster the value of Sterling⁴²⁰.

There were good reasons at the time for rejecting devaluation. The decision was not an easy one to take, as there were no guarantees that an alteration in the exchange rate would solve the Government's economic problems. With a limited mandate, Wilson wanted to prove Labour's fitness to govern after thirteen years in opposition. He had also been traumatised by direct involvement, alongside Gaitskell and Jay, in the previous Labour Government's decision to devalue in 1949. He had been reluctant to agree to the decision and the whole episode had a major impact upon his thinking⁴²¹. Another important factor was the patriotic belief that maintaining the value of Sterling was a symbol of economic success and stability, with a downward manipulation viewed as a betrayal of those who invested in the British economy. Therefore Wilson and Callaghan set their face against devaluation, directing Labour's economic policy towards avoiding it at all costs. Wilson stated that "if in the end we lost, then the world would know we had done everything to avoid it, and would know that we had not chosen devaluation as an easy way out"⁴²².

This inflexible stance set the tone for the Labour Government's tenure in office. Richard Crossman was one of a Cabinet minority in favour of devaluation. He noted in his diaries, during November 1964, how the value of Sterling and the confidence of the financial markets were already being treated as the economic priorities of the Labour Government, with the policy tightly controlled by the Prime Minister and Chancellor⁴²³. They ensured that devaluation became an unmentionable policy option during 1964/65. Wilson still hoped to avoid

⁴¹⁸ Wilson, 1971, p. 6.

⁴¹⁹ The Bretton Woods agreement (1944) led to the full convertibility of Sterling and created a system of fixed national exchange rates to ensure international stability.

⁴²⁰ James Callaghan, *Time and Chance*, London: Collins, 1987, pp. 159-160.

⁴²¹ Pimlott, 1992, pp. 134-139; Douglas Jay, President of the Board of Trade (1964-67), was also opposed to devaluation, having been involved in the 1949 decision and believing that it was morally wrong. Douglas Jay, *Change and Fortune*, London: Hutchinson, 1980, p. 298.

⁴²² Wilson, 1971, p. 233.

⁴²³ Anthony Howard (Ed.), *The Crossman Diaries: 1964-1970*, London: Mandarin, 1979, p. 48.

deflationary measures – wage freezes, interest rate rises, tax increases, and public expenditure cuts – as a means for defending the value of Sterling. But this became increasingly difficult as the currency came under mounting speculative pressure. The balance of payments deficit continued to worsen and market confidence in the performance of the British economy remained low. Deflation was seen as the only available policy to reassure the financial markets and avoid a forced devaluation.

By the summer of 1965, the publication of Labour's National Plan was increasingly overshadowed by the Chancellor's deflationary response to mounting economic crisis. Crossman noted, during a Cabinet meeting in August 1965, that Crosland was "the only member of Cabinet who comes right out with these honest-to-God economic judgements", deeming it pointless to set out a National Plan aiming at 4% growth "when the Government was actually cutting back production by its deflationary measures"⁴²⁴. Despite Labour gaining a parliamentary majority of 97 at the March 1966 general election, economic crises periodically broke out and the deflationary reaction became more extreme. This policy reached a climax with Callaghan's tough deflationary package in July 1966. According to Callaghan, devaluation was discussed as an alternative, but a majority were opposed⁴²⁵.

Callaghan's 'July measures' effectively sacrificed the role of the DEA and the National Plan, and with it the Labour Government's commitment to economic growth. The DEA was intended as a counterweight to the fiscal orthodoxy of the Treasury. In reality the Treasury reasserted its dominance over economic policy due to the priority given to Sterling. George Brown explained that "the DEA and Treasury were running two diametrically opposed policies", with the former aiming to expand the economy through an industrial policy and the latter determined to discourage these aims⁴²⁶. Subsequently the DEA was damaged by its failure to overturn the traditional supremacy of the Treasury. It has also been viewed as too ambitious in its targets and too ill-defined in regards to its

⁴²⁴ Howard, 1979, p. 133; Castle confirmed that Crosland was one of the strongest advocates of devaluation and a vehement critic of the deflationary strategy. Barbara Castle, *The Castle Diaries: 1964-1970*, London: Weidenfeld and Nicolson, 1984, p. 52.

⁴²⁵ Callaghan lists those in favour of devaluation as Brown, Jenkins, Crosland, Crossman, Castle and Benn. Callaghan, 1987, pp. 198-200.

⁴²⁶ George Brown, *In My Way*, London: Victor Gollancz, 1971, p. 113.

functions⁴²⁷, whilst never gaining the powers required to successfully intervene in the economy and to influence the modernisation of British industry⁴²⁸. It was finally abolished in October 1969, having gradually lost its key responsibilities to other departments.

The demise of Labour's original commitment to economic growth was a direct result of the decision by Wilson and Callaghan to defend the value of Sterling. Crosland was genuinely incredulous over the Government's staunch defence of Sterling at the expense of growth and the social services. But, although promoted to Cabinet level as Secretary of State for Education, he was still a relatively junior minister with limited influence over economic policy. Crosland commented to his wife that he did not understand why the Government refused to discuss "the one economic measure that would allow the British economy to expand"⁴²⁹. Subsequent accounts of Labour in power during 1964-70 sought to understand the reasons why growth was abandoned. They have frequently highlighted the impact upon domestic policy of Britain's traditional international orientation, in terms of foreign relations and the role of Sterling.

The international dimension

The period after 1951 saw the British economy gradually returning to its traditional liberal orientation. The City of London's commodity markets were reopened, trade barriers to the export of capital were dismantled and the role of Sterling, as an international currency of exchange, was confirmed when it was made fully convertible in 1958⁴³⁰. The Sterling area consisted of a bloc of mainly Commonwealth nations that held their exchange reserves in pound sterling and tied the value of their national currencies to the value of Sterling. This meant that the economy was subjected to regular 'confidence' problems, as holders of Sterling reacted to their fear of losing the value of their holdings through either

⁴²⁷ Christopher Clifford, 'The Rise and Fall of the Department of Economic Affairs 1964-69: British Government and Indicative Planning', *Contemporary British History*, Vol. 11, Summer 1997, No. 2.

⁴²⁸ Tomlinson, 2003, pp. 88-89.

⁴²⁹ Crosland, 1982, p. 153.

⁴³⁰ Andrew Gamble, *Britain in Decline*, London: Macmillan, 1981, p. 142.

forced or voluntary devaluation. The policy of maintaining Sterling's international role ensured the vulnerability of Britain's currency to speculative attacks and was a major constraint upon the domestic designs of policy makers. It meant that strong measures were often required to strengthen Sterling's position, such as the requirement for a balance of payments surplus "to finance foreign investment and improve the reserve position, while sustaining the exchange rate"⁴³¹.

Writing before the 1959 General Election, Crosland acknowledged the risk "that the advent of a Labour Government would itself spark off a serious crisis", due to the instinctive political hostility of the financial sector. Consequently Labour's policy would have to be directed towards reducing liabilities and increasing Sterling reserves in order to avoid a run on the currency and to ensure the stability of the exchange rate⁴³². But, during its years in opposition, the Labour Party had drawn up no clear plans for altering the international role of Sterling and inherited a failing economy with limited reserves. Ponting reflected that "a reserve currency needs the backing of a strong domestic economy and substantial financial reserves to cope with market fluctuations. Britain had neither"⁴³³.

Once in power, the Labour Government never effectively challenged the systemic sources that constrained the fulfilment of its social objectives, of which the most important was the international role of Sterling⁴³⁴. Subsequently the Wilson Government was forced to operate within the boundaries of a weak economy reliant upon the judgement of the international financial community. These realities placed significant limits upon the actions of a democratic government. In a meeting held with the Governor of the Bank of England, who was calling for severe cuts in social expenditure, Wilson was astonished at a situation "where a newly-elected Government with a mandate from the people was being told, not so much by the Governor of the Bank of England but by international speculators, that the policies on which we had fought the election could not be implemented; that the Government was to be forced into the adoption of Tory policies to which it was fundamentally opposed. The Governor confirmed

⁴³¹ Tomlinson, 2003, pp. 14-16; Shaw, 1996, pp. 95-96.

⁴³² ACP 4/5, 4-6, 'Sterling Problems'.

⁴³³ Ponting, 1989, p. 63.

⁴³⁴ Castle referred to Callaghan's announcement at a Cabinet meeting in September 1965 that he would be launching an initiative to disengage Sterling from its role as an international reserve currency, but this was never followed through. Castle, 1984, pp. 57-58.

that that was, in fact, the case”⁴³⁵. Wilson and Callaghan were determined to avoid both devaluation and politically unrealistic deflationary measures. Therefore they originally sought financial support from the US, in order to strengthen the position of Sterling⁴³⁶.

Ponting famously argued that Wilson and Callaghan stuck to their anti-devaluation stance as a result of a ‘secret deal’ with the US President, Lyndon Johnson. This analysis relied upon official US Government papers, backed up by the revelations of the Crossman and Castle diaries, revealing how a series of ‘understandings’ were reached between the British and American Governments without Cabinet consultation. The agreement involved the US Government arranging financial loans to prop up the value of Sterling. In return the British Government would maintain their overseas military commitments East of Suez and ensure a restrictive domestic policy agenda that precluded devaluation and economic expansionism, whilst keeping tight controls over wages and prices⁴³⁷.

There was clearly an irony involved in this agreement, as it meant that, despite economic decline, Britain continued to play a major world role in aiding global political stability and helping the US to contain international communism. The burden of this expenditure was a major factor behind the weakness of the domestic economy, with Britain’s military commitments greatly contributing to the adverse balance of payments deficit and the subsequent instability of the currency. It is considered that the price of maintaining Britain’s international role was paid by the domestic economy, which suffered periodic bouts of deflation, preventing economic recovery and reducing home consumption⁴³⁸. The ‘secret deal’ appeared to offer little benefit to Britain, suggesting that it must have been agreed as a result of substantial pressure from the US Government, effectively dictating the Wilson Government’s conduct of economic policy.

There is clearly evidence that an informal agreement existed between Wilson and the US State Department, to the effect that Britain would not devalue or cut its defence commitments and, in return, would gain US financial assistance. But how crucial was US pressure? The crucial figures in the original decision to

⁴³⁵ Wilson, 1971, p. 37.

⁴³⁶ Callaghan, 1987, p. 176.

⁴³⁷ Ponting, 1989, pp. 48-54; Howard (Ed.), 1979, pp. 225, 316-321; Castle, 1984, pp. 273-274, 156.

⁴³⁸ Gamble, 1981, pp. 110-111; Shaw, 1996, p. 99; Pimlott, 1992, p. 338.

avoid devaluation at all costs were Wilson, Callaghan and Brown. The former two adhered to their policy until devaluation was forced upon them. The reason Callaghan gave for reaching an ‘understanding’ with the Americans was mutual agreement that devaluation of Sterling was unnecessary and unattractive as an option⁴³⁹. Recent appraisals have concluded that Wilson and Callaghan’s economic policy preferences and their political ambition to maintain Britain’s world role were more important factors than the specifics of an agreement with the US. They sought US assistance in order to maintain the status quo.

Tomlinson believed that, while resistance to devaluation from 1964 to 1967 was reinforced by US support, the reasons why Labour followed this course were fundamentally matters of domestic politics. He stated that the Government believed “devaluation would be a fatal condemnation of Labour’s capacity for economic management, would lead to a cut in real wages, and that ‘modernisation’ provided a way of avoiding such a policy without recourse to a damaging deflation”⁴⁴⁰. Young considered that there was an implicit meeting of minds, rather than a ‘secret deal’, because the views and interests of the US President and the British Prime Minister coincided. Wilson needed support for Sterling and was happy to retain a British presence East of Suez in order to maintain Britain’s global influence. Although the US pressured Britain to sustain its overseas commitments, it was the Prime Minister’s objectives that proved the vital factor. When it became patently clear that the value of Sterling and Britain’s world role were economically unsustainable, the Prime Minister showed that he was able to act against US wishes and accept a devaluation of Sterling and a reduction in overseas commitments⁴⁴¹.

Despite US financial support, the pressure upon Sterling made Wilson’s policy of avoiding devaluation unsustainable. By 1966 the issue was back on the Cabinet agenda. The Cabinet reshuffle in August 1966 led to more influence for pro-devaluation ministers. The new Foreign Secretary, George Brown, had recently become a powerful advocate and was backed by Crosland, now President of the Board of Trade and a member of the Government’s Economic Policy

⁴³⁹ Callaghan, 1987, p. 189.

⁴⁴⁰ Tomlinson, 2003, p. 39.

⁴⁴¹ Young, 2003, pp. 41-43; Castle quoted Wilson, in the context of post-devaluation cuts to defence, as stating that the US was also “very good at looking after number one”. Castle, 1984, p. 357.

Committee⁴⁴². By the end of 1967 the Labour Government was once more forced to take drastic action after poor trade figures produced yet another loss of confidence on the financial markets, with the concomitant outflow of funds. Wilson blamed the impact of a dock strike and the Middle East Crisis of 1967, which led to oil shortages and a renewed deterioration in Britain's balance of payments⁴⁴³. The pressure grew in Cabinet for an acceptance of devaluation⁴⁴⁴. It was eventually enforced in November 1967 and represented a defeat of Wilson's economic policy and the end of the agreement with the US.

The conduct of policy: post-devaluation, 1967-70

Devaluation was a watershed in the life of the Labour Government, forcing a shift in the balance of the Cabinet in favour of the younger revisionists, and a change of policy direction. Crosland had told his wife that, "as every social objective I believe in depends on getting the economy right, I suppose one would like to be Chancellor of the Exchequer"⁴⁴⁵. But in the post-devaluation reshuffle he remained at the number two economic ministry, the Board of Trade, with the key economic post of Chancellor going to his friend and close Gaitskellite colleague, Roy Jenkins. Crosland was devastated to be overlooked in favour of Jenkins, and his subsequent bitterness and jealousy injected a significant degree of tension into their relationship⁴⁴⁶.

The new Chancellor was in a powerful position to decide the shape of the Government's policy in response to devaluation. But by the time that devaluation came, forced by worsening balance of payments and the continued lack of confidence of foreign investors, it was recognised that the defence of the new, lower currency value would require ever stiffer deflationary measures to sustain it. Having been continually delayed, the inevitable devaluation did not provide an escape from the policy constraints that stifled growth and prevented the full

⁴⁴² Castle, 1984, pp. 147-148, 161.

⁴⁴³ Wilson, 1971, p. 415.

⁴⁴⁴ Howard (Ed.), 1979, p. 400.

⁴⁴⁵ Crosland, 1982, p. 187.

⁴⁴⁶ Jefferys, 2000, p. 128.

realisation of Labour's social welfare objectives⁴⁴⁷. Nevertheless, there was certainly a feeling amongst Labour's revisionist wing that devaluation could act as the catalyst for a new style of leadership that was both more forceful and more honest in its communication with the nation. A *Socialist Commentary* editorial considered that 1968 would be "a fateful year" in which the Labour Government must at last show the courage to confront the self-deception of the British people: "they have deluded themselves into believing that they can sustain the role abroad that was only suitable at their imperial zenith, and that they can support an ever higher standard of living at home without pushing up their productive efforts correspondingly. Whatever good things the Labour Government may have done, it has not brought home the simple, stark fact that these are impossible ambitions"⁴⁴⁸.

Jenkins produced a tough package of deflationary measures that emphasised the need for a greater realism of expectations. His January 1968 package cut important social expenditure commitments, including a postponement in the raising of the school leaving age and reversing the abolition of prescription charges, whilst announcing a phased withdrawal of British military commitments in the Far East. It was presented as a financial package designed to reassure the markets that Sterling could maintain its new value⁴⁴⁹, but it also signified a major reappraisal of Britain's continued pretensions to a powerful world role. This was the beginning of a new policy approach intended to correct national complacency. He followed it up in March 1968 with an economic package described as the "most deflationary Budget ever in peacetime", which appeared to signify the final abandonment of the Labour Government's original programme of large-scale social expenditure⁴⁵⁰.

It is considered that Jenkins' severe post-devaluation economic policies had the effect of increasing his influence over the direction of Foreign Affairs. This was due to the economic imperative of reducing the overseas burden on Britain's balance of payments. There were significant divisions between those keen to reduce the burden and those seeking to maintain Britain's world role East of Suez,

⁴⁴⁷ Tomlinson, 2003, pp. 49-63.

⁴⁴⁸ 'Needed: a Call to the Nation', *Socialist Commentary*, January 1968, pp. 3-4.

⁴⁴⁹ Howard (Ed.), 1979, p. 453.

⁴⁵⁰ Ponting, 1989, p. 309.

with all the prestige and influence that this afforded⁴⁵¹. However, the Chancellor was in a strong position to demand major cuts in overseas expenditure and advocate a reorientation of international policy. He was a principal champion of removing the vestiges of Britain's imperial past and redirecting the nation's sphere of influence to the regional, European level, through his advocacy of EEC membership.

The Chancellor's deflationary policies required time to take effect, but gradually the balance of payments deficit was turned into a surplus by 1969/70 and exports began to rise⁴⁵². But the Labour Government's political recovery was damaged by the events surrounding Barbara Castle's attempts, as Labour's Employment Secretary, to legislate on Britain's industrial relations. Wilson and Castle were responding to the negative impact of strike action upon the British economy. Industrial relations were bedevilled by an increase in strike action and greater militancy of shop stewards and union representatives. Labour's parliamentary leadership found that the new breed of union leader was more difficult to work with. Morgan referred to the resignation from the Government of Frank Cousins, leader of the TGWU, as evidence of "the unwillingness of key union leaders to play the kind of bridging role that men like Bevin, Citrine, or Deakin had played in the past"⁴⁵³. The loyalist union leaders of the 1950s had supported the Labour leadership and acted as vital mediators between the industrial and political wings of the Labour Party. But this relationship was beginning to break down under the pressure of the Government's policy of wage restraint, which led to high profile strikes by the seamen and dockers.

The Donovan Commission was set up in 1965 to investigate industrial relations. It reported back on its findings in 1968, but failed to recommend legal curbs on trade union action. Wilson and Castle did not feel that Donovan's remedies were adequate and preferred the inclusion of penal sanctions for unofficial strike action. Cabinet discussions showed the lack of unanimity over the proposals contained in the White Paper, which became known as *In Place of*

⁴⁵¹ Young, 2003, pp. 32-36.

⁴⁵² Tomlinson, 2003, p. 63.

⁴⁵³ Morgan, 1990, p. 255.

*Strife*⁴⁵⁴. Major Cabinet figures aligned with trade union opposition to defeat the proposed legislation. The leading rebel, James Callaghan, stated in his memoirs that his position was in line with the findings of the Donovan Report. He favoured voluntary cooperation by the trade unions, rather than legal intervention by the state into industrial relations, and was opposed to the lack of consultation and poorly thought out nature of the White Paper, believing that it could not work in practice or gain union support⁴⁵⁵.

It is believed that after 1969, and the events surrounding *In Place of Strife*, a more assertive trade unionism emerged and gained the backing of key members of Labour's parliamentary leadership. Cronin stated that "the humiliation of the Wilson governments would have long-term and very serious consequences. Within the Labour Party the failure encouraged critics of the government to push alternative policies. In the unions, the victory led to a sense of empowerment that encouraged local activism and helped to sustain wage militancy and strike action"⁴⁵⁶. Jefferys has seen it as the moment when "Labour failed to resolve the question of whether it was to be the party of the unions or the nation"⁴⁵⁷. It led to a developing alliance between the Labour Left and the major trade unions, who decided to resolve this question by demanding that the Labour Party unambiguously represent the interests of its industrial wing.

The failed attempt to legislate on industrial relations became a defining moment for Labour politics, damaging relations with the trade unions and resulting in a further loss of political authority with the electorate, following on from the loss of face caused by devaluation. The gradual economic recovery came too late to overcome the bitterness and disillusion of many Labour supporters. In the June 1970 general election, Heath's Conservative Party won a closely fought contest with a parliamentary majority of 30. Pimlott considered that the Wilson governments were unfortunate to be the first post-war administration to learn from bitter experience the extent of Britain's decline in global power and the limits of economic planning⁴⁵⁸. More recently, John Young has seen defeat as a direct result of the policy decisions made in the pre-devaluation period of 1964-67: "if

⁴⁵⁴ Castle, 1984, Fri 3rd Jan 1969, pp. 582-583.

⁴⁵⁵ Callaghan, 1987, pp. 272-274.

⁴⁵⁶ Cronin, 2004, p. 107.

⁴⁵⁷ Jefferys, 1993, p. 75.

⁴⁵⁸ Pimlott, 1992, p. 565.

one accepts that memories of the 1967 devaluation crisis and its aftermath cost Labour the election in 1970, then decisions in the earlier period on sterling parity and defence expenditure, themselves affected by the need to placate allies, preserve the Commonwealth and maintain global influence, loom even larger in the story of the Wilson governments⁴⁵⁹. These decisive decisions set the tone for the Labour Government's record in power and affected the realisation of a revisionist strategy. Defeat in the 1970 General Election robbed the Labour Government of the opportunity to put into practice what they had learnt from their difficult experience of the previous six years and to continue the new post-devaluation trajectory of policy established by Jenkins. The chance for revisionist ideas and strategy to evolve in office was thwarted.

Revisionist objectives: an audit of achievement

In *The Future of Socialism*, Crosland asserted that economics was no longer as important to the Labour Party's thinking. A future Labour government should be judged on the success of its social policies, as the economic system was now more stable and successful. Crosland's key policy priorities related to his central objectives of increased social welfare and greater social equality. His list comprised of educational reform, the encouragement of higher consumption, taxation reform, the broadening of trade union bargaining and significant increases in social expenditure. Once these social democratic goals were achieved, he looked forward to a time when the country could prioritise more liberal policies, promoting personal freedom and cultural endeavour⁴⁶⁰.

The Labour Left, and many ex-Bevanites, remained sceptical of the revisionist analysis, in terms of the degree of capitalist transformation, and doubtful that the revisionist strategy would prove adequate, due to the downgrading of public ownership. Nevertheless, Crosland's revisionist objectives were represented in Labour's programme in 1964 and provided the basis for a significant degree of agreement within the party. The Labour historian, Eric Shaw,

⁴⁵⁹ Young, 2003, pp. 219-220.

⁴⁶⁰ Crosland, 1956, pp. 515-523.

stated that “a broad consensus existed within the Party that its primary purpose in government was to create a more equal and socially just society” through increased social welfare, educational reform, decent housing provision, improvements to the health service and the redistribution of wealth⁴⁶¹. Once in office, despite having been political opponents over Clause 4, Crossman and Crosland shared the same pro-devaluation views, as they agreed that it was a vital first step towards achieving the economic growth required to expand the social services⁴⁶².

The main challenge to the achievement of Crosland’s revisionist objectives came from the Labour Government’s failure to prioritise economic growth. The Wilson administration’s record in office was dominated by fiscal orthodoxy. Growth was deliberately suppressed through deflationary policies aimed at defending Sterling, correcting the balance of payments deficit and regaining the confidence of the financial markets. The sense of economic crisis management is considered to have overridden all other objectives, making it difficult to identify a clear Labour strategy for increasing equality in the absence of economic growth⁴⁶³. Although the overall political record was not one of complete failure, with much accomplished, the central failure to achieve economic growth impacted negatively upon the achievement of Crosland’s revisionist objectives.

The introduction of a comprehensive system of education was a major priority for Crosland in achieving his central objective of greater social equality. Labour’s educational policy was in tune with the revisionist objectives advocated by Crosland, but in practice it faced important constraints that only became fully apparent in office. As Secretary of State for Education in 1965, Crosland had the opportunity to take direct responsibility for the implementation of educational reform and experienced at first hand the practical difficulties of driving through change. In an interview in 1971 he listed four key constraints that had limited his

⁴⁶¹ Shaw, 1996, p. 88.

⁴⁶² Howard (Ed.), 1979, p. 134.

⁴⁶³ Tomlinson, 2003, p.213.

room for manoeuvre as Minister for Education: the legacy of history; the decentralised nature of the education system and the subsequent power of local education authorities (LEAs) and educational institutions; the strong influence of pressure groups, such as the LEAs and teachers associations; and the lack of money afforded to education from central government⁴⁶⁴.

There were real practical limitations involved in the successful transformation to a comprehensive education system, but Crosland was also constrained by his own inclination towards a moderate and pragmatic approach to politics. Consequently, when the famous Circular 10/65 was issued to LEAs, the choice of language reflected his preference for compromise and persuasion, rather than coercion. He 'requested' rather than 'required' them to prepare and submit plans for the reorganisation of secondary education along comprehensive lines, and allowed for flexibility in terms of the practical details worked out by the LEAs, including the continuation of grammar school education in some areas⁴⁶⁵. Crosland stated that this was largely due to limitations caused by the poor legacy of existing buildings, the lack of clear consensus on the type of organisation and his feel for the 'general mood', after conducting nation-wide consultation⁴⁶⁶.

The flexibility of Circular 10/65 had the advantage of avoiding unnecessary conflict and maximising cooperation from the majority of LEAs. Its main disadvantage was in failing to satisfy the comprehensive purists and enabling hard-line traditionalists to mobilise resistance, as in the case of the Bournemouth LEA. It was reported that the Department of Education (DES) rejected three reorganisation schemes that were to be fully comprehensive and accepted four that introduced selection at 13, provoking the ire of the pressure group, the Comprehensive Schools Committee⁴⁶⁷. The gradualism of Crosland's approach meant that the grammar school system would continue for many years, as the comprehensive system would take time to build up and compromise was inevitable.

⁴⁶⁴ *The Politics of Education*, Edward Boyle and Anthony Crosland in conversation with Maurice Kogan, Harmondsworth: Penguin, 1971, p. 160.

⁴⁶⁵ DES Circular 10/65, 'The Organisation of Secondary Education', 12th July 1965.

⁴⁶⁶ Kogan, 1971, pp. 188-191.

⁴⁶⁷ 'Outlook Uncertain', *The Times*, 16th November 1965, p. 13; 'Big Majority for Comprehensives', *The Sunday Times*, 10th July 1966, p. 7.

The implementation of educational policy was a decentralised political area, and therefore the DES was dependent upon the cooperation of LEAs. This was compounded by the Labour Government's small parliamentary majority. The approach was bound to be one of seeking consensus in order to avoid provoking resistance and non-cooperation. There were also problems relating to the lack of resources. The DES claimed that it lacked sufficient manpower to process all the LEA submissions and required extra funds to ensure successful implementation⁴⁶⁸. But the economic climate was unfavourable, as the Government was unwilling to make educational reform a short-term priority. There was also the problem of a rising birth-rate, and the increasing number of pupils at a time of tough financial rationing made comprehensive reorganisation more problematic⁴⁶⁹. Yet, by the time Crosland left the department in 1967, considerable momentum had been established, with only a handful of authorities opposing comprehensivisation.

Reform of private schooling was more problematic. Crosland hoped to develop a scheme for gradually integrating them into the state system, as outright abolition would have been impractical and illiberal. He wanted to be rid of them but felt compelled to tread carefully and avoid extreme solutions. He admitted that the problem was one of tactics: "we are, it is true 'trying to destroy while appearing to preserve' – partly for political reasons, partly to prevent a mass exodus of staff and creation of new Millfield"⁴⁷⁰. The Newsom Commission was set up to advise the Labour Government on the best means for integration of the private sector into the public sector, although Crosland realised that compromise was necessary as over 270 private schools and 94,000 private pupils could not be easily transferred to the state system⁴⁷¹. Instant results were clearly not going to be logistically feasible, due to the costs and lack of available facilities. The Newsom Report did not propose substantial reforms, and even its proposals for limited assimilation were still considered too costly by the Labour Government. It is considered that the later proposals of the Donnison Report were stronger in

⁴⁶⁸ Wilma Harte, the civil servant responsible for the implementation of comprehensive reorganisation, became increasingly frustrated at the Labour Government's unwillingness to back up their radical educational policy with the real and practical commitment necessary to make it successful. See ACP 5/2, 25, 'Confidential Story for the S of S', from Wilma Harte to Crosland, 24th January 1967.

⁴⁶⁹ ACP 5/1, 13-16, 'Problems of Comprehensive Policy', DES circular to Crosland.

⁴⁷⁰ ACP 5/2, 27, Notes on Independent Schools, circa 1965.

⁴⁷¹ ACP 5/2, 56, Notes on 'Guiding Principles' for Newsom Commission; ACP 5/2, 82, 'Public Schools, Draft Social Services Committee Paper', 4th draft, 11th Nov 1965; Kogan, 1971, p. 196.

recommending the integration of the independent school sector into the state sector, but were kept in the background due to the fear of alienating middle class voters in the upcoming 1970 election⁴⁷². The problem of private schooling provided an impossible policy conundrum, constrained by practical difficulties and political values. The search for an answer failed to reach any firm conclusions and this vital source of social inequality remained unreformed.

The practical difficulties of producing a truly comprehensive system, whilst private education and the two tier state system remained in place, was becoming all too apparent to supporters of the ideal. To be truly comprehensive, schools needed to contain the full range of educational abilities but in reality able pupils were ‘creamed off’ by the grammar schools and private schools. It was also becoming clear that, as they were essentially neighbourhood schools, comprehensives in poorer districts (or wealthier districts) were not gaining a mix of children of different social backgrounds or abilities⁴⁷³. The introduction of a comprehensive system appeared destined to fail in overcoming the social divisions in British society, largely because these divisions were so deep and the thorough programme of educational reform that was required would probably have provoked considerable resistance and come up against major practical difficulties. Crosland acknowledged that the only feasible approach was a combination of gradualism and pragmatism, careful to maximise consensus and avoid destructive conflicts. But Reisman concluded that Crosland could not have been satisfied with the outcome of his comprehensive reforms and highlighted the inherent tensions of an intellectual politician: “the intellectual in him must have known that he was speaking out for second-best. The practical politician, on the other hand, evidently believed that a first step was preferable to none at all”⁴⁷⁴.

Tax reform was essential to the revisionist programme of increasing equality, by shifting the burden away from the poorest and towards the wealthier and privileged sections of society. But it is considered that reforms suffered from the practical complexities of implementation, and concerns at the adverse reactions of the electorate and the markets. The introduction of inheritance taxation was made

⁴⁷² Fielding, 2003, p. 93.

⁴⁷³ *Socialist Commentary*, March 1971, pp. 8-9.

⁴⁷⁴ Reisman, *Crosland's Future*, 1997, p. 67.

less effective by the failure to accompany it with a tax on gifts. A capital gains tax was introduced, but its impact was weakened by the existence of significant loopholes and exemptions⁴⁷⁵. A wealth tax was originally rejected by Jenkins, as Chancellor, due to administrative difficulties⁴⁷⁶ and George Brown claimed that by 1970 Wilson was opposed to it becoming a policy proposal in the next manifesto due to concern at its potentially negative electoral impact⁴⁷⁷. There was a shift from indirect tax to more progressive direct forms, yet greater numbers of the population were now subject to higher taxation, thus lessening its redistributive effects. Ponting claimed that even the partial achievement of Labour's social programme, against a backdrop of low growth, led to a significant rise in the share of the national income collected in taxes, rising from 32% in 1964 to 43% by 1970⁴⁷⁸.

Social welfare increases were now leading to taxation increases for ordinary tax payers. The lack of growth and the failure to adequately reform the tax system began to produce a backlash from the trade unions and the electorate, whilst the redistributive effect of welfare spending was blunted. In the absence of major reform of taxation and sluggish economic performance, increased taxation was required to pay for Labour's ambitious social spending programme. This taxation impacted upon personal consumption and became electorally unpopular. Under circumstances of low growth and wage restraint, trade unionists continued to focus upon fighting to secure wage claims, rather than bargaining for non-pecuniary privileges, as Crosland had hoped. In 1969 Crossman was able to agree with Jenkins that the Labour Government had gone beyond the limits of taxation and should avoid any new tax proposals⁴⁷⁹. Yet, some redistribution of wealth had taken place. Wilfred Beckerman, Crosland's economic adviser at the Board of Trade, claimed that income equality had been marginally increased, despite a failing economy. The level of cash benefits was raised, with the highest increases going to the lowest income decile, which comprised of the unemployed and the lowest paid⁴⁸⁰. But he was concerned that, without sufficient economic growth,

⁴⁷⁵ Shaw, 1996, pp. 91-92.

⁴⁷⁶ Castle, 1984, Wed 15th Jan 1969, p. 593.

⁴⁷⁷ Brown, 1971, p. 261.

⁴⁷⁸ Ponting, 1989, p. 392.

⁴⁷⁹ Howard (Ed.), 1979, p. 648.

⁴⁸⁰ Wilfred Beckerman, 'Objectives and Performance: an Overall View', *The Labour Government's Economic Record, 1964-70*, Beckerman (Ed.), London: Duckworth, 1970, p. 41.

even the most marginal increase in equality may have a negative impact upon incentives and economic efficiency⁴⁸¹.

Despite growing electoral resistance and economic constraints, spending on the social services rose as a proportion of national wealth. There was an expansion of social housing provision, although the quantity was often not matched by the quality; an increase in pensions in 1964, although plans for vital reforms ultimately stalled⁴⁸²; redundancy payments were introduced in 1965 to lessen the impact of unemployment and help spur greater labour mobility; whilst earnings-related benefits for widows, the unemployed and the sick were introduced in 1966. Based upon these achievements, Michael Stewart, believed praise was due to the Wilson administration for promoting “a measurable improvement in the distribution of income against the background of the deplorably slow rate of growth of output”⁴⁸³. Nevertheless, Crosland’s key egalitarian reforms had suffered from the economic backdrop of crisis and constraint that too often led to the dilution and postponement of revisionist objectives.

Ironically, in a reversal of Crosland’s priorities, the creation of a more liberal country appeared to supersede the more expensive objectives of advancing towards a more social democratic country. Roy Jenkins’ successful tenure as Home Secretary led to legislation reforming the criminal justice system and the ‘benevolent sponsorship’ of private members bills that liberalised the laws in various areas of social and personal affairs. The liberal reforms that resulted included penal reforms, ending corporal punishment in prisons and providing for a system of parole; the legalisation of abortion and homosexuality; the abolition of censorship in the theatre; and the strengthening of the law relating to race relations⁴⁸⁴.

⁴⁸¹ Beckerman, ‘Objectives and Performance, 1970, p. 47.

⁴⁸² Labours’ National Superannuation Scheme was watered down as a result of pressure from the financial industry. Shaw, 1996, p. 91.

⁴⁸³ Michael Stewart, ‘The Distribution of Income’, *The Labour Government’s Economic Record, 1964-70*, Beckerman (Ed.), London: Duckworth, 1970, p. 111.

⁴⁸⁴ For a positive assessment of Roy Jenkins’ period as Home Secretary see Philip Allen, ‘A Young Home Secretary’, *Roy Jenkins*, Adonis and Thomas (Ed.), Oxford: Oxford University Press, 2004; Campbell, 1983, pp. 86-90.

Many of the Labour Governments' liberal reforms provided a major step forward towards equality in legalising activities that had largely been the preserve of the privileged minority. It is arguable that the aristocracy had always been able to maintain homosexual relationships, largely free from the interference of the police, whilst abortion was available to them from expensive private clinics. What seems more certain is that the Labour Government's reforms had a major impact upon society. Ben Pimlott stated that "for hundreds of thousands, if not millions of people directly affected – and millions who benefited later, without knowing when, or how, their liberation came about – these were the important changes of the Wilson administration"⁴⁸⁵.

But equally these were not specifically socialist reforms. They did not appear to provide the Labour Party with any electoral gain, and were marginal to Crosland's vision of a more egalitarian society. The liberalisation of personal affairs was only one element within the revisionist policy agenda, and was not a central feature of the commitment to social equality set out in *The Future of Socialism*. Labour revisionists were forced to confront the realities of Labour's experience in power and examine the various political difficulties that they faced in achieving their objectives.

⁴⁸⁵ Pimlott, 1992, p. 487.

The Revisionist Experience of Power

The repeated economic crises and the trauma of devaluation triggered an early inquest into the failures of Labour's period in office, although the next general election was still over two years away. Comment and opinion reflected the Government's unpopularity and its inability to secure economic growth or stability. In the first half of 1968 *Encounter* ran a series of essays under the general heading 'what has gone wrong?' The contributors, although broadly sympathetic to social democratic objectives, raised doubts concerning the economic foundations upon which the revisionist position was built and the possibilities for practical success in implementing a radical political agenda.

Professor Michael Postan, an economic historian and one-time mentor to Hugh Gaitskell, considered the deficiencies inherent in the Labour Government's dependence upon Keynesian economics, with its overriding focus upon macro-economic management. He believed that Britain's economic problems were beyond the reach of systemic remedies and general fiscal measures, as they resided at the local or micro-economic level. Postan believed that "the morbid causes" of the nation's economic woes were to be found at the level of "individual cells – management, design, salesmanship, or the behaviour of groups of labour", and these were largely immune to Keynesian-style "systemic medicines"⁴⁸⁶. The inference was that the Labour Party needed to adopt a new economic strategy to deal with the nation's industrial weaknesses, targeting the supply-side and the problems relating to production, rather than the management of demand.

John Vaizey, a professor of economics and advisor to Crosland during his ministerial tenure at the DES, suggested that Labour's Keynesians were too reliant upon the social sciences as a guide to action. He claimed that it was impossible to conduct the type of controlled experiment that could be attempted in the natural sciences, and suggested that political action remained reliant upon interpretation and prejudice⁴⁸⁷. Vaizey also believed that the Croslandite political project was

⁴⁸⁶ Michael M. Postan, 'A Plague of Economists?' *Encounter*, Vol. XXX, No. 1, Jan 1968, pp. 43-47.

⁴⁸⁷ John Vaizey, 'Disenchanted Left: Thoughts on the Crisis', *Encounter*, Vol. XXX, No. 2, Feb 1968, pp. 62-64.

too vague and general in nature. He was sceptical that reliance upon the surplus of economic growth to increase social welfare and higher living standards really produce socialist outcomes⁴⁸⁸. Another academic contributor, Vernon Bogdanor, considered that the contemporary condition of the Labour Party necessitated the avoidance of radicalism and ensured a relatively conservative stance in office. Gaitskell's failure after 1959 to resolve the issue of the party's doctrinal commitment to public ownership and the meaning of socialism had provided a negative triumph for the Labour Left. They had managed to retain the symbols and rhetoric of anti-capitalism and prevented the continued development of revisionist ideas, without providing an alternative. Bogdanor believed that this stalemate had made it difficult for Labour to devise a coherent policy for managing the mixed economy and meant that the maintenance of party unity became the overriding priority of the party leadership⁴⁸⁹. This was certainly a plausible explanation for the conservatism inherent in Wilson's and Callaghan's orthodox economic policies.

The adverse opinions of these erudite academic commentators should be seen in context. They were a response to immediate economic crisis and reflected the general sense of disillusion with the Government's record. But they also represented a considered analysis of Labour's failure to match the expectations of its supporters and directed attention to the real dilemmas facing the revisionist position. Crosland's thesis had been optimistic that the social democratic foundations laid by the Attlee administration, and the many changes that had occurred to capitalism, provided an opportunity for renewed political radicalism. His revisionism was reliant upon the success of a democratically elected Labour government committed to egalitarian reforms. But the realities of power appeared to cast doubt over the practicability of his strategy, as economic growth levels remained stubbornly low and the commitment to equality lay in doubt.

In this chapter I will consider the governmental experience of Labour revisionists and their response to the dilemmas and difficulties they faced in power. The revisionist position was intended to be flexible and adaptable in terms

⁴⁸⁸ Vaizey, 'Disenchanted Left', 1968, pp. 67-68.

⁴⁸⁹ Vernon Bogdanor, 'The Ideology of Failure', *Encounter*, Vol. XXX, No. 6, June 1968, p. 49.

of strategy, responding to events and new challenges in a pragmatic and realistic fashion, whilst continuing to prioritise the central goal of greater social equality. But Crosland's revisionist strategy required continued electoral success and a unity of commitment from Labour's parliamentary leadership. This essential combination was endangered by the problematic political conditions that now prevailed, and the subsequent strains and tensions that developed between Government colleagues.

Socialism in a dangerous world

Crosland set out the difficulties that faced his revised socialism in a speech delivered at a *Socialist Commentary* meeting during the Labour Party Conference of October 1968. He acknowledged the Labour Government's loss of popularity and the problems of retaining electoral support, but rejected the atmosphere of "defeatism and despair" that had taken hold amongst many intellectuals and parliamentary colleagues. Crosland believed that the problems facing the Labour Government were an inevitable part of the uncertainties that afflicted democratic politics and saw no reason why there could not be an economic and political recovery in time for the next general election. He was optimistic that plenty of time was available to respond successfully to the political difficulties and to learn the lessons of the previous few years⁴⁹⁰. But how fundamental were those difficulties?

Crosland refused to accept the need for a major reanalysis of his revisionist thesis or the social democratic foundations upon which it was built. He asserted that, despite the difficulties faced, there was no need for major new thinking or a wholesale shift in policy, calling instead for "a reaffirmation of our agreed social democratic ideals"⁴⁹¹. Although new issues had arisen, especially in relation to environmental and demographic concerns, Crosland believed that many of his original priorities still required urgent action. He continued to prioritise further educational reform to remove continued divisions; greater levels of public

⁴⁹⁰ Anthony Crosland, 'Socialists in a Dangerous World', Supplement to *Socialist Commentary*, November 1968, p. iii.

⁴⁹¹ Crosland, 'Socialists in a Dangerous World', 1968, p. iv.

expenditure to tackle deprivation and social inequalities in housing and health; and a thorough re-examination of the taxation system⁴⁹². He dismissed fashionable new leftist concerns with continuous political activism and workers participation in industrial decision-making, whilst stressing his lack of sympathy for the strong tendencies towards anti-democratic violence and intolerance that characterised much of the student revolts and protest movements of the late 1960s⁴⁹³.

Crosland's analysis of Labour's difficulties in office, and consequent unpopularity, focussed upon the Government's poor economic inheritance and the policies it subsequently followed. He specifically highlighted the decision not to alter the exchange rate and the over-optimistic belief that planning strategies would produce immediate results. This mixture had resulted in the Government's inability to improve the poor growth performance of the British economy, leading to a public reaction and a "general sense of continuing crisis and failure"⁴⁹⁴. Crosland's analysis did not admit to deeper problems with the British economy or deficiencies inherent in Keynesian remedies. There was little detailed examination of economic policy. He had apparently been forbidden by Rita Hinden, editor of *Socialist Commentary*, from discussing economic policy. In any case he believed that Labour's political problems derived from policy errors and the growing uncertainties of democratic politics. The inference of his speech was that his revisionist strategy had not been followed, and so he called for a greater commitment to economic recovery and growth as a prerequisite for both electoral success and the implementation of Labour's social objectives⁴⁹⁵. However, Crosland also recognized that Labour's first years in office had witnessed a negative shift in public attitudes that required close attention.

There was clearly a mood of revolt and reaction that had emerged during Labour's period in office, with anti-Vietnam war protests, student revolts and a radical Right movement emerging in support of Enoch Powell's anti-immigration stance. These political uprisings were not directly related to material well-being, posing a problem for revisionist social democrats due to their focus upon

⁴⁹² Crosland, 'Socialists in a Dangerous World', 1968, p. iv-v.

⁴⁹³ Crosland, 'Socialism in a Dangerous World', pp. vi-vii.

⁴⁹⁴ Crosland, 'Socialists in a Dangerous World', 1968, p. iii.

⁴⁹⁵ Crosland, 'Socialists in a Dangerous World', 1968, p. iv.

economic prosperity as the basis for social reform. Crosland accepted that economic success was no longer the sole determinant of public support. He called for stronger political leadership and “radical will-power” to lead public opinion away from reactionary attitudes on issues such as race relations, civil liberties and foreign affairs. It was a question of balance, not ignoring the views of the public but not simply deferring to the trend of the moment. Crosland appeared to believe that stronger leadership was the crucial factor required to bolster his revisionist strategy, with more concerted efforts by the Government to revive Labour’s socialist values and ideals: “I therefore believe that we need to take some risks, to exert a positive leadership, to catch a glimpse of some kind of vision other than a rise in personal spending, and to create again a sense of valid idealism so that we can offer the electorate, when we come to face them, a positive and distinctive policy”⁴⁹⁶.

It appeared that Crosland did not intend to communicate Labour’s socialist vision directly to the electorate, but rather to produce a more conducive political atmosphere. Tony Benn had reported a significant contribution to Cabinet during April 1968, in which Crosland suggested that the Government had made socialism more unpopular: “Tony Crosland said we didn’t have a communications problem, but our policies were unpopular and we hadn’t got growth; nationalism was developing; socialism wasn’t and never had been popular with the voters; and we have in fact asked people to pay for the improvements in their own social services, which was the last thing they intended”⁴⁹⁷. By its deeds, the Labour Government had failed to improve the political stock of socialism and helped produce a backlash. Crosland believed this could be corrected through firm leadership and bold actions.

Crosland’s *Socialist Commentary* speech was a timely and positive response to the Government’s political tribulations from Labour’s main revisionist intellectual. The editorial opinion of the revisionist journal *Socialist Commentary* was generally in agreement with Crosland’s analysis and prescriptions. They stressed that, despite many achievements, the failure to go for early devaluation was the crucial error that damaged the Government’s prospects for economic

⁴⁹⁶ Crosland, ‘Socialists in a Dangerous World’, 1968, p. v.

⁴⁹⁷ Benn, 1988, p. 62.

growth and social reform⁴⁹⁸. The Labour Government's subsequent loss of popularity and the rise in public resentment were seen as resulting from unmet expectations, although the whole nation bore a responsibility for the complacent belief that economic and social gains could easily be achieved without considerably greater efforts. Throughout 1968 editorials called for the Labour Government to take a firmer stance and provide strong political leadership in educating the party and the nation in relation to certain central realities, such as the need for higher economic productivity to sustain higher standards of living and the need to adjust to the loss of global power⁴⁹⁹.

However, the strategy of making a fresh national appeal for realism was inevitably problematic. It was acknowledged by Crosland, and other contributors to *Socialist Commentary*, that a reaction to the Labour Government's early political and economic failures had already begun to take root. There was concern for the fate of democratic socialism after four years of the Labour administration due to important observations of political trends: the fashion was now for young intellectuals to turn towards extra-parliamentary protest, in an apparently anarchistic rejection of society; the trade union movement was increasingly characterised by sectionalism and conservatism, whilst rejecting action aimed at social justice, such as a fair incomes policy; and the electorate showed growing signs of disillusion and loss of confidence in the Labour Government and social democracy in general. This mood of despondency amongst the public was open to exploitation by political extremists from different political perspectives⁵⁰⁰.

David Marquand, MP for Ashfield, referred to the possibility of the extra-parliamentary politics of a New Left becoming influential within Labour politics. The continued existence of a Marxist streak of "political atavism" within the party was liable to become more pronounced during bad times. He feared that Labour might be tempted to turn away from the revisionist approach: "for it is all too easy to draw the wrong moral from the events of July 1966 to November 1967, and to conclude that because this particular Government failed to carry out the revisionist

⁴⁹⁸ 'Be fair to the Government', *Socialist Commentary*, Dec 1967, pp. 3-4.

⁴⁹⁹ 'Needed: a call to the nation', *Socialist Commentary*, Jan 1968, pp. 3-4; 'Political crisis', *Socialist Commentary*, Feb 1978, pp. 3-4; 'The way out', *Socialist Commentary*, April 1968, pp. 3-4; 'The lessons of it all: 1964 to 1968', *Socialist Commentary*, June 1968, pp. 3-4; 'Socialism 68', *Socialist Commentary*, Oct 1968, pp. 3-4.

⁵⁰⁰ 'Socialism 68', *Socialist Commentary*, Oct 1968, pp. 3-4.

social-democratic programme on which it was elected, no revisionist social-democratic Government can ever succeed”⁵⁰¹.

There is evidence to suggest that Marquand’s concerns were justified. Callaghan’s unsuccessful tenure at the Treasury convinced Crossman of the political power still wielded by the financial sector, represented by the City of London and the Bank of England. They could still demand orthodoxy from a Labour Government and ensure “Tory priorities” prevailed over “socialist loyalties”⁵⁰². The experience of power made instinctive sceptics more “conscious of the falsification of the Crosland-Gaitskell philosophy of socialism”⁵⁰³, whilst newer Labour MPs were impressed by the ideas of New Left intellectuals. They shared some of the fears and aspirations of literary figures, such as Raymond Williams and E. P. Thompson, with their warnings about the dangers of ‘the consumer society’ and the continued dominance of the capitalist market. There was a view that a major intellectual transfusion of new thinking was required and many New Left ideas could successfully be absorbed into the Labour Party⁵⁰⁴.

Stephen Haseler, a prospective Labour parliamentary candidate, was less concerned with the impact of a New Left movement. He considered that the main threat to social democracy came from a Powellite New Right, with its populist conservative philosophy appealing to Labour’s traditional working class supporters. He called upon social democrats to sharpen their “intellectual tools” to face up to the new enemy that threatened Labour’s position at the ballot box: “for years now the social-democratic left has been resting on its intellectual laurels. Crosland’s *Future of Socialism* and the works of Socialist Union are now accepted and respectable...However, the sheer fact of office has tended to stultify us theoretically and the liberal social democracy of Jenkins, Strachey and Crosland, with its mild, tolerant, reforming ideal is no longer exciting and has lost its glow...The over-riding mission for the ‘seventies is to rekindle and refurbish this

⁵⁰¹ David Marquand, ‘Treat us like adults’, *Socialist Commentary*, Oct 1968, p. 7.

⁵⁰² Howard (Ed.), 1979. pp. 78, 123.

⁵⁰³ Castle, 1984, p. 240.

⁵⁰⁴ See Paul Rose (MP), ‘Labour and the New Left’, *Socialist Commentary*, Sept 1969, pp. 9-11; Raymond Fletcher (MP), ‘Where did it all go wrong?’, *Encounter*, Vol. XXXIII, No. 5, Nov 1969, pp. 9-16.

philosophy so that it will survive the onslaughts upon it that will come from the right”⁵⁰⁵.

The emerging political challenge of the New Left and New Right demanded a period of strong and successful governance committed to a fortification of revisionist social democracy. Efficient and effective political and economic management was seen as the best method for regaining electoral support for a pragmatic and principled social democracy⁵⁰⁶. But it had also been stressed that recovery would rest upon the successful communication of a ‘new realism’ to the nation at large. This in turn required the Government to exhibit a strong leadership style that had previously been missing. Harold Wilson’s position as Labour Prime Minister increasingly came under threat after his devaluation broadcast to the nation attracted considerable criticism. His statement that a 14% devaluation did not affect ‘the pound in your pocket’ appeared to symbolise the bankruptcy of his premiership and confirm his reputation as an insincere opportunist, intent upon deceiving the nation and evading a responsibility for straightforward dealing. This episode severely damaged his own personal ratings with the public, whilst further harming the credibility and popularity of the Labour Government⁵⁰⁷. Yet, the subsequent failure to agree upon a leadership successor revealed the significant divisions that existed within the Labour Government. It also revealed the lack of political cohesion between former Gaitskellites, and the potential that ensuing divisions would damage the future prospects of revisionist social democracy.

The leadership issue

Pimlott considered that the nature of a British government is to a large extent shaped by the lead given by prime ministers, “as much in terms of atmosphere or ambience as in individual deeds”⁵⁰⁸. The considerable powers of decision-making and informal delegation invested in the position ensure that the judgement and

⁵⁰⁵ Stephen Haseler, ‘Labour and the Powellites’, *Socialist Commentary*, Nov 1968, pp. 9-10; the political dangers of Powellism, on account of its ‘common sense’ populism, was increasingly identified as an electoral threat. See ‘Race and Reason’, *Socialist Commentary*, Dec 1969, p. 3.

⁵⁰⁶ ‘Socialism 68’, *Socialist Commentary*, Oct 1968, p. 4; Haseler, ‘Labour and the Powellites’, 1968, p. 10.

⁵⁰⁷ Austen Morgan, *Harold Wilson*, London: Pluto Press, 1992, p. 314, Pimlott, 1992, pp. 483-484.

⁵⁰⁸ Pimlott, 1992, pp. 354-355.

appointments of national leaders are crucial in determining the governmental record. Wilson's leadership has been widely criticised for the negative impact it had upon his governments. Eric Shaw stated that "once established in power with a handsome majority, his preference was for the role of the professional navigator, content simply with keeping the ship of state afloat", rather than with any radical agenda⁵⁰⁹. He surrounded himself with a conspiratorial band of close supporters, known as the 'Kitchen Cabinet'. It is believed that the influence of these advisors and supporters, especially the overbearing influence of Wilson's secretary, Marcia Williams, helped to destabilise the conduct of government through an atmosphere of suspicion and unease⁵¹⁰. It is possible that Wilson's approach was a symptom of his highly developed sense of personal insecurity. His Cabinet was largely inherited from Gaitskell, and he therefore had reason to doubt their loyalty to him⁵¹¹. Regardless of the reasons, there was a strong sense in which Cabinet ministers found the 'atmosphere and ambience' under Wilson's leadership to be uncondusive to effective governance.

Benn, Castle and Crossman all started out as prominent Wilson supporters, but their growing disillusion with his leadership was clearly evident from their accounts of Labour's period in office. They grew increasingly critical of Wilson's lack of long-term vision and pre-occupation with short-term tactics, reflecting his apparent desire to hold power for its own sake⁵¹². Castle and Crossman were disgruntled by Wilson's overriding of Cabinet Government, making important decisions within a closed inner circle⁵¹³, whilst Castle considered that Cabinet meetings were often conducted in a "paralysingly anodyne" atmosphere and taken up by "trivialities"⁵¹⁴.

Wilson's obsession with trivial issues and hypersensitivity towards the media led to the 'D Notice Affair', in which he attacked the press over the leaking of confidential information. The episode highlighted how the Prime Minister's character and style could damage his Government, as he turned the print media's general lack of sympathy towards the Labour administration into outright

⁵⁰⁹ Shaw, 1996, p. 104.

⁵¹⁰ Morgan, 1987, p. 256; Pimlott, 1992, pp. 338-345.

⁵¹¹ In the first ballot of the 1963 leadership election he had gained the support of only one shadow cabinet member. Morgan, 1992, p. 238.

⁵¹² Benn, 1987, pp. 456, 460; Howard (Ed.), 1979, pp. 282-283.

⁵¹³ Castle, 1984, p. 117.

⁵¹⁴ Castle, 1984, pp. 301, 296.

hostility. Pimlott considered that Wilson's obsessive behaviour meant that after 1967 the actions and policies of the Labour Government were rarely given fair coverage or interpretation, as the press were far less willing to give the Government the benefit of the doubt⁵¹⁵. The overall effect was to damage the Government's image in the eyes of the wider electorate, as they gleaned much of their information from a now hostile press.

Wilson's insecure and paranoid behaviour proved damaging to the Government's public relations, but his personal political priorities have also been considered as weakening Labour's domestic concerns. Wilson focussed much of his premiership in taking personal responsibility for international diplomatic efforts over Rhodesia and Vietnam. Castle believed that he had "got this Government off on the wrong foot by his desire to play a role on the world stage", instead of focussing upon domestic economic affairs⁵¹⁶. Wilson's main ambition appeared to be the retention of Britain's status as a major global power through maintaining a strong military presence around the world, close relations with the US and the preservation of the international role and value of Sterling. Yet his efforts are generally considered to have met with limited success⁵¹⁷.

Wilson's conservatism in international affairs greatly influenced his approach to domestic policy, ensuring the lack of priority proffered to the revisionist social reform agenda. The Prime Minister kept a tight control of economic policy, with economic packages often presented to Cabinet for approval without the opportunity for a proper discussion of the various choices of action, ensuring that challenges to Treasury orthodoxy were severely constrained. Crosland was mentioned by Castle as a dissenting voice in relation to the strict control of economic policy by the Prime Minister and Chancellor. He objected to the crisis management approach, and the failure to prioritise forward planning or allow for Cabinet discussion⁵¹⁸. However the stalling of Crosland's revisionist agenda was not entirely Wilson's responsibility, as there had been no purge of Gaitskellite influence within Labour's parliamentary leadership.

⁵¹⁵ Pimlott, 1992, pp. 445-447; Howard (Ed.), 1979, pp. 355-358.

⁵¹⁶ Castle, 1984, p. 237.

⁵¹⁷ John W. Young has commented upon Wilson's self delusion over his influence upon the world stage, and his failure to strike up a meaningful 'special relationship' with the US President. Young, 2003, pp. 3-4, 21-22.

⁵¹⁸ Castle, 1984, p. 400.

Wilson largely inherited his Cabinet in 1964, with the major posts filled by figures that had supported Gaitskell's leadership, such as Brown and Callaghan. Of Gaitskell's 'inner circle', Jay and Gordon Walker originally held important government briefs, whilst Pimlott suggested that the younger generation of "prominent Gaitskellites were slotted into middling and junior positions, partly on the principle that they might bear a grudge if they were left out"⁵¹⁹. After devaluation, Healey, Crosland and Jenkins were all major players in the Labour Government. Wilson's pragmatic instincts and preference for avoiding conflict meant that he upset many of his closest political allies and ex-Bevanite associates on the Labour Left by refusing to promote them to the top jobs⁵²⁰.

However, there is evidence that Wilson was not keen to further the careers of a new generation of Gaitskellites, often betraying a deep distrust of their political motives. Benn recorded in his diary that Wilson asked him to act as a spy: "he asked if I would keep an eye out for plots and said that ministers were meeting in secret and the Campaign for Democratic Socialism was still alive"⁵²¹. CDS had in fact been dissolved in 1963, but many of its younger supporters entered parliament by 1966 and were increasingly disillusioned with the record of the Labour Government and the leadership of Wilson, who in turn viewed them with suspicion as potential conspirators⁵²². As his position came under greater threat after 1967, Wilson became increasingly suspicious of conspiracies to overthrow him and regularly accused ministers of leaking information to the press⁵²³. Bill Rodgers claimed that Wilson's behaviour only served to turn his paranoia over the existence of plots into a self-fulfilling prophesy⁵²⁴.

The discontent with Wilson's record as leader grew into pressure for change in the months after devaluation. His post-devaluation broadcast to the nation was seen by revisionists as evidence of Wilson's loss of authority and failure to provide strong and honest political leadership⁵²⁵. He was charged with having been complicit in the nation's self-deception, failing to face up to the

⁵¹⁹ Pimlott, 192, p. 328.

⁵²⁰ Castle, 1984, p. 337.

⁵²¹ Benn, 1988, p. 193; Castle confirms Wilson's paranoia over CDS. Castle, 1984, 1967, p. 275.

⁵²² Crossman noted that Wilson was reluctant to promote Roy Hattersley, Dick Taverne or Shirley Williams to ministerial positions due to their Gaitskellite/CDS connections. Howard (Ed.), 1979, pp. 474, 575.

⁵²³ Howard (Ed.), 1979, pp. 446, 507-508, 633, 644.

⁵²⁴ Rodgers, 2000, p. 112.

⁵²⁵ 'Out of Perspective', *Socialist Commentary*, January 1968, p. 12.

realities of Britain's changing position in the world or to deliver some home-truths to the British people. *Socialist Commentary* called for a tough new form of honest political leadership, but felt compelled to ask whether "this change in the style of leadership" was "possible without a change of leader?"⁵²⁶ In June 1968 the editorial was more forthright in singling out Wilson's leadership as carrying the main responsibility for failing to instil a sense of national realism, whilst provoking widespread public cynicism and a mood of reaction that made the success of democratic government more difficult. He was charged with putting opportunism and power before principle⁵²⁷. But who could replace him?

The Gaitskellites had originally failed to unite around a new leader when Hugh Gaitskell died in 1963. Yet, after a successful spell at the Home Office and his elevation to the Chancellorship, Roy Jenkins had emerged as the leading contender. Wilson promoted Jenkins ahead of Crosland due to personal relations and political considerations. It is believed that Wilson saw Jenkins as a potential political ally and as someone he could work with. Despite his superior airs, Jenkins came from a not dissimilar social background to Wilson, and appeared more pragmatic and empirical in his political approach. In contrast, Wilson found Crosland difficult and considered him to be an ally of Wilson's main political rival, Jim Callaghan⁵²⁸. However, at the time of choosing Callaghan's successor at the Treasury, Crossman's diaries suggest that Wilson was not ill-disposed to Crosland personally and even considered him for the job. But, once Callaghan failed to resign from the Cabinet, Wilson found it more advantageous to apply a straight swap between the Chancellor and the Home Secretary, Roy Jenkins⁵²⁹.

Jenkins' performance as Chancellor in the difficult conditions of the post-devaluation period significantly raised his profile and attracted positive reviews. Even Castle, from the ex-Bevanite Left, was full of admiration for his handling of economic affairs⁵³⁰. The Prime Minister's low levels of popularity with both the electorate and Cabinet colleagues provided the opportunity for a challenge to his leadership, and by 1968 it appeared that Jenkins might be the main beneficiary. His biographer considered that promotion to the Chancellorship confirmed

⁵²⁶ 'Political Crisis', *Socialist Commentary*, February 1968, p. 4.

⁵²⁷ 'The lessons of it all: 1964-1968', *Socialist Commentary*, June 1968, pp. 4-5.

⁵²⁸ Pimlott, 1992, pp. 485-488.

⁵²⁹ Howard (Ed.), 1979, pp. 396, 417.

⁵³⁰ Castle, 1984, pp. 358, 407.

Jenkins' political ascendancy over his contemporaries, such as Crosland and Healey, whilst helping him to gather a strong base of parliamentary support⁵³¹. A new grouping of university-educated, former "Gaitskell enthusiasts" was identified from within the ranks of the 1960s parliamentary intake. They formed the nucleus for a potential backbench rebellion and effective leadership challenge, due to their disillusion with the Labour Government's record⁵³². They adopted Jenkins as their unofficial leader due to his impressive parliamentary performances and his position as the man best placed to unseat Wilson and successfully take on Gaitskell's mantle. The prominent members of this group included Bill Rodgers, Dick Taverne, John Mackintosh, Brian Walden, David Marquand and David Owen. John Campbell stated that "they had entered the House, if anything, as Croslandites, having read *The Future of Socialism*, but Jenkins' faster advancement and superior performance had made them Jenkinsites"⁵³³.

After 1967 the Jenkinsites held regular meetings of the 1963 Club, where the discussion generally focussed upon the need to replace Harold Wilson. Subsequently Christopher Mayhew, the former Navy Minister and Gaitskellite MP, became Chairman of a conspiratorial group that drew up lists of MPs who might support a leadership challenge by Roy Jenkins. Yet, despite widespread disillusion with Wilson, it became clear that Jenkins was unable to muster enough parliamentary support to mount a leadership challenge between 1968 and 1969⁵³⁴.

According to one of the plotters, a major difficulty was that Jenkins' followers "were much more eager to launch a revolt than he was". The Chancellor felt indebted to Wilson for furthering his political career and supporting him through the difficult early months of his post-devaluation tenure, whilst he also believed that a leadership challenge would have damaged the party and endangered the economic recovery that he was overseeing⁵³⁵. Jenkins appeared to lack the ruthless streak required to stage a successful political coup, and therefore the various plots hatched by his supporters suffered from inertia at the highest

⁵³¹ Campbell, 1983, p. 104.

⁵³² 'Disenchanted Newcomers', *Socialist Commentary*, July 1967, pp. 25-26.

⁵³³ Campbell, 1983, p. 123.

⁵³⁴ Mayhew, 1987, pp. 181-188; Austen Morgan stated that the Jenkinsite conspirators were only able to muster the support of "35 certainties, 39 probables, 63 possibles, and 7 unknowns" amongst the PLP. Morgan, 1992, p. 327.

⁵³⁵ Dick Taverne, 'Chancellor of the Exchequer', *Roy Jenkins: A Retrospective*, 2004, pp. 101-103.

level. Another crucial factor was, as Pimlott stated, that the rules of the Labour Party contained no established mechanism for disposing of a prime minister in office and a leadership challenge required overwhelming PLP and Cabinet support⁵³⁶. But it became clear that the majority of the Labour Cabinet would not support a Jenkins leadership.

Although some influential figures were amenable to the idea of a new leader at varying points after 1967, they were unable to agree upon who that individual should be. Those identified with the Centre and the Left of the party were determined to avoid another leader from the Labour Right, having suffered under Gaitskell. Benn was clear that he would rather keep Wilson as leader if the alternative was Jenkins⁵³⁷. Castle believed Jenkins to be “temperamentally incapable of leading the Party” due to his “instinctive high-handedness”⁵³⁸. It seemed more natural that former Gaitskellites should fall in behind Jenkins in order to replace Wilson, but political rivalry and differences on major issues prevented unity between leading figures on the Labour Right.

Jim Callaghan claimed that he was approached by John Mackintosh in regards to an attempt to oust Wilson from the leadership, but was unwilling to act as “a stalking horse” for Jenkins’ leadership ambitions⁵³⁹. By 1969 Callaghan had re-emerged as a major challenger after successfully leading a trade union rebellion against the industrial relations White Paper, *In Place of Strife*. As a consequence, when another Jenkinsite plot was hatched in May 1969 “Jenkins took fright” and “ordered his troops to hold their fire”, largely due to the renewed strength of Callaghan as a rival for the succession⁵⁴⁰. Denis Healey’s biographer, the former Labour parliamentary candidate Edward Pearce, stated that, as an “associate member of Gaitskellism” and a political loner by nature, Healey was unwilling to join the Jenkinsites or to back Roy Jenkins’s leadership ambitions. Pearce suggested that Jenkins’ leadership bid was tainted by his social connections with ‘high society’, his popularity in the ‘liberal media’ and his apparently ‘superior airs’, which all served to make him relatively unpopular within the wider Labour

⁵³⁶ Pimlott, 1992, p. 504.

⁵³⁷ Benn, 1987, p. 515.

⁵³⁸ Castle, 1984, pp. 187, 304.

⁵³⁹ Callaghan, 1987, p. 275.

⁵⁴⁰ Pimlott, 1992, p. 539.

Party. Healey was apparently far too pragmatic and politically aware to become associated with such a leadership candidate⁵⁴¹.

Arguably more telling for the future of Labour revisionism was the attitude of Crosland. According to foremost Jenkins supporters, Crosland apparently knew nothing of the new revisionist grouping that met to challenge for the leadership. He appeared increasingly detached from his former Gaitskellite colleagues, as they looked to his friend and rival, Roy Jenkins, for political leadership⁵⁴². The main problem was that the leading Gaitskellite revisionists had leadership aspirations of their own and were unwilling to step aside for one another. Bill Rodgers and Giles Radice have both testified to the collision of personal ambitions that prevented cooperation between Healey, Jenkins and Crosland⁵⁴³. Mutual rivalry ensured the status quo. Despite his many faults, the lack of an agreed challenger ensured that Wilson remained Labour leader by default. The failure to replace him highlighted the personal tensions and political divisions that had emerged between former Gaitskellites and threatened the future prospects of revisionist social democracy.

Revisionist divisions

The emerging personal rivalry between Jenkins and Crosland impaired constructive cooperation between the two leading revisionists, and derived from their very different experience of Labour in power. Crosland had flourished under Gaitskell, with his intellectual reputation helping gain him significant political influence. A Gaitskell administration might well have offered Crosland an opportunity to tackle the one job that he craved above all else, as Chancellor of the Exchequer. But under Wilson's premiership it was to be Jenkins' career that took off, whilst Crosland was overlooked for the main ministerial posts.

Crosland's experience of office, as evident from the observations of Cabinet colleagues and subsequent interviews that he gave, was one of considerable frustration and apparent impatience with the realities of power. His rational and intellectual approach sometimes appeared to make him

⁵⁴¹ Pearce, 2002, pp. 342-343.

⁵⁴² Mayhew, 1987, pp. 184-186; Rodgers, 2000, pp. 113-115.

⁵⁴³ Radice, 2002, pp.167-168; Rodgers, 2000, p. 114.

temperamentally unsuited to the demands of office, especially when it seemed that the Labour Government was merely reacting to events without any clear vision or prioritisation of overall objectives. Crosland had hoped that the moderate and evolutionary approach to political reform would offer the opportunity for experimentation and provide pragmatic social democratic politicians the time and breathing space to respond effectively to unfolding problems⁵⁴⁴. Yet Crosland clearly found that the day-to-day business of government prevented him from having time to think about issues and policy concerns outside his own department⁵⁴⁵. To Crosland, as an intellectual in active politics, the opportunity to think was not a luxury but a necessity. It ensured that his thoughts could be turned to the practical problems of governance and how to resolve them. He told one interviewer that “if you’ve got, as I had, an academic background, or have tried serious writing, you tend to believe that problems yield to thought”⁵⁴⁶. But the time and opportunity to think in depth proved to be in short supply.

Crosland’s desire for periods of reflection made him least suited to the practice of regular ministerial reshuffles. He felt that he had been given insufficient time to get to grips with the new departments that he occupied. It was his misfortune to hold four government posts in five years, although his preference would have been to hold a maximum of two posts in that period, as he felt that six months were required just to get a feel for the department and three years was “the optimum period” of tenure⁵⁴⁷. Other colleagues, such as Roy Jenkins and Denis Healey, enjoyed a far greater degree of stability, with only four ministerial posts between them. Healey remained Secretary of State for Defence throughout the lifetime of the Government, whilst Jenkins prospered during two relatively lengthy spells as Home Secretary and Chancellor.

There was a more common experience in relation to the workings of the Wilson Cabinets. Crosland expressed the frustration of the other revisionist ministers when he said that “much too much goes to Cabinet” and much of that agenda was decided by “political content” rather than “intrinsic importance”. But

⁵⁴⁴ Crosland, 1956, p. 314.

⁵⁴⁵ Interview with *The Sunday Times*, 26th Sept 1971.

⁵⁴⁶ Kogan, 1971, p. 156.

⁵⁴⁷ Interview with Peter Wilby in *The Observer*, 26th Sept 1971.

the nature of government made it difficult to work in a spirit of cooperation with colleagues, as departmentalism took over, with success reliant upon “endless tactical battles” with the Treasury. Crosland considered that making a success of any ministerial post was reliant upon gaining the support of the Chancellor and other colleagues, but this would often require “determination, cunning and occasional unscrupulousness”⁵⁴⁸. The problem with this approach was that it could also sour relations if pushed too far, and there was a strong sense that the Labour Government did not cooperate enough or work well as a team. Castle’s diaries mention the problems of departmentalism, which served to weaken the overall commitment to Labour’s social objectives. She suggested that there was a general feeling against ministers speaking up on issues outside their departmental briefs. Only Crosland appeared to consistently challenge the failure to conduct proper discussions relating to an agreed overall strategy, stressing the need to avoid allowing general policy to be dictated by crisis management⁵⁴⁹.

The accounts of Labour’s period in office have a tendency to portray Crosland as a rather isolated figure within Cabinet. He found himself unable to successfully influence the major decisions on economic policy or prevent major cuts to public expenditure. Once devaluation was forced upon the Government, he assumed the role of principle antagonist to Jenkins, opposing major elements of the new Chancellor’s deflationary packages from January 1968 onwards⁵⁵⁰. Yet, Castle considered that Crosland never fought hard enough against spending cuts or gave a strong enough lead in advocating his own preferred policy options, which appeared to include import quotas and floating the pound⁵⁵¹. The difficulty was that no easy solutions presented themselves and it is arguable that Jenkins had no alternative but to take determined steps to recover the confidence of the markets and therefore return the economy to a position of stability. Crosland’s ambivalence, at a time when the Government required firm action as an immediate response to economic crisis, earned him a reputation for indecision that

⁵⁴⁸ Interview with *The Sunday Times*, 26th Sept 1971.

⁵⁴⁹ Castle, 1984, pp. 185-186, 301, 353, 400.

⁵⁵⁰ Benn, 1988, p. 12; Howard (Ed.), 1979, pp. 440, 637-642.

⁵⁵¹ Castle, 1984, pp. 537, 563, 601.

harmed his political stature. His alleged “inefficient but nonchalant but cavalier” behaviour during 1969 was seen by Wilson and Crossman as a symptom of his resentment at having missed out on the Chancellorship⁵⁵². But it was the increasingly adverse opinion of those who respected his past intellectual contributions that was most damaging.

It became common currency amongst the younger revisionists that Crosland lacked a professional politician’s natural instinct for making quick and confident decisions, whilst also failing to champion their career prospects⁵⁵³. His political abilities were also questioned by Cabinet colleagues who had serious doubts about Crosland’s contribution to the Government. Wilson and Crossman agreed that, in contrast to Jenkins, “he very often contributes an idea but never a policy or a decision”⁵⁵⁴. Jenkins’ thoughts on Crosland were recorded by Castle. The Chancellor initiated the discussion by asking her what she thought of Crosland: “with my usual bluntness (which he encouraged) I said that his contributions were always intellectually brilliant but that they never seemed to lead to anything. He agreed at once. Tony, he said, was always against taking a decision until every intellectual avenue had been explored. He didn’t seem to realise that there were certain situations in which one just had to act. Of course Tony had wanted to be Chancellor”⁵⁵⁵.

Crosland was clearly jealous of Jenkins’ political rise, especially as it had remained his aspiration to become Chancellor of the Exchequer. With Crosland at the Board of Trade the two men would have to work closely together as the foremost economic ministers. But relations were clearly frosty, as was reflected in one specific correspondence between the pair. Jenkins sent a rather impersonal letter demanding that in future Crosland should consult with the Treasury before making a consultation statement on economic affairs⁵⁵⁶. Considering the economic circumstances, Jenkins may have had a point but his tone angered Crosland, who was forthright in his response: “I was first astonished, then saddened, to receive so hectoring and pompous a communication from an old friend and Cabinet colleague. It was tempting to reply in kind. I refrain for the sake of our future

⁵⁵² Howard (Ed.), 1979, pp. 634, 636.

⁵⁵³ Radice, 2002, pp. 165-167; Rodgers, 2000, p. 109.

⁵⁵⁴ Howard (Ed.), 1979, p. 525.

⁵⁵⁵ Castle, 1984, pp. 599-600.

⁵⁵⁶ ACP 5/4, 46, Letter from Roy Jenkins to Anthony Crosland, 16 Sept 1969.

relationship which, apart from anything else, is not unimportant to the Government and the Party...It is essential that you and I should talk regularly and think along the same lines. I personally intend now to forget this rather undignified correspondence and look forward to a long and normal talk when we both get back from our travels”⁵⁵⁷.

The clear implication was that the two leading revisionist politicians were not talking ‘regularly’ or thinking ‘along the same lines’ and this could be of little benefit to the practical development and success of revisionism. Crosland may have feared that Jenkins now accepted Treasury orthodoxy. He was certainly critical of the Chancellor’s deflationary budgets and sent a memorandum containing his thoughts on economic policy to the Prime Minister. He asked that the Board of Trade be given more weight and influence, as a counterweight to the power of the Treasury⁵⁵⁸. The fact that the Treasury tended to favour an orthodox approach to economic policy obviously concerned Crosland, but it can have been no coincidence that his memo to the Prime Minister was sent just over a week after his written altercation with Chancellor Jenkins. It is arguable that his resentment of his former Gaitskellite colleague’s political ascendancy was a major factor in the uncooperative political positions that he took in Cabinet. But Crosland was not alone in making life difficult for the Chancellor. The impact of economic crisis and the post-devaluation change of direction, which Jenkins largely initiated, revealed significant divisions within the Labour Right over policy.

Roy Jenkins was the dominant figure within the Labour Government during the period 1968-1970. Wilson’s authority had been undermined by devaluation, and he could not risk the resignation of another Chancellor, with the impact that would have upon the economy and the Government’s political standing⁵⁵⁹. Jenkins was therefore able to dictate the shape of Labour’s post-devaluation policy, initiating a strategy of stabilisation and reorientation through the measures outlined in his

⁵⁵⁷ ACP 5/4, 48, Letter from Anthony Crosland to Roy Jenkins, Sept 1969.

⁵⁵⁸ ACP 5/4, 83-85, ‘Private and Confidential memo to PM’ from Anthony Crosland at the Board of Trade, 22 Sept 1969.

⁵⁵⁹ Dick Taverne, who served as a Treasury minister under Jenkins, stated that the Chancellor’s power was revealed by his ability to block the Prime Minister’s preferred ministerial appointments. Taverne, ‘Chancellor of the Exchequer’, *Roy Jenkins*, 2004, pp. 97-98.

economic packages. It had become clear that the conditions that Labour experienced in power had proved unfavourable to revisionist social democratic objectives. The British economy was prone to crisis, with economic stability damaged by a combination of balance of payments deficits, low growth and poor industrial relations. Britain's continued pretensions to a 'world role' involved expensive overseas commitments that appeared to be unsustainable. Jenkins' realist strategy involved a pragmatic response to existing conditions, whilst setting in motion initiatives that altered the context in which policy was implemented to ensure better future prospects for revisionism.

Firstly, the Labour Government required a period of economic stability and recovery after the repeated Sterling crises of the first few years in power. John Campbell asserted that Jenkins was still an expansionist in principle but the failures of Labour's early years necessitated firm management of the economy. This meant 'two years hard slog' of deflationary action to correct the balance of payments deficit and the high levels of national debt that had accumulated⁵⁶⁰. Expenditure cuts and taxation were intended to enable national resources to be switched from domestic consumption to exports⁵⁶¹. The commitment to growth could then be resumed once market confidence in Sterling's new rate returned and the economy was stabilised.

Secondly, Jenkins' economic packages contained significant defence cuts. There was to be a phased withdrawal from Britain's military commitments East of Suez and the cancellation of orders for 50 F111 fighter aircraft from the US⁵⁶². These measures were intended to re-orientate Britain's foreign policy away from its traditional global role and, along with a reapplication to join the EEC⁵⁶³, serve to balance the pro-Atlanticist position of a junior partnership role to the US with a more independent pro-European stance. A Foreign Office Cabinet Paper in 1968 showed how policy had moved in the direction favoured by Jenkins⁵⁶⁴. The Chancellor was also responsible for initiating the beginning of the end of the Sterling area, a practical solution to economic weakness that had been originally

⁵⁶⁰ Campbell, 1983, pp. 107-108.

⁵⁶¹ Morgan, *Harold Wilson*, 1992, p. 343.

⁵⁶² A summary of the main measures outlined in the January 1968 package, which cut over £700 million from Government expenditure, are listed in Howard (Ed.), 1979, pp. 443-444.

⁵⁶³ General de Gaulle, President of France, had vetoed Britain's entry into the EEC in November 1967 but negotiations were reopened by 1970.

⁵⁶⁴ Young, 2003, p. 12.

overlooked by revisionists. The Basle agreement of 1968 led to an international sharing of the burden of carrying the world's Sterling reserves amongst 50 other nations⁵⁶⁵.

Jenkins strategy was a pragmatic, yet principled response to the unfavourable conditions that he faced. Stabilisation at home would open the way for future economic expansion, whilst the reorientation of Britain's policy abroad would help produce a new and more favourable international framework for future stability and domestic reform. However, the Chancellor's strategy provoked considerable resistance from Gaitskellite Cabinet colleagues and those generally considered to be supporters of revisionist social democracy. Opposition to many of his proposals appeared to reflect a refusal to face up to the realities of the economic crisis or accept a necessary scaling down of the Government's spending commitments. Cabinet alliances often cut across traditional left-right divisions, with the Chancellor facing different adversaries on different issues.

There was understandable anguish at the proposal to postpone raising the school leaving age. This was an important element in extending social equality, but the opposition of Brown, Callaghan and Crosland failed to gain enough support from colleagues. Healey and Castle backed the Chancellor in order to defend their own departmental interests⁵⁶⁶. Crosland would prove to be Jenkins' main adversary in resisting public expenditure cuts throughout 1968, although he generally agreed with much of the strategy. His obstructive behaviour caused Castle to suggest that Crosland was "a funny lad...not prolific with any alternative solutions and yet always doggedly defending our high level of public expenditure"⁵⁶⁷. Jenkins was more forthright in considering that Crosland's "view was that we ought to do something different from the proposition under discussion, maybe more drastic, maybe less, but certainly much later"⁵⁶⁸.

The opposition to the defence cuts and the reorientation of foreign policy was arguably more substantial and divisive. Crossman referred to "a powerful right-wing junta" of Brown, Callaghan, Stewart and Healey representing "the Great Britain addicts" who wanted to retain Britain's global commitments⁵⁶⁹.

⁵⁶⁵ Campbell, 1983, p. 120.

⁵⁶⁶ Howard (Ed.), 1979, p. 437, Benn, 1988, p. 6.

⁵⁶⁷ Castle, 1984, p. 483.

⁵⁶⁸ Roy Jenkins, *A Life at the Centre*, 1991, p. 261.

⁵⁶⁹ Howard (Ed.), 1979, p. 439.

They argued for a more gradual retreat from East of Suez and opposed the cancellation of the F-111 fighter jets. Their position was influenced by their desire to placate US opinion and retain Britain's influence with the world's leading power. They were opposed by Jenkins, who wanted cuts across the board and Crosland, who wanted defence to take the lion's share of cuts⁵⁷⁰. Castle recorded the historic Cabinet of Friday 12th January 1968, when the Chancellor was backed by the Prime Minister in resisting pressure from the pro-Atlanticists to abandon his defence cuts. The Foreign Secretary, George Brown, supported by Healey, led the opposition in characteristically emotive style, warning of the rough reaction likely to come from the US State Department and the dangers of the US returning to isolationism "with consequences which will be visited on our children and grandchildren". Jenkins resisted such stark premonitions, determined for a change in direction and a fundamental reappraisal of Britain's world role, in order to prioritise future economic stability⁵⁷¹.

There were also clear signs that membership of the EEC remained a potentially divisive issue amongst revisionist social democrats. Gaitskell's anti-EEC speech highlighted a strong current of traditional patriotism, combined with a continued global vision of Britain's future and a fervent pro-Atlanticism. He based his rejection of the EEC upon the view that the economic case for the Common Market was unproved; the existence of the Common Agricultural Policy (CAP) was an intolerable protectionist burden that would harm Britain's traditional benefit derived from cheap food; Commonwealth interests would be damaged, especially the agricultural interests of New Zealand and Australia; many leaders of the European Movement, such as Monnet and Spaak, intended to develop the EEC in a federalist direction, with excessive political integration that might injure Britain's 'special relationship' with the US⁵⁷².

Douglas Jay became the leading Gaitskellite opponent of the EEC, essentially based upon the arguments originally set out in Hugh Gaitskell's speech. His fiercely anti-EEC stance made his continued participation in the Labour Government untenable by July 1967 due to the decision to apply for

⁵⁷⁰ Benn, 1988, pp. 12-16; Castle, 1984, p. 349.

⁵⁷¹ Castle, 1984, pp. 354-356.

⁵⁷² Williams, 1979, pp. 712-714, 725.

membership⁵⁷³. Subsequently he became a rather marginal political figure dedicated to campaigning against British involvement in the EEC. He was later willing to strike up unusual political alliances in order to defend cheap food imports and retain Britain's democratic and cultural traditions⁵⁷⁴. Jay's 'little Englander' perspective can be seen as a diminishing element within revisionist social democracy, but when the EEC issue originally arose in May 1967 there was a fine balance within Cabinet between those Gaitskellites in favour, those against and those undecided. Crossman listed Brown, Crosland and Jenkins amongst the pro-EEC group, with Healey and Jay against, whilst Callaghan and Gordon Walker had not committed themselves to a clear position⁵⁷⁵. However, Barbara Castle, an implacable opponent of EEC membership, noted Crosland's potential scepticism on the issue during a Chequers Cabinet meeting in April 1967. He apparently indicated that he was not strongly pro-EEC and agreed with much of her analysis⁵⁷⁶. In a later Cabinet discussion in February 1968 Crosland stated that he saw no need for a further application to the EEC, as the main reason had been to encourage investment but the job had now been done by devaluation⁵⁷⁷.

Pearce stated that Healey's political approach was shaped by his pro-Americanism and especially close relations with US Secretary of Defence, Robert McNamara. These overriding concerns informed his tenure as Minister of Defence and his fight to prevent Britain's speedy disengagement East of Suez⁵⁷⁸. It also appeared to inform his opposition to closer European integration. It is clear from the diary of Michael Stewart, the Foreign Secretary from 1968 to 1970, that Healey was opposed to joining the EEC due to the "danger of estranging the USA"⁵⁷⁹ and he was willing to obstruct progress towards EEC negotiations⁵⁸⁰. De Gaulle's continued presence as French President ensured that the issue became temporarily academic and it slipped off the Government's agenda until the end of its period in office. Yet, the EEC issue clearly contained the potential to expose

⁵⁷³ Howard (Ed.), 1979, p. 363.

⁵⁷⁴ Morgan, 1987, p. 117; See also Marquand, 1991, pp. 151-152.

⁵⁷⁵ Howard (Ed.), 1979, pp. 347-348.

⁵⁷⁶ Castle, 1984, p. 250.

⁵⁷⁷ Castle, 1984, p. 382.

⁵⁷⁸ Pearce, 2002, pp. 297-300.

⁵⁷⁹ John W. Young (Ed.), 'The Diary of Michael Stewart as British Foreign Secretary: April-May 1968', *Contemporary British History*, Vol. 19, No. 4, Dec 2005, pp. 487-488.

⁵⁸⁰ Young (Ed.), 'The Diary of Michael Stewart', Dec 2005, p. 498.

divisions within the Labour Right and prevent the fulfilment of Jenkins' reorientation strategy.

Labour's position on the future of industrial relations was another issue that strained personal relations within Cabinet due to concerted opposition to Barbara Castle's proposed legislation, *In Place of Strife*. Despite the backing of the Prime Minister and Chancellor, the resistance of the TUC was strengthened by the position of influential ministers. Unofficial strikes were a source of economic instability and the proposed legislation would have helped curb trade union excesses. But the Home Secretary, Jim Callaghan, proved a powerful opponent. He used his trade union background to argue against legal intervention in industrial disputes and for the continuation of the voluntarist tradition⁵⁸¹. He was backed by several other ministers, including Crosland who, despite previously backing the need for modernisation of the trade unions, became Callaghan's political ally and considered that the timing of Castle's legislation was wrong. He asserted that it would only create political problems at this late stage of the parliamentary cycle⁵⁸². Radice believed that, although Crosland's argument was tenable, the failure to reform stored up future trouble for the Labour Party: "it established in the voters' minds that the party was incapable of carrying through measures which the trade unions opposed, even if these were thought to be in the national interest"⁵⁸³. Callaghan later admitted that the trade unions subsequently failed to take the voluntary self-improvement route⁵⁸⁴.

The impact of electoral defeat

The potential for political difficulties relating to the EEC and the actions of British trade unions belonged to the future. The immediate economic situation required instant action and therefore provided Jenkins with a strong hand. His determined approach, allied to the strong backing of the Prime Minister, enabled him to successfully gain support for his strategy of economic stabilisation, which brought

⁵⁸¹ Callaghan, 1987, p. 274.

⁵⁸² Jefferys, 2000, pp. 137-138.

⁵⁸³ Radice, 2002, p. 177.

⁵⁸⁴ Callaghan, 1987, p. 277.

in its wake a considerable international reorientation. By the autumn of 1969 his short-term economic policies began to produce results, with the balance of payments deficit eliminated, personal consumption under control and exports increasing⁵⁸⁵. With the next general election imminent, Jenkins came under pressure from Cabinet colleagues to produce an electioneering budget to aid a Labour victory⁵⁸⁶. But the Chancellor refused to engage in such “a vulgar piece of economic management”⁵⁸⁷. Dick Taverne stated that “he was determined not to throw away the economic gains of so much toil and sweat by cheap election bribery”⁵⁸⁸. The subsequent budget was marked by cautious consolidation and the election that followed in June 1970 produced an unexpected victory for the Conservatives⁵⁸⁹.

It is arguable that Jenkins’ principled stance was major factor in Labour’s defeat in 1970. But the post-budget opinion polls showed Labour ahead for the first time in three years and suggested that a majority of the public approved of the budget’s general content and approach⁵⁹⁰. There were many factors behind Labour’s failure at the polls, not least the damage done by the economic crises of 1964-67 and the subsequent prolonged period of political unpopularity. Nevertheless, election defeat in 1970 has been considered by revisionist social democrats as a ‘watershed’ in British political history⁵⁹¹. Radice believed that it “was both a tragedy and a crucial turning point for Labour revisionism”, as the period of Opposition exposed the modernising social democratic project to criticism and led “to new tensions and rivalries” emerging between the leading revisionists⁵⁹².

The ‘what if?’ approach to history is a notoriously tempting yet relatively unproductive exercise. It is impossible to say with certainty how the Labour Government would have coped with office after 1970. The Heath Government faced considerable economic and political problems, many of which would also

⁵⁸⁵ Campbell, 1983, p. 109; Tomlinson, 2003, p. 63.

⁵⁸⁶ Howard (Ed.), 1979, pp. 684-690.

⁵⁸⁷ Jenkins, 1991, p. 291.

⁵⁸⁸ Taverne, ‘Chancellor of the Exchequer’, *Roy Jenkins*, 2004, p. 104.

⁵⁸⁹ Stuart Ball claimed that the Conservative Party itself had not expected to win. Stuart Ball, ‘The Conservative Party and the Heath Government’, Stuart Ball and Anthony Seldon (Ed.), *The Heath Government 1970-74*, London: Longman, 1996, p. 315.

⁵⁹⁰ Taverne, ‘Chancellor of the Exchequer’, *Roy Jenkins*, 2004, p. 105; Radice, 2002, p. 181.

⁵⁹¹ David Marquand, ‘The Welsh Wrecker’, *Roy Jenkins*, 2004, p. 109.

⁵⁹² Radice, 2002, p. 185.

have been faced by a Labour administration. But there are certain factors relating to electoral defeat that can be identified as particularly damaging to the revisionist cause. Firstly, by 1970, it was possible to see the initial fruits of the post-1968 economic stabilisation strategy. It has been argued that, although not an economic miracle, Jenkins's tenure as Chancellor was returning the British economy to a point of stability from which a cautious and pragmatic revisionist programme of social progress could be pursued⁵⁹³. Defeat robbed the revisionists of the opportunity to use the economic recovery of 1968-70 and the reorientation of foreign policy to resume their programme of social reforms⁵⁹⁴.

Secondly, there is a general consensus that Harold Wilson would have retired within a couple of years of a new Labour government, leaving the way open for a contest between Callaghan and Jenkins in 1972⁵⁹⁵. Jenkins' authoritative position would have been cemented and his strong parliamentary base would have given him an excellent chance of winning the Labour leadership. Pimlott considered that a Labour victory would have meant "Healey at the Treasury, Jenkins at the Foreign Office, and Thomson conducting the Common Market negotiations (the likely dispositions, if Wilson had stayed in Office), Labour might well have taken Britain into Europe at about the same time, and on similar terms, as the Conservatives. Wilson might also have achieved some of the social reforms which had been put on ice because of the need for retrenchment"⁵⁹⁶. Instead, Labour became more Opposition minded, especially in relation to the increasingly divisive EEC issue, and Wilson stayed on as leader for another six years in a vain attempt to promote party unity.

Thirdly, electoral defeat was significant for the impact that it had upon the revisionist power-base in the PLP. Revisionism, despite the temporary efforts of CDS, was fundamentally a parliamentary movement. Its strength rested upon its influence within the PLP. Victory in 1970 would have added to the ranks of the 1966 intake of revisionist MPs. Concern had been raised concerning the

⁵⁹³ Campbell, 1983, p. 131; It is clear that most economic indicators had improved by mid 1970, although the threat of inflationary wage rises was beginning to emerge. See Sir Alec Cairncross, 'The Heath Government and the British Economy', Ball and Seldon (Ed.), 1996, pp. 110-112.

⁵⁹⁴ A *Socialist Commentary* editorial of June 1970 referred to the 'Unfinished Business' of educational reform and improvement to the social services. *Socialist Commentary*, June 1970, pp. 1-2.

⁵⁹⁵ Morgan, 1992, p. 378; Jenkins, 1991, p. 297; Pimlott, 1992, p. 650.

⁵⁹⁶ Pimlott, 1992, pp. 560-561.

difficulties of gaining candidatures likely to swell revisionist ranks in parliament. Constituency Labour Parties (CLPs) reliance upon sponsorship meant that union-backed candidates were often favoured ahead of new young and able candidates from a university-educated background, especially in traditional Labour heartlands⁵⁹⁷. Nevertheless, there were a significant number of defeated Labour candidates associated with Labour's revisionist wing through previous connections to Gaitskellism, CDS and *Socialist Commentary*. Many of these candidates might have expected to win their seats if the national swing had been towards Labour⁵⁹⁸. The subsequent parliamentary balance after 1970 shifted towards the Left⁵⁹⁹.

Lastly, if Labour had won the election it would have been a victory fought on an impeccably revisionist platform, reflecting the influence of the Chancellor, Roy Jenkins, as the main architect of the Labour Government's new post-devaluation policies of stabilisation and reorientation. The manifesto's 'Eight Main Tasks' represented a pragmatic adaptation of Crosland's original strategy to the realities of power, whilst remaining true to his revisionist principles and priorities. The next Labour government would have remained committed to the effective management of the mixed economy, although Keynesianism would be supplemented by new methods of state intervention to aid industrial modernisation and expansion; the commitment to the revisionist conception of social equality was reaffirmed through stronger measures in a proposed new education bill, renewed attention to reforming the tax system, whilst the welfare state was to be consolidated and strengthened, with priority given to the disabled, children and the elderly; and there was also consideration given to new issues concerning the extension of democracy and Britain's role in the world, with a clear commitment to reopening negotiations to join the EEC and to further reduce Britain's overseas commitments⁶⁰⁰.

⁵⁹⁷ John Mackintosh, 'A Bed of Thistles', *Socialist Commentary*, Dec 1967, p. 11.

⁵⁹⁸ MPs who lost Labour-held seats included Donald Dewar at Aberdeen South, Christopher Price at Birmingham Perry Barr, Woodrow Wyatt at Bosworth, George Brown at Belper, Jack Diamond at Gloucester, Will Howie at Luton, Terry Boston at Faversham, Stanley Henig at Lancaster, Evan Luard at Oxford.

⁵⁹⁹ The membership of the Tribune Group of Labour Left MPs stood at 48 (17% of the PLP) in 1970, and would grow still further after 1970, standing at 86 (27% of the PLP) by 1978. See Patrick Seyd, *The Rise and Fall of the Labour Left*, London: Macmillan, 1987, p. 78.

⁶⁰⁰ 'Now Britain's Strong – Let's Make It Great To Live In', the British Labour Party general election manifesto, 1970.

The 1970 Labour manifesto was an important revisionist tract. It retained and reaffirmed the ethical vision and social priorities of Crosland's original thesis, whilst developing practical industrial policies to address Britain's economic shortcomings. The tone and content was both pragmatic and principled, realist and compassionate. It showed that many of the lessons of power had been learnt and provided a strong basis for a new Labour government to resurrect a programme of social reform. But defeat ensured there was to be no immediate opportunity to continue the economic and political recovery that had occurred after 1968, whilst suggesting that revisionist social democracy had failed in office and been rejected by the voters. It empowered the Labour Left, enabling it to highlight the political and economic failures of the 1960s and to link them to the dominance of revisionist thinking.

Section III

Revisionism in Crisis, 1970-77

The Challenge of the Labour New Left

The years in opposition, from June 1970 to February 1974, were to prove damaging to the future prospects of Labour revisionism. The renewal of deep internal divisions over the Party's social democratic commitment and the re-examination of policy were described by Patrick Bell, in his recent study *The Labour Party in Opposition*, as "a period of transition and trauma"⁶⁰¹. The revisionist position was subject to a major political challenge from a new and resurgent Labour Left. Kevin Jefferys reflected that the 1960s Wilson administrations "left a legacy of uncertainty" concerning the Labour Party's political identity and objectives, as the post-war optimism of progressive advance evaporated amidst economic crisis. In the face of this uncertainty, future political direction became highly contested between "the inheritors of the old fundamentalist and revisionist traditions"⁶⁰².

Andrew Thorpe considered that the events after 1970 highlighted the intellectual bankruptcy of revisionist social democracy, as its key advocates proved unable to address the impact of economic failure upon their egalitarian strategy⁶⁰³. His perspective places revisionist intellectual failure as the major cause of rising left-wing influence. However, it is arguable that the political eclipse of revisionism stemmed from a combination of factors, not least the deep rift that developed between its leading figures, Crosland and Jenkins. Bell's analysis, although not overlooking intellectual weakness, stressed the double rupture of the old Gaitskellite alliance as the determining factor behind the increasing marginalisation of the revisionist wing during these years.⁶⁰⁴ The loss of support from the unions and the Party's centre-ground over the issue of EEC membership undermined their position and impaired attempts to renew Crosland's intellectual thesis.

This chapter will examine the rise of the Labour New Left in order to clarify the nature of the challenge it posed to the revisionists' intellectual

⁶⁰¹ Patrick Bell, *The Labour Party in Opposition 1970-74*, London: Routledge 2004.

⁶⁰² Kevin Jefferys, 'The Old Right', Plant/Beech/Hickson (Ed.), 2004, pp. 76-77.

⁶⁰³ Thorpe, 2001, pp. 167-169.

⁶⁰⁴ Bell, 2004, pp. 200-202.

authority. The focus will be upon the New Left's political character, intellectual critique and alternative strategy. But it is also important to understand the favourable political context, in terms of conditions and events, which aided the rising power and influence of a New Left movement within the Labour Party and helped to place the revisionists on the defensive.

The electoral defeat in 1970 had an immediate and negative impact upon Labour revisionism, as conditions within the Labour Party favoured a shift to the Left due to the emergence of a militant trade union movement allied to an embittered activist base. It is an observable tendency that an electoral reverse can shift the balance of power within the Labour Party away from the parliamentary leadership. Opposition after 1970 demonstrated this tendency and led to a detectable shift in emphasis away from the parliamentary wing towards party institutions. The Annual Conference and the National Executive Committee (NEC) grew in influence as a result of disillusioned activists voicing their disapproval of their leaders. Initially, Labour's leading revisionist politicians were unaware of these developments, adhering to the belief that, despite many difficulties, the Labour Government had left office with many successes to its name and could expect a calm period of reflection⁶⁰⁵. The subsequent years would belie this hope, as the inquest into Labour's period in power were dictated by the most hostile left-wing critics. Ben Pimlott stated that "whatever its objective merits, the former Government was judged harshly by the Party rank and file. Labour administrations never satisfy their own keenest supporters. In 1970 the disappointment was especially severe" and "defeat, which robs ministers of power, gives activists an opportunity for self-expression"⁶⁰⁶.

Tribune called for a new Left alliance within the Labour Party between the TUC and Labour activists, in order to inject socialist radicalism into the political movement⁶⁰⁷. This call to arms was soon taken up by activists, through conference resolutions condemning the actions of the Labour Government and calling for Clause 4 style solutions. Bell referred specifically to two Composite Resolutions

⁶⁰⁵ Roy Jenkins, 'Labour in the Seventies', *Socialist Commentary*, Nov 1970, pp. 4-5; Anthony Crosland, *A Social Democratic Britain*, Fabian Tract 404, Jan 1971, p. 1.

⁶⁰⁶ Pimlott, 1992, p. 573.

⁶⁰⁷ *Tribune*, 26th June 1970, p. 1.

put forward at the 1970 Blackpool Conference which set the tone for the ensuing period. Resolution 28 called for more direct forms of state control over the economy, whilst Resolution 16 deplored the failure of the previous Labour Government to listen to the views of party activists due to the arrogance of the outdated parliamentary elite. The latter resolution was carried in a Conference vote⁶⁰⁸.

The shift in power away from the parliamentary party became more pronounced after 1970, highlighting the revisionists' lack of a significant powerbase outside the PLP and their focus upon a wider electoral appeal⁶⁰⁹. The failure to reform the party structure after 1959 now became more apparent due to the alteration in the character of Labour's rank and file. Patrick Seyd explored the impact of shifts in membership upon Labour politics in this period. He identified that Labour's membership went into decline during the 1960s and, with the dramatic fall in members, the forces of the strongly motivated left-oriented activists became more concentrated. The combination of a radical new middle class and a militant working class was important in the rising support from constituency activists for the Labour Left⁶¹⁰.

Nicholas Ellison, in his study of Labour's political thought, stated that the election of Tribune figures, Frank Allaun and Joan Lestor, to the NEC in March 1966 as "the first signs of restlessness among rank and file activists, which persisted in the leftwing domination of the constituency section throughout the 1970s"⁶¹¹. The reaction of a new breed of activist became more pronounced after the election defeat of 1970 and was reflected in the make-up of the NEC, which became increasingly influential in the making of party policy. In his original study on the rising influence of the Left, Michael Hatfield stressed the importance of the NEC as the 'supreme body' and guardian of Conference decisions, whilst describing how dissatisfaction with the 1964-1970 governments led to an imbalance in representation in favour of the Left⁶¹². Also, a new generation of

⁶⁰⁸ Bell, 2004, pp. 14-17.

⁶⁰⁹ Crosland's views are representative. In 1962 he asserted that rank and file activists were becoming less important to the pursuit of electoral success. See Crosland, *The Conservative Enemy*, 1962, pp. 38-41.

⁶¹⁰ Patrick Seyd, *The Rise and Fall of the Labour Left*, London: Macmillan, 1987, pp. 38-41.

⁶¹¹ Nicholas Ellison, *Egalitarian Thought and Labour Politics*, London: Routledge, 1994, pp. 152-153.

⁶¹² Michael Hatfield, *The House the Left Built*, London: Victor Gollancz, 1978, p. 22.

party worker emerged within the NEC Research Department and set about changing party policy in a more radical leftward direction. Its key figures included Terry Pitt, Geoff Bish, and Stuart Holland. Bell stated that “the socialism of the NEC research programme challenged a parliamentary leadership still heavily dependent upon Anthony Crosland’s *The Future of Socialism* (1956) for its intellectual authority”⁶¹³.

A Labour Left-dominated NEC was increasingly in alliance with a radicalized unionism, seeking greater control over the political direction of the Labour Party. This was reflected in the setting up of the Labour-TUC Liaison Committee in 1972, a joint policy forum to help produce official party policy and stressing the need for stronger trade union rights and legal powers⁶¹⁴. New union leaders, most important being Jack Jones of the Transport and General Workers Union (TGWU) and Hugh Scanlon of the Engineering Workers Union (AEU), began to exert a greater influence over Conference resolutions that demanded a more left-wing brand of socialism⁶¹⁵. Many trade unions had become embittered by the Wilson governments’ incomes policies restraining wages and their attempts at industrial relations reform. After 1970 they were determined to become more closely involved in policy making and to make stronger demands. Incomes policy was now seen by revisionists as a crucial element in the Labour Party policy for sustaining inflation-free full employment⁶¹⁶. Yet, at the Labour Party Conference in 1970, Hugh Scanlon stated that his union would only accept an incomes policy under ‘a fully socialist economy’, defined in Clause 4 terms as the common ownership of the means of production, distribution and exchange⁶¹⁷.

The bitter response of activists and trade unions to Labour’s period in office provided an opportunity for the political and intellectual regeneration of the Left. The new conditions within the Labour Party offered the chance to overturn the moderate social democratic approach to politics that had dominated the formation of party policy since the 1950s. The emergence of the Labour New Left was a direct challenge to the dominant influence of revisionist social democracy.

⁶¹³ Bell, 2004, p. 5.

⁶¹⁴ Robert Taylor, *The Trade Union Question in British Politics*, Oxford: Blackwell, 1993, pp. 224-228; Hatfield, 1978, pp. 76-78.

⁶¹⁵ Bell, 2004, pp. 14-24; Hatfield, 1978, p.39.

⁶¹⁶ Crosland, 1971, p. 8; ‘An Incomes Policy for Socialists’, *Socialist Commentary*, Feb 1972, pp. 2-3.

⁶¹⁷ LPACR, 1970, p. 121.

The character of the Labour New Left

The term 'New Left' relates to the novelty of the ideas that were developed after 1970 and their divergence from both the revisionist position and the earlier political position of the Bevanite Left. However, it is necessary to differentiate between an earlier New Left and the later movement that would prove so influential within the Labour Party. The First New Left was largely a movement of intellectuals that provided a critique of Labour's post-war revisionism from outside mainstream party politics. Michael Kenny's study of the First New Left explained how disillusionment with Stalinist orthodoxy led to an exodus of intellectuals from the British Communist Party after 1956⁶¹⁸. E. P. Thompson, Stuart Hall and Raymond Williams were instrumental in launching *The Universities and New Left Review*, a journal independent from both Stalinist communism and Western social democracy. The original ambition was to open up a 'third way' to express dissatisfaction with both of these globally established leftist positions. For Kenny, the First New Left represented an attempt to develop a new political movement based on 'humanist socialism', and to provide a left-wing alternative to revisionist social democracy. This involved rediscovering the older traditions of socialist revolt but also meant moving beyond old-style fundamentalism in exploring and examining the effects of cultural shifts and social change upon socialist thinking⁶¹⁹.

Many of the themes explored by the First New Left became influential within the political thought of the Labour Party during the 1970s. Their overriding criticism of revisionism related to the continued dominance of capitalism within the mixed economy and the lack of advance towards a socialist future – a vision of a society dominated by cooperative and egalitarian values. The New Left claimed that advanced consumerism was leading to the gradual privatisation of society, rather than its socialisation, with socialist values undermined by the growing manipulation of the working-class, or 'consumer masses', by marketing men and advertisers. Raymond Williams emphasized the consequent loss of identity and community that led to a growing political apathy and disempowerment. He judged

⁶¹⁸ Michael Kenny, *The First New Left: British Intellectuals after Stalin*, London: Lawrence & Wishart, 1995.

⁶¹⁹ Kenny, 1995, p. 57.

that capitalism had not been tamed but was instead using mass consumerism as a new method of social control⁶²⁰. This trend could only be reversed through a wide-ranging extension of participatory democracy. E. P. Thompson called for a return to the historical origins of socialism, stressing grass roots activism and political protest against the inefficiencies and greed of modern capitalism⁶²¹.

The intellectuals of the First New Left worked to uncover the subtler forms of exploitation that were occurring in the age of mass consumerism. In contrast to the revisionist approach, which had dismissed Marx as irrelevant to the modern world, the First New Left attempted to bring Marxism back West by looking at his relatively unknown earlier works. They sought to regenerate the works of Marx and free them from their connections with the tyranny of the Soviet system. It has been suggested that the impetus for the First New Left originated in "the discovery of a 'liberated' Marx who could be used to discuss alienation and ideology, and a renewed attention to the nature and quality of work"⁶²². Marxism was rejected by the revisionism of the 1950s but was now being revived by the New Left as a vital tool in the construction of a new socialist analysis that challenged the consensual parliamentary politics of post-war social democracy.

The New Left scepticism towards parliamentary democracy was exemplified by the work of Ralph Miliband. His 1961 thesis, concerning the essential character of the Labour Party, became an influential text amongst British socialists. It asserted that Labour's adherence to parliamentary socialism merely led to the management of a capitalist state where the interests of capital would always come before that of the working class⁶²³. The Wilson governments' incomes policies and hardening attitude towards the organised working class, through the proposed industrial regulation of *In Place of Strife*, were actions that appeared to confirm Miliband's analysis. Capitalist crisis had apparently led to an attack on the power and living standards of the working class. Therefore socialists might once more look beyond the parliamentary system, which had not only failed to deliver a socialist future but was increasingly inimical to working class interests and left-wing views on international relations.

⁶²⁰ Raymond Williams, *The Long Revolution*, Harmondsworth: Penguin, 1961, p. 328.

⁶²¹ E. P. Thompson, *Out of Apathy*, London: Stevens & Sons, 1961, pp. 192-193.

⁶²² R. Barker, *Political Ideas in Modern Britain*, London: Routledge, 1997, p. 192.

⁶²³ Ralph Miliband, *Parliamentary Socialism*, London: George Allen & Unwin, 1961.

The unilateralist upsurge of 1960 was the first major connection of ideas between the First New Left and the Labour Left. Their unity in favour of nuclear disarmament was part of a wider opposition to Britain's established foreign policy. The New Left advocated non-alignment from the two opposing Cold War camps. Thompson argued in favour of 'active neutrality', enabling Britain to take a moral and constructive lead in ending mutual hostilities. He viewed the face-off between the Soviet Bloc and NATO as self-perpetuating, impacting negatively upon Britain's domestic policies. Cold War foreign policy was considered to have placed intolerable economic burdens and political constraints upon democratic socialist advance, whilst also providing an excuse for the Soviet regime to crush dissent and democracy⁶²⁴.

Much of the discontent with the Wilson governments stemmed from its diplomatic support for the U.S. action in Vietnam and its original failure to significantly cut its global defence commitments. The critics believed that greater independence in foreign affairs would also promote greater independence in domestic affairs, with the national interest coming before powerful international interests. Yet again, the New Left appeared to reflect the natural political instincts of traditional left-wing attitudes of pacifism and anti-Americanism. Their arguments and ideas provided intellectual substance to the new wave of left-wing radicalism, identifiable in the student unrest and increasing working-class militancy of the late 1960s. The critique of the established social order, the revival of Marxism, support for a new approach to international relations and the championing of extra-parliamentary movements, were all important themes that began to feed into the Labour Party from the late 1960s.

The Labour New Left provided a more direct challenge to revisionism through the development of an alternative analysis and strategy within the mainstream of British party politics⁶²⁵. The essence of its leadership mirrored the revisionist movement of the 1950s. There was a charismatic and highly motivated political leader, in the form of Tony Benn, and an intellectual authority, in the form of

⁶²⁴ E. P. Thompson, 'NATO, Neutralism and Survival', *Universities and Left Review*, Vol. 4, 1958.

⁶²⁵ Mark Wickham-Jones uses the term 'New Left' to refer to the new ideas articulated by the Labour Left after 1970. I use the term 'Labour New Left' to differentiate the party political movement from the intellectual movement that centre upon the journal *New Left Review*. See Mark Wickham-Jones, 'The New Left', Plant/Beech/Hickson (Ed.), 2004, pp. 24-25.

Stuart Holland. Both served in the Wilson administration, the former as a minister and the latter as an economic adviser. Both were assiduous and energetic political activists. They became the main advocates of a fundamental change in direction, embodied in the development of their Alternative Economic Strategy (AES), using their influence in Labour Party policy-making committees during the 1970s to advance their ideas.

The ideas of Holland and Benn were bolstered by the work of other supportive groups. The Institute for Workers Control (IWC), under the major influence of Michael Barratt-Brown and Ken Coates, looked at the case for introducing wide-ranging industrial democracy; the Cambridge Economic Policy Group, especially Francis Cripps and Wynn Godley, built up the economic arguments for protectionist measures; journals, such as *Spokesman*, raised the issues in favour of nuclear disarmament and a pacifist approach to foreign policy. Groups, such as The Campaign for Labour Party Democracy (CLPD) fought for internal Labour Party reforms to give greater power to the party activists⁶²⁶.

Formerly a centrist politician linked to the Wilsonite technocratic approach to politics, Tony Benn became a symbolic leader of the Labour Left during Labour's years of opposition in the early 1970s. He is accredited with reinventing himself as "Labour's answer to Enoch Powell, a populist guru of the left", reacting against the allegedly consensual politics of the 1950s and 1960s⁶²⁷ and the failure of the Labour governments to listen to the demands of trade unionists and left-wing activists⁶²⁸. Benn's diaries provide an insight into how the experience of Labour's period in power shaped his new approach to politics, as he was increasingly fascinated and in sympathy with new radical groups that sprung up during the late 1960s. It is clear that he became conscious of being out of touch with popular sentiments and the politics of vocal grass roots protest movements, such as left-wing student groups and the black power movement, believing them to be a positive force for greater democratisation and socialist radicalization⁶²⁹.

⁶²⁶ See Geoffrey Foote, *The Labour Party's Political Thought: A History*, Basingstoke: Macmillan, 1997, Ch. 14 'The Bennite Left'; David Kogan and Maurice Kogan, *The Battle for the Labour Party*, London: Kogan Page, 1983, Ch. 4 'Groups of the Outside Left'.

⁶²⁷ Morgan, 1987, p. 305; Benn declared at the 1972 Labour Conference that the end had come for consensual politics. LPACR, 1972, p. 103.

⁶²⁸ Hatfield, 1978, pp. 70-71; Ellison, 1994, pp. 153-154.

⁶²⁹ Benn, 1988, pp. 82, 87, 105-106, 134.

From 1970 Tony Benn was concerned to reduce the gap that had opened up between the political activists and Labour's parliamentary elite. He was intent on exploring new ideas in order to reinvigorate socialism, whilst reacting against the alleged failures of social democracy. He stressed the need to make socialism relevant to the demands of a 'New Citizen', a phenomenon identified with rapid social and technological change. His developing ideas promoted the need for a democratisation of society, with the encouragement of wider participation and the rejection of managerial and authoritarian conceptions of society⁶³⁰. New grass roots political movements and institutions were required to increase democratic participation, decentralise power downwards to ordinary people and ensure the accountability of remote political and economic elites. He visited Yugoslavia to witness their system of workers control of industry⁶³¹ and was willing to act as a political figurehead for militant trade unionism⁶³². He supported the increasing politicisation of British trade unionism, as a vital part of a wider movement for transformation and protest⁶³³.

Benn was also willing to explore Marxist politics, as an important influence in providing an alternative to the revisionist position. He referred to Crosland's beliefs as "the individual escape from class into prosperity", whilst viewing this objective as "the cancer eating into the Western European Social Democratic parties"⁶³⁴. Of course this is an unfair representation of Crosland's beliefs, as he had previously refused to merely advocate equal opportunities because he did not see this as enough to produce an egalitarian society. But Benn's views are important because they provide an insight into how an increasingly influential figure – reinvented as a political leader of the rejuvenated Labour Left – perceived the political situation of the moment. He was fast becoming a significant political player, with widespread support from party

⁶³⁰ Anthony Wedgewood Benn, *The New Politics: a socialist reconnaissance*, Fabian Tract 402, Sept 1970, pp. 9-12.

⁶³¹ Benn, 1988, p. 347.

⁶³² According to Castle, reporting upon a factional meeting of the Left, Benn had come to believe that, at all costs, the "first job as a Labour Government is to defend the trade union movement" and to use the power of the shop stewards movement to force political change. Castle, 1980, pp. 422, 428.

⁶³³ Benn, 1988, p. 445; after a Glasgow trade union demonstration in June 1971, Benn recorded his involvement: "I was pushed to the front and all the shop stewards – every one of them communists of course – linked arms with me and we walked forward". Benn, 1988, p. 352.

⁶³⁴ Benn, 1988, p. 356.

activists, and so his views could not easily be ignored⁶³⁵. His influence during Labour's period in opposition reached a peak during his tenure as Party Chairman from 1971-72.

In terms of working out a coherent alternative economic strategy, Benn relied heavily upon Stuart Holland's analysis and ideas. Holland worked as an economic adviser to Wilson from 1966-68, and then became influential within the Labour Party's NEC research department. He was originally viewed "as a young protégé in social democratic circles", as he helped in the development of a new industrial policy to aid the key revisionist objective of economic growth through a state interventionist agency⁶³⁶. There was a general consensus across the Labour Party that the state would have to play a greater role in directing and planning the economy after the failures of the 1960s. Holland was asked by Roy Jenkins "to draft the case for a British state holding company". Jenkins subsequently used many of his arguments for a series of speeches that he made during 1972, which were published under the title *What Matters Now* (1972). But by late 1972, Holland was increasingly identified as a political opponent by revisionist social democrats, although he still appears bemused by their stance⁶³⁷. The arguments set out in Holland's main publication, *The Socialist Challenge* (1975), provide the clearest statement of the alternative analysis and strategy of the Labour New Left, whilst offering significant evidence of the key political differences that divided them from the revisionists.

The alternative analysis and strategy

Holland's analysis directly set out to argue the case for the redundancy of Crosland's revisionist thesis, as expounded in *The Future of Socialism*⁶³⁸. *The Socialist Challenge* provided the Labour New Left with an intellectual basis for

⁶³⁵ Castle noted that Benn was commended for his "efforts in the class war" by *The Morning Star* and she believed his actions reflected his self-appointment as "a one-man Popular Front". Castle, 1980, p. 24; his popularity amongst activists was reflected by his high positions in NEC elections, 1971-74. Benn, 1988, p. 378, Castle, 1980, pp. 238-239.

⁶³⁶ Hatfield, 1978, p. 87; Bill Rodgers enlisted Holland as an adviser to the Trade and Industry Subcommittee of the Commons Expenditure Committee, which he chaired. Stuart Holland, 'Ownership, Planning and Markets', Plant/Beech/Hickson (Ed.), 2004, p. 163.

⁶³⁷ Holland, 'Ownership, Planning and Markets', 2004, pp. 166-168.

⁶³⁸ In *The Socialist Challenge*, Holland contrasted his arguments to the revisionist analysis, with ample reference to Crosland and his original thesis. Stuart Holland, *The Socialist Challenge*, London: Quartet Books, 1975, See examples, pp. 9, 23-29, 70, 146.

their alternative strategy, which aimed to return the Labour Party to a distinctively socialist economic policy and a more uncompromising political approach. In his introduction, he asserted that capitalism had reached a new stage of development not foreseen by 1950s revisionism. Keynesian economics had been undermined by the “recent acceleration in the trend to monopoly and multinational capital”, which meant that socialist aims could not be met by the moderate and reformist approach of post-war social democracy. Holland believed that the transformed conditions made “imperative a programme of fundamental and effectively revolutionary reforms, transforming the injustice, inequality and inefficiency of modern capitalism”⁶³⁹. The specific measures that he advocated included a large extension of public ownership, comprehensive state planning mechanisms and workers control of industry. These were all important elements within the AES and were successfully integrated, with the aid of a left-dominated NEC, into Labour’s Programme 1973⁶⁴⁰.

Holland argued that the political economy upon which the revisionists’ analysis and egalitarian strategy were built was now fatally compromised. A significant loss of economic sovereignty and efficiency had occurred due to the emergence of a meso-economic sector. This new sphere of economic activity was characterised by an increasing trend towards monopoly of power and concentration of output amongst giant multinational companies. These multinationals were able to use their considerable economic might to elude Keynesian policies of indirect state control and erode the liberal capitalist model of competitive markets. They could dominate the market through greater access to finance, bulk buying, rules of patent and aggressive takeovers of their main competitors⁶⁴¹. According to Holland, the Croslandite revisionist thesis assumed that conventional Keynesian macro-economic management provided the state with enough power to control economic life, without recourse to socialization. He stated that Labour’s experience from 1964-70 had proved that governments no longer held the capacity to control the economy: “it is on this key question of state power and government

⁶³⁹ Holland, 1975, p. 9.

⁶⁴⁰ Mark Wickham-Jones, an authority on the Labour New Left’s economic strategy, claimed that their proposals dominated formal party policy documents for the next decade. Mark Wickham Jones, ‘The New Left, Plant/Beech/Hickson (Ed.), 2004, p. 38.

⁶⁴¹ Holland, 1975, pp. 46-52.

control that the Crosland analysis has been proved wrong, and with it the ‘revisionist’ thesis of which he has remained the foremost advocate in post-war Britain”⁶⁴².

Both Keynesianism and revisionism were deemed invalidated because power no longer resided with political authority but had been usurped by the managers of large-scale multinationals, with the ability to evade and distort the fiscal policies of democratically elected governments⁶⁴³. Holland considered that the trend towards multinational dominance of the world economy undermined national economic and political sovereignty. Governments were now under greater pressure to pursue policies that suited multinationals, due to their threat of relocation if public policy clashed with their private interests⁶⁴⁴, whilst the international reach of these firms meant that they could undermine national fiscal policies through transfer of pricing, profits and investment between subsidiaries in different nations⁶⁴⁵. Holland asserted that the revisionist social democratic approach was now outdated due to its reliance upon Keynesian management and the belief that capitalism had been transformed by state intervention. He claimed that Crosland had overstated his case through extreme empiricism and an over-reaction against Marxism. The new society was in reality a form of state capitalism, with power residing with “a miniscule class of enormously powerful top managers motivated purely by the search for profits”. They continued to place the private interest above the public interest, whilst the increase of the meso-economic sector had merely exaggerated this tendency and prevented the realization of government policy in areas such as the balance of payments, regional development, prices, inflation and industrial development⁶⁴⁶. These top managers had proved unwilling to aid a revisionist government in the pursuit of economic growth and, without this surplus, the revisionists were unable to alleviate the social problems caused by capitalism. Consequently, the revisionist approach was redundant, whilst Holland argued that his analysis supported “the

⁶⁴² Holland, 1975, pp. 23-26.

⁶⁴³ Holland, 1975, p. 70.

⁶⁴⁴ Holland, 1975, pp. 75-76.

⁶⁴⁵ Holland, 1975, pp. 83-85.

⁶⁴⁶ Holland, 1975, pp. 27-28.

traditional socialist argument that without public ownership and control of the dominant means of production, distribution and exchange, the state will never manage the strategic features of the economy in the public interest⁶⁴⁷.

Holland's strategy for a socialist transformation reflected his belief that the new meso-economic power of multinationals had to be directly confronted and national economic sovereignty recovered. He opposed the Croslandite mixed economy due to its inbuilt imbalance in favour of the private over the public sector. It was argued that this uneven arrangement led to public sector dependence and 'poor relation' status, generally tied to non-productive and loss-making areas of the economy⁶⁴⁸. He also dismissed the EEC as a possible channel for action against the meso-economic sector. He viewed it as an organisation dominated by the interests of private capital and characterized by an ideology of liberalization, whilst consumed by internal conflicts and contradictions. Holland believed that no contemporary alternative to the nation state existed within the international sphere, and therefore the recovery of economic sovereignty would have to develop through a unilateral national policy⁶⁴⁹.

The strategy that Holland proposed was based upon re-mixing the economy in favour of the public sector to ensure that the state played a major role in the productive and 'active' areas of the economy. It was only through increasing the scale and importance of public enterprise that the government could hope to directly influence outcomes within the national economy. Due to the power of the multinationals it was necessary for a significant expansion in public ownership to harness the new meso-economic power and ensure that national social and economic objectives were met⁶⁵⁰. The private sector could no longer be wholly relied upon to meet the demands of government economic policy. Major firms would be taken into public ownership and a State Holding Company, or National Enterprise Board (NEB), would enable the state to take a far more entrepreneurial role within the economy. The NEB would take the industrial lead and produce a 'pull' effect upon the remainder of private enterprise. The new public enterprises

⁶⁴⁷ Holland, 1975, p. 15.

⁶⁴⁸ Holland, 1975, pp. 146-149.

⁶⁴⁹ Holland, 1975, pp. 331-335.

⁶⁵⁰ Holland, 1975, pp. 177-178.

would gain real leverage over ‘the commanding heights’ and harness the new meso-economic sector in regard to price-setting and tax avoidance⁶⁵¹.

It was intended that the increase in public ownership would be reinforced by a socialist planning strategy. Bilateral planning agreements would be drawn up between the government and significant firms to ensure that national planning objectives were met. The ultimate sanction against wayward private enterprise would be the threat of public ownership, or what Holland referred to as ‘democratization’. He stated that “in general the government should use the system decisively – backed by its new public enterprise and by the powers under an Industry Act – as a primary means of ensuring a shift from private domination of the commanding heights of the economy to a dominance of public accountability and control”⁶⁵².

The socialist economic policies of public ownership and indicative planning were to be complemented by worker control of industry. The Labour New Left saw industrial democracy as a bulwark against the dangers of state bureaucracy and a vehicle for transforming the hierarchical structure of capitalism⁶⁵³. Holland envisaged tripartite planning agreements, with worker representatives from individual enterprises involved in discussions and agreements⁶⁵⁴. Worker control was seen as a vital element in his socialist strategy of redressing the balance between labour and capital, and ensuring that the socio-economic structure was transformed in a socialist direction. Holland saw the future of industrial management and decision-making under the democratic control of the workers, with majority power to hire and fire the executive management. He saw no other means for overcoming the alienation of workers from the decisions that affected their working lives⁶⁵⁵. It was also a crucial method for enhancing democratic control against the power of ‘the capitalist class’. Holland claimed that “the combination of workers’ self management with a

⁶⁵¹ Holland, 1975, pp. 184-185.

⁶⁵² Holland, 1975, p. 230.

⁶⁵³ The influential New Left organisation, the IWC, aspired to create ‘a new social order’ in which workers were no longer ‘wage slaves’ beholden to the economic power of those with private wealth. See Ken Coates and Tony Topham, *The New Unionism: The Case for Workers Control*, London: Peter Owen, 1972, pp. 28-29.

⁶⁵⁴ Holland, 1975, pp. 271-276.

⁶⁵⁵ Holland, 1975, pp. 288-290, pp. 302-304.

strategic planning framework can create the conditions for a genuine ‘democracy of the proletariat’ in the context of a reinforced national democracy”⁶⁵⁶.

Holland stressed that worker control was necessary to overcome the instrumental attitudes of the majority, and to give workers a sense of responsibility to their work⁶⁵⁷. But he also acknowledged the risk that his extensive proposals might provide a possible obstacle to economic efficiency and modernization, as majority worker control could lead to exaggerated producer power dominating over the public interest. Holland considered that this potential problem could only be overcome by a genuine Social Contract, in which “the power of a socialist government” was used “to transcend capitalist criteria in the heartland of the economy and harness the power of leading enterprise in an explicitly social context”. Roughly translated, this meant socially-motivated government action to guarantee the availability of jobs and income in declining regions and industries⁶⁵⁸. However he also believed that a Labour Government could only expect to gain an effective Social Contract with the trade unions if a specifically socialist programme was enacted. The parliamentary leadership would have to commit to reversing “the present dominance of capitalist modes of production and capitalist motivation into a dominance of democratically controlled socialism”. Holland was clear that the Labour Party should turn away from the revisionist approach and explicitly aim to “transform capitalist society rather than try ineffectively to alleviate its implicit injustice”⁶⁵⁹.

A new social order

Thirty years on, Stuart Holland claimed that his specific prescriptions, such as planning agreements and a state holding company, were based on mainstream European social democratic experience and were intended to overcome the problems of market distortion. He suggested that the aim of his plans was to recreate competition in “a new mixed economy”, and to provide the state with an entrepreneurial role in order to make the market system work more effectively. Holland stated that his strategy was not the old-fashioned nationalization of the

⁶⁵⁶ Holland, 1975, p. 294.

⁶⁵⁷ Holland, 1975, pp. 171, 259-260.

⁶⁵⁸ Holland, 1975, pp. 285-286.

⁶⁵⁹ Holland, 1975, pp. 38-40.

Bevanite Left, and consequently the revisionist social democrats should have claimed his ideas for their own, rather than ceding ownership of them to the New Left⁶⁶⁰.

Holland's retrospective judgment plays upon the opportunity for internal Labour Party consensus that existed in relation to a more interventionist industrial policy. The editorials in *Socialist Commentary* supported more government intervention, albeit based on a flexible, pragmatic and gradualist approach, whilst advocating an effective Social Contract with the trade unions to ensure the control of inflation⁶⁶¹. They also accepted that industrial relations legislation and an incomes policy must be linked to a drive for greater social justice and equality⁶⁶². Holland was correct to direct attention to Roy Jenkins' enthusiasm for a powerful state holding company to overcome regional disparities and aid development in depressed regions of the country, supported by a Regional Development Bank offering favourable loans to business⁶⁶³. Taken on their merits, Holland's proposals appeared to be a pragmatic response to a failing economy. However, important differences of emphasis and approach placed his strategy in an entirely different light once they became associated with the anti-capitalist aspirations of individuals and groups of the Labour New Left.

The revisionist position continued to rest upon the belief that capitalism had already been transformed and democratized, whereas their fiercest left-wing critics believed that the dominance of a capitalist economic system remained the major barrier to a socialist society. Michael Barratt-Brown, an influential IWC activist, asserted that "capitalism had not been reformed" as it still retained "its old anti-social and anarchic tendencies"⁶⁶⁴. There is a sense in which the Labour Left used radical sounding slogans and rhetoric, which tended to exaggerate the differences between their proposals and that of the revisionists. There was, as Nicholas Bosanquet recognized at the time, the potential for political agreement between the Labour Left and the revisionists over policy, if only the barrier of

⁶⁶⁰ Stuart Holland, 'Ownership, Planning and Markets', Plant/Beech/Hickson, 2004, pp. 167-169.

⁶⁶¹ *Socialist Commentary*, March 1972, p. 3; *Socialist Commentary*, February 1972, pp. 2-3.

⁶⁶² *Socialist Commentary*, September 1972, pp. 2-3.

⁶⁶³ Roy Jenkins, 'Socialism and the Regions', *Socialist Commentary*, May 1972, pp. 15-18; Roy Jenkins, *What Matters Now*, London: Fontana, 1972, pp. 35-37.

⁶⁶⁴ Michael Barratt-Brown, *From Labourism to Socialism*, Nottingham: Spokesman, 1972, p. 12.

language could be overcome⁶⁶⁵. Nevertheless, language is important in defining political intent, however hazy and incoherent, and the Labour New Left was tied to a form of anti-capitalist rhetoric that tended to alienate and polarize opinion. Constructive dialogue was therefore made more difficult. It also became apparent that the intent of their proposals was quite different in nature from the more pragmatic objective of making the mixed economy work more effectively. To *Socialist Commentary*, they appeared to want to exacerbate the economic crisis, by threatening profit and investment, in order to extend public ownership “as a staging-post to some form of complete socialism”⁶⁶⁶. Holland’s new analysis provided the justification for the resurrection of the Labour Left’s traditional political prejudices, whilst his proposals were absorbed into a new strategy intended to transform the economic system.

Holland’s thesis was sprinkled with anti-capitalist rhetoric and the advocacy of a more fundamental approach to socialist transformation. This was justified by the increasing power of multinational companies, but Holland did not merely target multinationals in the meso-economic sector, as the whole private sector was condemned for “failing the nation on a massive scale” and for representing “a dead weight on the backs of working class people”⁶⁶⁷. Holland’s opposition to the revisionist approach rested upon the new power wielded by the meso-economic sector, yet his opposition to the capitalist economic system was more comprehensive in nature. He made clear that the strategy laid out in Labour’s Programme 1973 was merely a stepping stone to real socialist transformation, as the danger remained “that half-hearted change will only advance state capitalism”⁶⁶⁸.

Crosland’s revisionism relied upon social welfare policies to advance egalitarian objectives, but Holland believed that only structural transformation could overcome the inevitable social and economic inequalities of a capitalist society⁶⁶⁹. Socialist society was defined as “the creation of a society in which it is easier to secure self-fulfillment through serving society than through the exclusive pursuit

⁶⁶⁵ Nicholas Bosanquet, ‘Who are the Have-Nots Now?’, *Socialist Commentary*, June 1973, pp. 26-27.

⁶⁶⁶ ‘Profit and Socialism’, *Socialist Commentary*, June 1974, pp. 1-2.

⁶⁶⁷ Holland, 1975, p. 69.

⁶⁶⁸ Holland, 1975, p. 144.

⁶⁶⁹ Holland, 1975, pp. 34-35, 38.

of self alone”, and these motivations were those that characterised the public sector⁶⁷⁰. Therefore Holland’s proposed shift in the balance of the economy, in favour of the public over the private sector, can be viewed as an ideological objective, rather than purely a technical corrective to the make-up of the mixed economy. Direct democratic control, through public ownership, was once more a central means for socialists to override the irresponsible power of private capital. Labour New Left intellectuals saw the development of an alternative economic strategy as a means for transforming capitalism. Ken Coates considered that the new structural reforms to the economy would help to challenge “the continued sovereignty of capitalism itself”⁶⁷¹. The increasing concentration of economic power in the hands of monopoly capital was seen as a major political challenge and one that would lead to inevitable conflict with a Labour Government. Benn expected a confrontation and he told the Labour Party Conference of 1973 that the crisis would provide the ideal opportunity for fundamental change⁶⁷². He supported industrial democracy and a far-reaching, egalitarian, incomes policy as a means with which to “drive capitalism back into a more limited role, as a form of investment deprived of the power that has historically gone with it”⁶⁷³.

Public ownership and worker control were seen as complementary policies for creating socialism, as workers would be free from the exploitation that flowed from private enterprise and their limited status as a ‘hired hand’. The aim of the IWC was to overturn capitalist hierarchies, rather than to reform and improve the system⁶⁷⁴. The future of socialism for the Labour New Left appeared to centre upon the twin objectives of national democratic control of industry and the liberation of workers, with capitalist production – defined as private enterprise – marginalized and reduced in power.

The desire for a fundamental transfer of power and wealth to the working class, regardless of future economic success, indicated that Holland’s specific measures represented a vehicle for a dramatic transformation of the socio-economic system and a reversal of established social hierarchies. Coates and Topham stated that worker control “poses a radical challenge to the basic

⁶⁷⁰ Holland, 1975, p. 37.

⁶⁷¹ Ken Coates, *The Crisis of British Socialism*, Nottingham: Spokesman, 1972, p. 241.

⁶⁷² Tony Benn, 1974, p. 88.

⁶⁷³ Benn, 1974, p. 23.

⁶⁷⁴ Coates and Topham, 1972, pp. 7, 64.

assumptions of private capitalism and to the authorities which administer its institutions”⁶⁷⁵. If the ordinary workers gain control over the management of industry, the assumptions of power that naturally flow from private ownership are overturned. These implications were fully understood. Worker control of industry was advocated as a means to “re-establish the goal of a new social order”⁶⁷⁶ where decision-making power was gained through election of workers’ representatives rather than by delegation from owners of private capital. This was a direct attack upon the private property rights of capital and the traditional power hierarchy within private industry. The division of labour and authority was seen as integral to the market system. Industrial democracy was to be a crucial strategy for overturning its dominance.

The Labour New Left’s model for worker self-management was the Yugoslav experiment of the 1950s. All social and economic organizations were managed by elected workers’ councils, overturning the traditional rights of ownership in favour of worker self-management. The ship workers of the Upper Clyde and the steelworkers of Sheffield were held up as examples of a new form of unionism taking hold in the consciousness of the British labour movement. This new unionism would provide the impetus for a radical form of industrial democracy that aimed at nothing less than a programme of widespread common ownership, inspired by grass-roots industrial power⁶⁷⁷.

The Labour New Left’s vision of a new social order was reliant upon a fundamental breach with the capitalist system and would dramatically shift the balance of power in society in favour of the working class. This aspiration was most succinctly stated by Tony Benn at the 1973 Labour Conference. In defending the new Labour programme of that year, he stated that “our first and prime objective is therefore to bring about a fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families. We also intend to make economic power more fully accountable to the community, to workers and the consumer; so as to eliminate poverty; to achieve far greater

⁶⁷⁵ Coates and Topham, 1972, pp. 28-29.

⁶⁷⁶ Coates and Topham, 1972, p. 29.

⁶⁷⁷ Coates and Topham, 1972, pp. 224-232; A sympathetic account of the Upper Clyde Shipbuilders (UCS) ‘work-in’ is provided by Tony Benn. Benn, 1988, pp. 362-366.

economic equality and to meet urgent social needs”⁶⁷⁸. Greater equality of outcome and greater equality of status in favour of the working class were the key aspirations but, unlike revisionists, the Labour New Left saw structural transformation of the economy and direct redistribution as vital means to achieving these central socialist objectives.

The revisionist response

The anti-capitalist rhetoric of the Labour New Left betrayed a more extreme ideological motivation than that of the revisionist social democrats, serving to alienate moderate opinion within the PLP. Holland’s ideas, as set out in *The Socialist Challenge*, represented a direct political attack upon the revisionist position and the Croslandite analysis that sustained it. Once his book was published, revisionists had no difficulty in identifying it as a hostile thesis. David Marquand acknowledged its significance, and the renewed threat that it posed to revisionist influence over the future direction of the Labour Party: “politically this is a work of the first importance, which the social democratic wing of the Labour Party, in particular, will have to take very seriously indeed. For what Mr Holland has done is to pour new wine into old bottles of Clause Four: to provide, for the first time for twenty-five years, an at least faintly plausible theoretical justification for the prejudices of the Labour Left”⁶⁷⁹.

It was considered that Holland’s thesis contained some good ideas on industrial policy that could provide the basis for Labour Party unity, and his attack on multinationals appeared to point towards support for developing supranational coordination of policy through the EEC. But unfortunately Holland dismayed Peter Stephenson, the joint editor of *Socialist Commentary*, by dressing up his proposals in language designed to appeal to the hard Left, focussing too much upon the Trotskyite concept of worker power and simply echoing “Tony Benn’s carpings about the Community {EEC}”⁶⁸⁰. From the revisionist perspective, it appeared that Holland had allowed himself to be captured by the fundamentalist

⁶⁷⁸ Benn, 1974, p. 77.

⁶⁷⁹ David Marquand, ‘Clause Four Rides Again’, *Times Literary Supplement*, 26th Sept 1975.

⁶⁸⁰ Peter Stephenson, ‘Tony Benn’s Guru’, *Socialist Commentary*, October 1975, pp. 18-19.

Labour New Left, whilst his public ownership proposals were deemed far too extensive and indiscriminate.

Holland was the main influence behind the NEC Green Paper, which proposed the creation of a powerful state holding company, referred to as the NEB, designed with considerable powers of compulsion and acquisition over private enterprise. The NEB had first been advocated by revisionists to inject competitive vigour into British industry⁶⁸¹. Hatfield suggested that prominent left-wingers within the NEC suspected that the details of the NEB, as first advocated, was “a device concocted by the social democrats to deflect the party from its commitment to nationalisation”⁶⁸². Holland’s subsequent proposals, put forward through the NEC’s Industrial Policy Committee, are generally viewed as far more radical in their intent, stressing the importance of more direct forms of public ownership, greater indicative planning and less market freedoms⁶⁸³.

The motivation was the direct state control of ‘the commanding heights’. Contemporary observers believed that, whereas the revisionist social democrats wanted to make the market economy work better, the Labour New Left proposals were intended to transform the market economy into something else due to their doctrinaire opposition to market forces. According to Hatfield the Left wanted to use the NEB as “a major transitional instrument for the economic basis of social change”⁶⁸⁴. This fundamental difference in political objectives was clear from the language employed and the emphasis that was placed upon public ownership. Holland and Benn pressed for the contentious inclusion of their proposal for nationalising the leading 25 firms within the national economy, in order to gain control of ‘the commanding heights’. Bell stated that this particular proposal produced the clearest dividing point between Labour’s Left and Right⁶⁸⁵. The

⁶⁸¹ The possibility of developing a state holding company had been mentioned in Labour’s 1970 election manifesto and the creation of the NEB was advocated by Jenkins in his series of speeches during 1972.

⁶⁸² Hatfield also stated that they may have been influenced in this view by the positive response to the original proposals by their apparent political and industrial enemies in the CBI. Hatfield, 1978, pp. 81-86.

⁶⁸³ Bell, 2004, pp. 166-167; Hatfield, 1978, pp. 121-126; Holland admitted that his proposals were more extensive than those originally put forward by the social democrats, such as Jenkins. Holland, ‘Ownership, Planning and Markets’, Plant/Beech/Hickson (Ed.), 2004, p. 177.

⁶⁸⁴ Hatfield, 1978, p. 104.

⁶⁸⁵ Bell, 2004, p. 178.

battle was played out within the NEC's Industrial Policy Committee and the pages of left-wing journals.

Crosland now believed that public ownership, defined in the broadest terms, may be more justifiable as a policy. Due to the failings of the British economy, the call for government action carried more weight on purely pragmatic political grounds. But what Crosland would not countenance was a return to nationalization based upon a doctrinal belief that, of itself, it would aid key socialist objectives⁶⁸⁶. The revisionists feared that their work over the previous two decades to rid Labour of its electoral image as the party of nationalization would be undone. It was also clear that, with the prevailing condition of the British economy and the fragility of market confidence, an extreme ideological commitment would derail a future Labour Government as soon as it took office. They considered that a pragmatic and realistic approach to industrial policy, rather than a 'shopping list' approach, was crucial to both electoral and governmental chances of success⁶⁸⁷.

There were also technical reasons why Holland's alternative strategy was flawed. In his *Socialist Commentary* review, Peter Stephenson accepted much of Holland's diagnosis concerning the new power wielded by the meso-economic sector, and the constraints that it placed upon national economic sovereignty, but was less convinced by his prescriptions. He considered that extensive nationalization of multinationals did not provide an answer to their rising influence and power because the different components of a multinational business were, by definition, spread over several countries. Stephenson asked an apparently pertinent practical question: "what would we have if we nationalised the part of the IBM complex that is in the UK? Certainly not a complete computer firm"⁶⁸⁸.

The revisionists' opposition to Holland's alternative strategy was impeccable for its combination of intellectual and political pragmatism. However, their inability to prevent Holland and Benn from dictating Labour policy after 1970 was a significant failure. Despite the NEC's influence over policy formation, and the

⁶⁸⁶ Anthony Crosland, 'The Prospects of Socialism – Nationalisation?', *Encounter*, Vol. XLI, No. 3, Sept 1973, pp. 60-61.

⁶⁸⁷ 'The Case is Altered', *Socialist Commentary*, June 1973, pp. 1-2; 'Personal Column – William Rodgers', *Socialist Commentary*, June 1973, p. 3.

⁶⁸⁸ Peter Stephenson, 'Multinational Power', *Socialist Commentary*, July 1973, p. 28.

leftward shift that had occurred to its composition, the revisionist wing still retained considerable sway through a powerful parliamentary base. This gave them automatic access to the policy committees, with the power to counteract the Labour New Left's political ascendancy and to balance their more radical policy demands. But, according to Hatfield, the revisionists were guilty of a dereliction of duty. This was due to their "disdain for the party's policy making machinery" and their pre-occupation with Westminster politics and the issue of EEC membership. Crosland was an irregular attender at the Industrial Committee meetings in 1971, and Bill Rodgers soon became disenchanted with the proceedings. The absence of key parliamentary figures enabled the Labour New Left to dominate policy formation for long periods and to establish effective control over the Industrial Policy Committee. The Left then became even more influential once this committee was given permission to consider economic strategy⁶⁸⁹.

Crosland's re-engagement in the proceedings of the Industrial Policy Committee, during late 1972, led to a rearguard action against the Left's public ownership plans⁶⁹⁰. But it was too late to prevent them becoming official policy in Labour's Programme 1973⁶⁹¹. By 1972 the Labour Left had consolidated their power within the Party, gaining the top 5 positions in the NEC elections, whilst the revisionists lost further power and influence once Jenkins resigned as Deputy Leader over the issue of a future referendum on EEC membership. His resignation meant that he was no longer a member of the NEC and his chairmanship of the Finance and Economic Committee came to an end, as did the membership of his political supporters, Lever and Taverne, who had also resigned from the front-bench. Hatfield considered that Healey, as Jenkins' replacement as committee

⁶⁸⁹ Hatfield, 1978, pp. 46-47, 57-61; Shaw referred to Crosland's irregular participation in the Industrial Policy Committee and Jenkins' low regard for the NEC as reflective of the revisionist wing's dismissive attitude to the institutions of the extra-parliamentary Labour Party. Shaw, 1996, p. 112.

⁶⁹⁰ Hatfield, 1978, pp. 146-149.

⁶⁹¹ Holland recounted Crosland's belated attendance of the committee in November 1972, and his subsequent "attack mode". However the committee had already been won over by the Left's proposals. Holland stated that "Tony sensed the support from the rest of the committee and relapsed into silence". Holland, 'Ownership, Planning and Markets', Plant/Beech/Hickson (Ed.), 2004, pp. 174-176; For the specific policies contained in Labour's Programme 1973, See Hatfield, 1978, pp. 171-176.

chairman, lacked the same level of knowledge and expertise with which to combat the Left⁶⁹².

The events of 1970-74 highlighted the increasing political ascendancy of the Labour New Left. They were increasingly able to exercise greater influence by their control of the party's policy making machinery. But the failure of the revisionists to mount a sustained and coordinated rearguard action was a crucial factor in the loss of their former intellectual and political supremacy. It is considered that Roy Jenkins and his parliamentary supporters could have directed Labour Party policy towards a practical revisionist policy of state intervention in the economy if they had not become consumed by the issue of EEC membership and Britain's European destiny⁶⁹³. The issue of Europe inevitably loomed large in the history of the Labour Party during these years of opposition, becoming the overwhelming issue of contention and cutting across traditional political lines. It also provided the catalyst for the fatal divisions that emerged within revisionist ranks and preventing the effective renewal of Crosland's original thesis.

⁶⁹² Hatfield, 1978, pp. 116-118.

⁶⁹³ Bell, 2004, pp. 249-250; Campbell, 1983, pp. 145-147.

Revisionism Divided

The Labour New Left challenge provided an added incentive for revisionists to renew their ideas and rethink their policies. Holland's alternative analysis and strategy were open to criticism, but they did present a coherent explanation for Labour's economic travails in office and a readily available policy programme for future implementation. His thesis also appealed politically to the anti-capitalist instincts of many left-wing activists. However, cooperation between the leading members of the social democratic Right might have proved strong enough to sustain and renew the dominant influence of revisionism over party policy.

In autumn 1970, Jenkins, Healey and Crosland met in private to discuss their experience of power within the Wilson governments. The discussions did not reach many firm policy conclusions, although there were significant areas of agreement between the participants concerning the problems of office and how best to rectify them in future. The central failure to achieve sustained growth was considered to be, at least partly, a result of the conduct of government under Wilson. There had been "inadequate arrangements for the forming of major policy decisions", "a growing isolation of the Government from backbenchers and from Labour opinion outside Parliament", without enough time for ministers to think about or discuss basic policy matters due to departmental pressures. It was agreed that the Wilson Cabinets had been too large and that in future there was a clear need for a 'top group' to control the major strategy and policy-making. There also needed to be less legislation and fewer obsessions with 'election-winning considerations'.⁶⁹⁴

These discussions show that there was the basis for an alliance between these three leading revisionists. If the meeting had instigated a fresh period of cooperation between them, with personal rivalries put to one side and an agreement to work together to improve the future conduct of a Labour Government, then perhaps the cause of revisionist social democracy may have been different. But the discussions are viewed by Fielding as highlighting the leading revisionists' lack of awareness concerning the shifting mood of the party

⁶⁹⁴ ACP 4/13, 21-23, Report of discussion between Jenkins, Healey and Crosland, autumn 1970.

outside parliament, especially the developing alliance between militant trade unionism and the increasingly left-wing CLPs⁶⁹⁵. Bell considered that the meeting underlined the emerging gap between the leadership – “three of Labour’s noted intellectuals meeting privately to discuss how, in retrospect, they might have run the Labour government more effectively” – and the Labour Party at large, whose activists were moving to a position of complete distrust of the parliamentary elite⁶⁹⁶. Consequently, the three men failed to agree a strategy for combating the changing mood of the party’s grass roots, as the controversy surrounding the issue of EEC entry demonstrated.

Britain’s proposed membership of the EEC became the defining issue around which Labour’s activists sought to assert their sovereignty and give voice to their frustrations. Opposition to the EEC (or Common Market) became the ultimate populist issue within the Labour Party in 1971. ‘Populism’ has been defined, in the context of the Labour Party and the EEC debate, as a reaction to the supposedly elitist, establishment viewpoint held by a middle-class parliamentary leadership intent on overriding majority opinion⁶⁹⁷. The revisionists’ political background, overwhelmingly based upon parliamentary affairs in Westminster and Whitehall, made them especially vulnerable to the populist trend, whilst their pro-European views threatened to isolate them from majority opinion in both the party and the country.

It is generally believed that the controversy surrounding Britain’s accession to the EEC played a central part in the fragmentation of Labour’s social democratic Right⁶⁹⁸. When in government, EEC membership was largely confined to Cabinet debate, and Wilson’s original application in 1967 was undertaken with limited political dissension. But, once negotiations for British membership were reopened by the Conservative Government after 1970, the issue took on a more partisan character and highlighted the strong differences of opinion that existed

⁶⁹⁵ Fielding, 2003, pp. 223-224; Fielding stated that these conditions provided the Labour Left with the opportunity to reassert itself “over a parliamentary leadership still attached to an essentially (but apparently discredited) revisionist strategy”. Fielding, 2003, pp. 232-233.

⁶⁹⁶ Bell, 2004, p. 39.

⁶⁹⁷ Harry Lazer, ‘British Populism: The Labour Party and the Common Market Debate’, *Political Science Quarterly*, Vol. 91, No. 2, p. 259-261.

⁶⁹⁸ Kevin Jefferys, ‘The Old Right’, Plant/Beech/Hickson (Ed.), 2004, p. 77; Bell, 2004, p. 202; Shaw, 1996, pp. 115-116.

within the Labour Party. In this chapter I will examine the damaging impact of the European issue upon the political cohesion of the social democratic Right, and the detrimental effect that it had upon the revisionist cause.

The European controversy

The new Conservative Government's application for membership of the EEC was the main item in their first Queen's Speech, presented to parliament in July 1970⁶⁹⁹. It might have been expected that this element of their programme would prove to be one of the less contentious issues, embodying a broad cross-party consensus. The previous Labour administration had made an unsuccessful application and was in the process of reentering negotiations when the 1970 general election intervened, whilst all three main parties advocated membership of the EEC during the election campaign. Radice confirmed that the Labour Government had been poised for entry: "a White Paper on the cost of entering the Common Market was published in February 1970, negotiating briefs were ready and a draft speech of application had already been prepared for the newly elected Labour Foreign Secretary (who was likely to be Roy Jenkins) to deliver in Luxembourg on 30 June"⁷⁰⁰. However, the debate that followed the Queen's Speech immediately revealed that the apparent cross-party consensus was not assured within parliament. Responding to the assumption of the Liberal Party leader that all parties favoured membership, Arthur Lewis, Labour MP, served notice that EEC entry was to be a highly contested issue within the Labour Party: "some Labour leaders may be committed but the party as a whole is not. I hope that he and other commentators will take note of that. There are just a few believers, that is all"⁷⁰¹.

The Labour Party 'believers' included the majority of the social democratic Right. EEC membership was viewed as a crucial element in Britain's international reorientation away from the trappings of an imperial past and a central part of an updated revisionist strategy of political and economic modernization. Support for Britain's proposed membership of the EEC became a

⁶⁹⁹ *Commons Hansard*, Vol. 803, 2nd July 1970, p. 46.

⁷⁰⁰ Radice, 2002, p. 190.

⁷⁰¹ *Commons Hansard*, Vol. 803, 2nd July 1970, p. 101.

defining principle for the younger generation of parliamentary revisionists, increasingly identified as a Jenkinsite social democratic grouping. As Desai stated, “the attraction of Europe for the social democrats was ultimately the prospect of modernizing Britain, not just economically but also institutionally, culturally and socially”⁷⁰².

Unfortunately for the Jenkinsite pro-Europeans, the anti-EEC forces within the PLP began to gain in confidence. They made their feelings known in Commons debates during 1971, highlighting the loss of national and economic sovereignty, allied to the damaging cost that the Common Agricultural Policy would impose upon Britain in the event of membership⁷⁰³. Their position was strengthened by the context in which the EEC debate was framed, as it formed an important part of a Conservative legislative programme, the vast majority of which the Labour Party opposed. The Conservatives were, it was claimed by Crosland, returning to office committed to regenerating “the ideology of *laissez faire*, non-intervention and market forces”⁷⁰⁴. Both the Right and Left of the party could unite against an ideologically motivated new Conservatism intent on unleashing a new era of free market capitalism. The alleged political objectives of Heath’s Government placed their proposed policy programme in a different ideological perspective. Even though similar policies, such as an industrial relations reform and EEC entry, had been attempted by the previous Labour Government, they might now be considered as part of an overall package that was hostile, at least in intent, to everything that revisionist social democrats had fought for in the post-war period⁷⁰⁵.

Viewed in this light, alongside free market rhetoric in favour of greater incentives and against industrial ‘lame ducks’⁷⁰⁶, the Heath application for membership of the EEC was treated with even greater suspicion by the Labour Party. For many Labour members, spanning the left-right party divide, the European issue was framed within an entirely new political context, as part of a

⁷⁰² Desai, 1994, p. 143.

⁷⁰³ See, for example, *Commons Hansard*, Vol. 809, 20th Jan 1971, pp. 1089-1171.

⁷⁰⁴ *Commons Hansard*, 1970-71, Vol. 803, 9th July 1970, pp. 862.

⁷⁰⁵ The free market image of ‘Selsdon Man’ has since been considered to contain limited substance, but this was not how it was perceived at the time. See Anthony Seldon, ‘The Heath Government in History’, in Ball and Seldon, (Ed.), 1996, p. 13.

⁷⁰⁶ An analysis of the Heath Government’s industrial policy, and the alleged ‘U-turn’ from free market policies to state interventionism, is contained in Robert Taylor, ‘The Heath government, industrial policy and the new capitalism’, Ball and Seldon, (Ed.), 1996, pp. 139-159.

wider battle against a reactionary Conservative Government. Patrick Bell's assessment neatly encapsulates the divisive dynamics of the gathering political storm that descended upon the Labour Party in regards to EEC membership: "Labour might have accommodated a difference of opinion in the PLP had the issue not become a litmus test for socialism for anti-Marketeters on the left, an article of faith for pro-Marketeters on the centre-right, and a threat to party unity for the leader. Therefore, in opposition 1970-74, a debate on proposed British membership of the Common Market became at the same time a debate on the future direction of the Labour Party"⁷⁰⁷.

The growing trend of party opinion was highlighted by the narrow rejection of an anti-EEC resolution at the October 1970 party conference, and was driven by the influential opposition of major trade union leaders, especially Jack Jones and Hugh Scanlon⁷⁰⁸. In response to the clear signals coming out of the wider Labour movement, key parliamentary figures began to adopt varying degrees of opposition to the Heath Government's application for EEC entry during the summer of 1971.

Tony Benn appeared willing to exploit the European issue, using his position as Party Chairman to play the role of populist spokesman for discontented left-wing activists and ensure the marginalization of the revisionist social democrats. His position on Europe had changed over time. As late as April 1970 he favoured joining the EEC as the most effective level for controlling multinational companies and taking some of the economic decisions that were now beyond the power of national governments⁷⁰⁹. But his increasingly sceptical stance reflected the traditional suspicions of the Left over the political intentions of the pro-European Jenkinsites': "there is a small group of highly dedicated Marketeters led by Roy Jenkins, with Bill Rodgers as campaign manager, and including the old Campaign for Democratic Socialism types. They are genuinely pro-Europe (I give them credit for that), but they also see a last opportunity to do to the Labour Party what they failed to do over disarmament and Clause 4, namely to purge it of its trade union wing and its Left. This group, working with the

⁷⁰⁷ Bell, 2004, p. 76.

⁷⁰⁸ Giles Radice, a pro-European MP at the time, has confirmed the importance of trade union hostility to the anti-European forces within the Labour Party. Radice, 2002, pp. 190-191.

⁷⁰⁹ Benn, 1988, p. 258; this was a view shared by pro-European Jenkinsites. See Dick Taverne, *The Future of the Left*, London: Jonathan Cape, 1974, pp. 109-114.

Conservative Europeans, really represents a new political party under the surface in Britain”⁷¹⁰.

Jim Callaghan provided an interesting contrast to Roy Jenkins, his main leadership rival from Labour’s social democratic Right. Callaghan emerged as a leadership contender during the 1960s, having been formerly associated as a supporter of Gaitskell’s leadership during the 1950s. He proved adept in furthering his political career through his knowledge of the structure and organization of the party machine, whilst his trade union links helped gain him greater influence within the wider Labour movement⁷¹¹. After 1970 he worked effectively to build up a powerbase beyond the PLP, developing influence and support within the wider party. Unlike Jenkins, he decided not to contest the election for Deputy Leader, believing the position was too narrowly based upon the support of the PLP, whilst the role of Party Treasurer enabled him to develop strong links with all the sections of the Labour Party⁷¹². Having resurrected his career in 1969, through his role as parliamentary spokesman for the trade unions during *In Place of Strife*, Callaghan once more found an issue with which to connect with the instincts and prejudices of the wider Labour movement. In May 1971 he made a hostile anti-European speech in Southampton, laden with Francophobe patriotic populism, warning of cultural catastrophe if Britain joined the EEC⁷¹³. Having previously supported the previous Labour government’s EEC application, Callaghan’s stance had a significant impact on other prominent politicians, including the party leader.

Wilson had previously assured Jenkins that he was committed to the European cause and could at least promise a free vote on EEC entry⁷¹⁴, but began to feel under political pressure from potential leadership challengers. Bell considered that “Callaghan was the key figure in this...for the second time in two years Callaghan sided firmly with the trade unions against his party leader on a

⁷¹⁰ Benn, 1988, p. 345; Benn later confirmed that his suspicion of the groups and personalities advocating EEC entry was a major cause of his eventual opposing position. Benn, 1988, p. 380.

⁷¹¹ Morgan, *Leaders and Lieutenants*, 1987, pp. 266-267; Bell considered that Callaghan was “so astute that he was effectively a faction in his own right”. Bell, 2004, p. 3.

⁷¹² Callaghan, 1987, p. 282.

⁷¹³ Callaghan’s speech, reminiscent of Gaitskell’s in 1962, referred to the dangers that French dominance of the EEC posed to the language of Chaucer and Shakespeare. Cited in Morgan, *Callaghan: A Life*, 1987, p. 395.

⁷¹⁴ This is Jenkins’ account of a conversation with Wilson in February 1971. Jenkins, 1991, p. 316.

major issue, leaving Wilson nowhere to go but in his footsteps”⁷¹⁵. Fearing that a pro-EEC position would lead to political isolation, Wilson felt compelled to move with mainstream party opinion. The threat posed by Callaghan and the leftward shift within the party meant that Wilson became effectively powerless, especially as his main priority had always been party unity. With this objective in mind, it was inconceivable that he could have risked siding with the Jenkinsite social democrats⁷¹⁶. It was also clear that Wilson continued to harbour an instinctive grudge against the Jenkinsites, and the EEC issue could prove the pretext for ensuring their political marginalization⁷¹⁷.

The Jenkinsites’ position was undermined further by the defections of Crosland and Healey. As shadow Foreign Secretary after 1970, Healey adopted a more positive view of the EEC, even adding his signature to a letter from pro-European Labour MPs that appeared in *The Guardian* and writing an article in favour of entry in the *Daily Mirror* during May 1971⁷¹⁸. But, by July, in the run up to a special Labour conference to debate the issue, he once more switched sides, deciding to join the anti-EEC camp based upon the terms negotiated by the Heath Government. His biographer, Edward Pearce, believed that Healey had always been an agnostic on the issue, but it is difficult to disagree with Radice’s conclusion that such a sudden shift “was as much dictated by the swing of party opinion as by an analytic consideration of the terms”⁷¹⁹. Crosland’s apparent shift away from his previous enthusiasm for European integration was more significant for the future of Labour revisionism.

The Jenkinsites appeared to have every reason to feel let down by Crosland’s actions in 1971. He had been a leading advocate of EEC entry during the early 1960s and had also signed *The Guardian* letter in May 1971. However, Crosland began to take an increasingly agnostic tone, believing that it would be dangerous to defy the tide of mainstream opinion, which, in his view, rightly

⁷¹⁵ Bell, 2004, p. 87.

⁷¹⁶ Pimlott contended that if Wilson had been Prime Minister he would have taken a Labour government into the EEC, but the altered political conditions of opposition meant that he had no choice but to move in tune with party opinion. Pimlott, 1992, pp. 580-582; Wilson claimed that his job as leader was keeping the Labour party together on a divisive issue where the majority were against entry on Heath’s terms. Wilson, 1979, pp. 50-51.

⁷¹⁷ Benn stated in his diary entry for Monday 19th July 1971 that Wilson was still obsessed with destroying CDS. Benn, 1988, p. 359.

⁷¹⁸ Radice, 2002, p. 192.

⁷¹⁹ Pearce, 2002, p. 395; Radice, 2002, p. 193.

prioritized party unity and defeating the Conservative Government over EEC entry⁷²⁰. The incident which did much to precipitate damaging personal relations between Crosland and the Jenkinsites was the leaking of his comments to a private meeting of his local constituency party in Grimsby. *The Sunday Times* reported that Crosland was intending to vote against EEC entry, but more damaging was the fact that he had referred to the pro-European social democrats as an “elitist faction of right wing intellectuals”⁷²¹. This was an accusation that caused great resentment amongst former revisionist colleagues at a time when they faced pressure in their constituencies from the populist uprising of party activists. Both Jefferys and Radice referred to the bitterness and accusations of careerism that were subsequently thrown at Crosland during a stormy meeting of the Gaitskellite 1963 Club⁷²².

The political marginalization of the Jenkinsites pro-European position was confirmed by the hostile speeches made at the Labour Party’s special conference in July 1971, with Wilson coming out against entry on the terms negotiated by the Heath administration⁷²³. The overwhelming vote at the conference, 5 to 1 against EEC entry, meant that it was no longer feasible to allow a free parliamentary vote, but the Jenkinsites refused to back down in their commitment to an issue that they believed transcended the partisanship of normal party politics⁷²⁴. On the 28th October 69 Labour MPs, led by Roy Jenkins, joined the majority of Conservative MPs in backing the Heath Government’s bill which took Britain into the EEC. Healey voted against, whilst Crosland abstained.

The Jenkinsites had realised their European ambitions, but at a considerable cost to their standing within the Labour Party and the unity of Labour’s social democratic Right. The pro-European rebels, having been forced to organize to effectively defy mainstream Labour Party opinion, were now considered as a ‘party within a party’ and cast in the role of a divisive faction akin to the Bevanites of the 1950s. Marquand considered that “Jenkins himself had become the Bevan of the Labour Right...torn between loyalty to the party which

⁷²⁰ ACP 4/9, notes by Crosland, May 1971; Crosland, 1982, pp. 218-219.

⁷²¹ Jefferys noted that the ‘elitist’ jibe was actually casually made over a drink with a *Sunday Times* journalist. Jefferys, 2000, p. 157.

⁷²² Jefferys, 2000, pp. 155-156; Radice, 2002, p. 195.

⁷²³ Wilson’s biographer believed that Wilson would have accepted the terms but took the stance he did due to internal party political pressure. Pimlott, 1992, pp. 585-586.

⁷²⁴ Marquand, ‘The Welsh Wrecker’, Adonis and Thomas (Ed.), 2004, p. 117.

had helped to make him what he was, and a visceral unwillingness to bow the knee to a machine which seemed bent on forcing him to betray his beliefs”⁷²⁵. The Jenkinsites’ position within the Labour Party became increasingly uncertain. Their parliamentary rebellion led to the sacking of Marquand and Rodgers from shadow ministerial posts⁷²⁶, whilst it took just one day, Wednesday 29th March 1972, for Tony Benn to succeed in further diminishing the influence of the Jenkinsites. He used his position as Party chairman to cast his vote against their preferred candidate for Labour’s General Secretary at an NEC meeting, and then, later in the day, secured a shadow Cabinet vote in favour of his idea of a referendum on EEC membership⁷²⁷. This decision precipitated the resignation of Jenkins from Labour’s front bench, along with two of his closest supporters, thus reducing the Jenkinsites’ influence over the direction of party policy.

Rodgers referred to the resignations as a “momentous event” that ensured the pro-Europeans status as “outsiders in the party”, whilst Pimlott commented that “Jenkins was signaling, by his self-removal, that he was no longer a party man” or a realistic contender for the party leadership⁷²⁸. When Crosland subsequently stood for the vacant deputy leadership position, the Jenkinsites refused to back his candidature due to his failure to vote for EEC entry and his refusal to fully support their anti-referendum stance⁷²⁹. The loss of the Jenkinsite votes ensured that Crosland came last in the election and hardened the development of rival factions within the ranks of revisionist social democracy between a small Croslandite grouping and a larger Jenkinsite grouping⁷³⁰. The rift over Europe led to the social democratic revisionists turning against one another. Radice believed that an agreement between Crosland, Jenkins and Healey over Europe might have altered the history of the Labour Party, but “their failure to work together fatally weakened the forces of revisionism and opened the door to the left”⁷³¹. The difference of opinion over Europe, with the ensuing antagonism between Crosland and the Jenkinsites, was fueled by mutual misunderstanding,

⁷²⁵ Marquand, ‘The Welsh Wrecker’, Adonis and Thomas (Ed.), p. 115.

⁷²⁶ Rodgers, 2000, p. 133.

⁷²⁷ Benn, 1988, pp. 419-421.

⁷²⁸ Rodgers, 2000, p. 134; Pimlott, 1992, p. 595.

⁷²⁹ Jenkins, 1991, p. 352; Radice, 2002, p. 210.

⁷³⁰ Jefferys referred to the ‘gang mentality’ that had developed amongst the Jenkinsites. Crosland was not a member of their group and was therefore reduced to gathering together his own small band of supporters to aid his political ambitions. Jefferys, 2000, pp. 165-166.

⁷³¹ Jenkins, 1991, p. 352; Radice, 2002, p. 210.

but it also reflected some important differences in terms of political strategy and analysis.

The revisionist schism

The European cause had been consistently championed by the majority of revisionist social democrats, especially the younger generation that entered parliament during the 1960s. Contributions to *Socialist Commentary*, in the run up to the crucial October 1971 vote, stressed the importance of taking a long-term view in actively supporting EEC entry and called upon pro-European MPs to remain true to their convictions⁷³². The Jenkinsites were therefore genuinely angered by Crosland's apparent betrayal of the pro-European cause. The following separation proved painful. By not joining them in the lobby, preferring abstention to voting against the official Labour whip, Crosland had apparently committed high treachery. Susan Crosland believed that her husband's reputation as an honest intellectual meant that his qualification of the pro-European case made him more of a threat than those, such as Healey, who actually voted against entry⁷³³. The retribution was potentially severe. Bill Rodgers, the Jenkinsites arch-organizer, appeared willing to use his unofficial whipping role to withdraw crucial votes from Crosland in elections to the shadow Cabinet and other senior leadership positions⁷³⁴.

Attempts were made to heal the breach that had developed between the revisionists' adopted political leader and their main intellectual inspiration. At a private meeting in November 1971, Jenkins appeared to offer Crosland the unofficial deputy leadership of the Labour Right, on the basis that their different but complementary abilities would make for a strong political team able to gain wider party support. But Crosland was not willing to accept an alliance on these terms, and the two men parted with Jenkins warning that they could "destroy each

⁷³² 'Labour's Voice on Europe', *Socialist Commentary*, August 1971, pp. 2-3; William Rodgers, 'Personal Column', *Socialist Commentary*, August 1971, p. 8.

⁷³³ Crosland, 1982, p. 220.

⁷³⁴ After the EEC vote, Rodgers told Crosland's Personal Private Secretary (PPS), Dick Leonard, that Crosland had "behaved like a shit and we must punish him", although the original threat to vote him off the shadow Cabinet was not followed through. Cited in Crosland, 1982, p. 225; Radice, 2000, p. 201.

other”⁷³⁵. Crosland’s subsequent comments to his wife, relating to the details of the meeting, are testament to the bitterness and mutual suspicion to which the relationship between the former Gaitskellite colleagues had sunk. He admitted to being too proud to act as deputy in a Jenkinsite group, but also claimed that “their idea of a Labour Party is not mine. Roy has come actually to dislike socialism. Even if I was prepared to chuck my own values and strengthen their group, they still couldn’t win over the Party – shouldn’t win it over. The most that would happen is that the Party would be split for a generation. It is Roy’s misfortune that because of his father he’s in the wrong Party. As a Liberal or Conservative he might make a very good leader”⁷³⁶.

The extreme nature of Crosland’s accusations was a symptom of rising personal tensions, but his words also reflected his belief that the Jenkinsites were effectively abandoning the central socialist aspiration within revisionism and withdrawing from a constructive engagement with Labour politics. Crosland considered that an irreconcilable gulf was opening up between him and the Jenkinsite group over both tactics and policy. For their part, the pro-European revisionists were incredulous at the behaviour of their leading intellectual, having expected him to offer his full support for the EEC cause. As Marquand stated, “he was the revisionists’ guru – our teacher and mentor. We were what we were, in part at any rate, because of him. To watch him sulking in his tent, when the cause being fought over was, in reality, his cause, and when the troops fighting for it were his troops, was unbearably painful”⁷³⁷. At the time, the Jenkinsites concluded that Crosland’s actions were those of a deserter, embracing political opportunism over principle in order to further his own career at their expense.

Although there may have been some truth in the two opposing perspectives, one is struck by the mutual misunderstanding that arose, amplified by the atmosphere of heightened political tension⁷³⁸. As Marquand later acknowledged, after reading Susan Crosland’s biography of her husband, the Jenkinsites were wrong to impugn Crosland’s integrity. The fact was that Crosland did not share their level of enthusiasm for the EEC and “did not want to

⁷³⁵ ACP 4/9, ‘Dinner with Roy’, 18th Nov 1971; Crosland, 1982, pp. 227-228.

⁷³⁶ Cited in Crosland, 1982, p. 229.

⁷³⁷ Marquand, 1991, p. 167.

⁷³⁸ Susan Crosland accepted that the reciprocal recriminations were largely due to misconceptions on both sides. Crosland, 1982, pp. 221-222.

be the mentor of a divisive and politically heretical sect. He wanted to be a sober, respectable departmental minister in the mainstream of the Labour movement – not for base reasons, but because he genuinely believed that that was how he could make his most effective contribution⁷³⁹.

There is a strong sense in which the Jenkinsites, having specifically formed their group to further Roy Jenkins' leadership ambitions⁷⁴⁰, primarily viewed Crosland as an intellectual whose role was to supply them with ideas on policy⁷⁴¹. By contrast, Crosland believed that he was now first and foremost a full-time politician who deserved to be acknowledged as such and his attitude towards the Jenkinsites was affected by jealousy at Jenkins' political ascendancy during Labour's period in office⁷⁴². The EEC dispute exacerbated Crosland's underlying resentment towards Jenkins and the Jenkinsites, whilst highlighting a lack of communication between the revisionists and their former intellectual mentor that served to divide the forces of revisionism and hinder the regeneration of their political ideas.

Crosland's post-1970 political strategy was devised independently of his natural supporters within Labour's parliamentary Right. The subsequent lack of understanding of his motives was therefore unsurprising. The Jenkinsites were preoccupied with the political ambitions of their chosen leader, were not privy to Crosland's thinking or motives and apparently unaware of the emerging differences in political outlook. The lower level of importance that Crosland attached to EEC entry was reflective of his appraisal of Labour's period in office, including the reasons for the central economic failure to achieve growth, and his subsequent determination to devote himself more fully to his political career.

⁷³⁹ Marquand, 1991, pp. 169-170.

⁷⁴⁰ The Jenkinsite group had originated in the late 1960s but took on a more decisively factional character after 1970. Bell referred to the formation of the 'Walston Group' of Labour MPs, comprising of Dick Taverne, George Thomson, Bill Rodgers, David Marquand, David Owen, Tom Bradley, Dickson Mabon, Giles Radice, Roy Hattersley, and Robert Maclennan. Bell, 2004, p. 192.

⁷⁴¹ Susan Crosland reported that, in their November meeting, Jenkins had said that he was better at "tactics", whilst Crosland was better on "policy". Crosland, 1982, pp. 227-228.

⁷⁴² His wife said that losing the Chancellorship to Jenkins was "the greatest blow of Crosland's life". Susan Crosland speaking on BBC Radio 4, 'Not while I'm alive he ain't': Brian Walden on political rivalries, Part One, Second Series, autumn 2003.

Crosland was, on balance, in favour of British membership of the EEC. However, he did not believe that it was as important as continuing to pursue his domestic revisionist strategy of economic and social reform, which he originally set out in *The Future of Socialism*. He saw that there may be medium to long-term political benefits from joining, but did not feel that membership would directly impact upon his egalitarian socialist objectives⁷⁴³. Crosland's views stemmed from his perspective on the lessons learnt from the experience of power. He believed that his revisionist strategy – reliant upon high levels of growth to ensure democratic acceptance of redistribution of wealth and greater equality – was blown off course primarily as a result of perverse policy decisions taken by the Labour governments: “I did not anticipate that successive governments would be so eccentric as to use periodic bouts of deflation – that is, deliberate reduction in growth – as almost their only means of regulating the economy”⁷⁴⁴.

Although he touched upon the developing public mood of revolt against higher taxation and public spending, the environmental concerns at the negative impact of high growth, and left-wing demands for direct forms of democratic participation, Crosland doggedly stuck to the fundamentals of his original thesis⁷⁴⁵. He claimed that his philosophy and strategy remained supremely relevant, whilst implying that growth was achievable if it was given the highest priority and deflationary policies were avoided. Incomes policy should be used to combat inflation and he acknowledged that there was some need for greater selective state intervention to supplement Keynesian demand management, but essentially the required revision of policy was minimal⁷⁴⁶. Crosland continued to rely upon the assumption that economic growth was largely dictated by government decisions and the outcome would be generally favourable if greater commitment and willpower was shown. He therefore rejected any major new analysis. He concluded that the “basic social democratic aims remain as urgent as they have ever been” and the main political focus should be on attacking a right wing Conservative Government⁷⁴⁷.

⁷⁴³ Crosland's views were clearly set out in a public speech, which he regretted never delivering as this would have prevented others from making negative judgments on what his motives had been. ACP 4/9, ‘The speech that was never delivered’, July 1971.

⁷⁴⁴ Crosland, *A Social Democratic Britain*, 1971, p. 2.

⁷⁴⁵ Crosland, 1971, pp. 3-6, 10-13.

⁷⁴⁶ Crosland, 1971, pp. 7-9.

⁷⁴⁷ Crosland, 1971, p. 16.

By comparison, the European cause, espoused by fellow members of the social democratic Right, increasingly represented an alternative political outlook. John Mackintosh, MP for East Lothian, emerged as the most effective parliamentary spokesman for Britain's European future, and his views provided the most articulate reflection of Jenkinsite thinking. Whereas Crosland's views implied that economic orthodoxy, as practiced by Jenkins at the Treasury, had been avoidable⁷⁴⁸, there was a growing belief amongst the Jenkinsites that Britain was no longer able to exert effective political and economic sovereignty. In a world increasingly dominated by the two major superpowers and the power of international financial markets, the EEC provided the opportunity for supranational cooperation. The pooling of sovereignty, with the acceptance of the fundamental interdependence of their economies, would help European nations to regain the authority and influence that could not be achieved independently. European integration was seen as a radical response to the new problems now facing Britain due to her changing position within the modern world⁷⁴⁹.

There was no indication from Crosland's post-1970 analysis that he considered the international framework to be a major factor constraining national sovereignty. The power and influence of national governments in the formation of economic policy was an unchanging and implicit assumption of his strategy. Therefore, as the main limitations that Crosland identified were related to the prioritization, willpower and commitment of leading government ministers, it was critical that he should exercise the highest and widest political influence possible in order to gain greater political support for his revisionist strategy.

The author of the central revisionist thesis was now determined to pay greater attention to his political career within the Labour Party, rather than focusing on intellectual pursuits. To this end, he employed David Lipsey as a full-time political advisor and sought to broaden his party appeal beyond the narrow confines of the Labour Right. He stood for the first time, and narrowly failed to gain election, for the constituency section of the NEC. But in making speeches to

⁷⁴⁸ Both Jefferys and Radice believed that *A Social Democratic Britain* represented an attack on those who had directed Labour's economic policy towards orthodoxy whilst in power. Jefferys, 2000, p. 149; Radice, 2002, p. 188.

⁷⁴⁹ John Mackintosh, 'Is Britain a European Country?' (Unpublished lecture), Nov. 1967, cited in David Marquand (Ed.), *John P. Mackintosh on Parliament and Social Democracy*, Longman: New York, 1982; John Mackintosh, 'The battle for entry' (speech in the House of Commons), 27th October 1971, Marquand (Ed.), 1982.

local Labour parties he was raising his profile with grass roots members and spreading his political message. Crosland's biographer, Kevin Jefferys, believed that, "in his eyes, there was no inconsistency in restating his ideas with a view to attracting support in the centre of the party"⁷⁵⁰.

It can be argued that Crosland was working at rebuilding the centre-right coalition that had proved so vital to the ascendancy of Gaitskellism during the 1950s. However, the political climate proved increasingly unfavourable to such a strategy, largely as a result of the impact of Europe. The Left exploited the EEC issue to appeal to the Centre, whilst the Right deplored the alleged abandonment of principles and the weakening of parliamentary democracy that followed from a more populist appeal⁷⁵¹. By contrast, Crosland was concerned to strike a balance, avoiding the misconceptions that arose as a result of the perceived gap that had opened up between a middle class political elite and ordinary working class supporters. One influential Fabian pamphlet argued that a dispute had developed within modern social democracy between a 'liberal/progressive' wing, focusing on 'quality of life' issues, and a 'labourist/populist' wing, concentrating on policies that directly tackled social issues of welfare and equality. The authors argued that the labourist issues should play the dominant role in order to retain political influence and avoid alienating the Labour Party's working class electoral base⁷⁵². There was a feeling that, as a result of the experience of power, the balance had shifted too far towards liberal reforms, especially as many traditional social democratic objectives still required urgent action.

Crosland was sympathetic to this analysis, agreeing that liberal measures should not overshadow the core objectives of social democracy⁷⁵³. Consequently, not only did Crosland reassert the fundamentals of his revisionist egalitarian programme but also endeavoured to get in touch with the opinions of his working class Grimsby constituents and to take his role as shadow Environment Secretary extremely seriously. Hard work on practical policy, such as housing, greater attention paid to rebuilding party morale and unity, whilst stressing the most

⁷⁵⁰ Jefferys, 2000, p. 147.

⁷⁵¹ Giles Radice, 'The Limits of Populism', *Socialist Commentary*, Jan 1972, pp. 4-5; Roy Jenkins, 'Principles, not Populism', *Socialist Commentary*, Nov 1972, pp. 5-6.

⁷⁵² Stephen Haseler and John Gyford, *Social Democracy. Beyond Revisionism*, Fabian Tract, 1970.

⁷⁵³ Anthony Crosland, 'Labour and Populism', *The Sunday Times*, April 4th 1971; Other commentators were also sympathetic to the Haseler/Gyford analysis. See Alan J. Day, 'Two Faces of Democratic Socialism', *Socialist Commentary*, May 1971, pp. 11-13.

popular elements within Labour's egalitarian agenda, were viewed by Crosland as the crucial elements of a strategy for reviving the political prospects of his revisionism. The arrival of the divisive yet, in Crosland's mind, diversionary issue of EEC membership proved highly damaging. The difficulties of adopting his strategy under the ensuing political conditions were apparent from Crosland's agonized attempts to reach a decision on how to vote on the issue.

It is clear from his private papers that Crosland spent some time on working out his position on Europe⁷⁵⁴, yet his actions carried the danger of failing to please any section of the Labour Party, whilst confirming his growing reputation for indecisiveness. He aimed to balance the need to remain in touch with party opinion, and help promote party unity, whilst providing a clear indication that Britain should, on balance, join the Common Market. This made for an impossible position, with abstention not an entirely satisfactory conclusion. In responding to criticism from former colleagues, Crosland claimed that the need to change the Conservative Government at the present time was an equally valid political objective to entering the EEC. He believed that under present circumstances the benefits did not clearly outweigh the losses. Political power was important to his social democratic aims, and this might best be achieved by toppling the Conservative Government and avoiding Labour Party divisions, especially as many moderate Labour figures were against entry.⁷⁵⁵

Crosland's legitimate political ambitions meant that he did not wish to alienate wider political support within the Labour Party, yet he also realised that his constituency in the PLP was on the centre-right and the European issue split this constituency between pros and antis. His political advisor, David Lipsey, believed that abstention would upset the least amount of people⁷⁵⁶. But it failed to win over instinctive opponents on the Left, whilst the Jenkinsite Right felt betrayed by Crosland's apparent change of heart on Europe, allied to what they considered to be weak reasoning and a career-oriented decision to abstain⁷⁵⁷.

The European controversy highlighted the difficulty of Crosland's strategy, as party unity became more difficult to sustain and enabled the Left to

⁷⁵⁴ ACP 4/9, 6-15, 24-28, notes and jottings on EEC entry.

⁷⁵⁵ ACP 4/9, 29, 31, 33, 36, Letters responding to criticism of his abstention on EEC vote, 1971.

⁷⁵⁶ ACP 4/9, 63, The Case for Abstention, from David Lipsey, 22 Oct 1971.

⁷⁵⁷ Rodgers, 2000, p. 124.

exploit the growing isolation of the Jenkinsite pro-Europeans. Despite the pleas of Giles Radice, a revisionist MP, EEC membership escalated from a “unique issue that, from time to time, divide political parties internally” to a broader issue of division between fundamentally different political perspectives in relation to the merits of ‘populism’ and the future direction of democratic socialism⁷⁵⁸. The febrile political climate, and the growing division between the Jenkinsites and a new breed of militant party activist, was displayed during ‘the Taverne Affair’.

Dick Taverne, the Jenkinsite MP for Lincoln⁷⁵⁹, was challenged by his left-wing constituency activists in Lincoln. After being deselected, Taverne fought back and won a by-election in February 1973 against the new Labour candidate. His book, *The Future of the Left*, represented his belief that his local difficulties were a microcosm of the struggles that were now taking place within the Labour Party at a national level. It highlighted the threat posed by extremist groups of unelectable leftists, fundamentally at odds with the moderate social democracy that had previously reigned within the Labour Party⁷⁶⁰. But ‘the Taverne Affair’ also underlined the divisions that had opened up between former Gaitskellite associates on Labour’s social democratic Right. Crosland and Healey personally campaigned against Taverne in the Lincoln constituency, proving their party loyalty, whilst the Jenkinsites refused to actively campaign for the official Labour candidate⁷⁶¹.

Taverne saw his experience as proof that the social democrats’ future within the Labour Party was bleak due to the decisive new power of an extreme and intolerant Left, fostered by the political influence of Tony Benn⁷⁶². His calls for a new social democratic party, as the only hope for radical progressive politics on the centre-left of British politics were rejected at the time, and former colleagues claimed to have advised him against resigning from the Labour

⁷⁵⁸ Giles Radice, ‘The Limits of Populism’, *Socialist Commentary*, Jan 1972, pp. 3-5.

⁷⁵⁹ Dick Taverne was a former Treasurer of CDS, a minister under Jenkins at the Home Office and the Treasury between 1966-1970, and a front bench economic spokesman from 1970.

⁷⁶⁰ Taverne, 1974, pp. 7-9.

⁷⁶¹ Taverne, 1974, p. 97; Jefferys added the caveat that Crosland only ‘reluctantly’ campaigned due to the pressure of representing the Labour Party in a neighboring constituency. Jefferys, 2000, p. 168.

⁷⁶² Taverne, 1974, pp. 149-153; his views gained sympathy from Bill Rodgers in his *Socialist Commentary* column. ‘Personal Column – William Rodgers’, *Socialist Commentary*, November 1972, pp. 3-4.

Party⁷⁶³. But Taverne's views on the overweening power of the trade unions, the impractical constitutional position of the PLP and the rising influence of the Left on the NEC and in the constituencies were increasingly shared by the other Jenkinsites⁷⁶⁴.

It was evident that the Jenkinsites position in the Party had become very difficult as a result of their actions over the EEC vote. One Labour activist in Ashfield claimed that his pro-European MP, David Marquand, had "only escaped a vote of 'no confidence' by the 'skin of his teeth' and only then on the promise that his future conduct would be in line with his constituents' wishes"⁷⁶⁵. The swing to the Left in the constituencies was also having an impact upon the selection of parliamentary candidates and, therefore, the future composition of the PLP⁷⁶⁶. The political climate that now existed within the Labour Party, with the balance of power swinging to the left and the Jenkinsite Right's defiant stance on the EEC, made Crosland's appeal to the centre-ground an increasingly problematic and isolated position, but also hindered the prospects of addressing the central dilemmas facing the revisionist position.

Revisionism revisited

Against the backdrop of uncondusive political conditions, the need to regenerate Crosland's original revisionist ideas appeared both necessary and problematic. The experience of power raised significant new dilemmas and the period of opposition should have provided the perfect opportunity for intellectual renewal, but it only served to exacerbate personal tensions and highlight emerging political divisions. *Socialist Commentary* remained the chief organ of debate for moderate democratic socialists, and there was evidently a strong commitment from its contributors to face up to the practical difficulties of implementing an egalitarian reform programme during a period of economic underachievement. Shortly after the 1970 election, an editorial pinpointed the main dilemma that Crosland's

⁷⁶³ William Rodgers, 'So Far – But No Further', *Socialist Commentary*, February 1974, pp. 21-22.

⁷⁶⁴ Taverne, 1974, pp. 121-131; Reg Prentice, 'What Kind of Labour Party', *Socialist Commentary*, April 1973, pp. 4-5; William Rodgers, 'Personal Column', *Socialist Commentary*, June 1973, p. 3; 'Who Rules the Party?', *Socialist Commentary*, July 1973, pp. 1-2.

⁷⁶⁵ Letter on 'Lincoln and Europe', *Socialist Commentary*, March 1973, p. 25.

⁷⁶⁶ 'The Case of Andrew Phillips', *Socialist Commentary*, January 1974, pp. 3-5.

revisionist strategy now faced, and to “which socialist thought is so ill-prepared”. The failure to achieve economic growth had exposed the widening gap between the socialist ideals of the Labour Party and the objectives of the voting public, creating conflicting demands and political tensions⁷⁶⁷.

The lack of growth suggested difficult choices and the potential for disagreement over future strategy. Should revisionists continue to rely first and foremost upon a faster rate of growth to avoid choosing between egalitarian objectives and public aspirations? This was the opinion of those who wished to retain their socialist ideals, in favour of social justice and equality, whilst accepting the practical reality and validity of the ordinary worker’s aspirations for increased personal income⁷⁶⁸. But reaffirmation of the original Croslandite strategy did not directly address the economic factors that constrained the achievement of growth. If growth was still crucial, how was it to be attained? Or should committed egalitarians start the process of social change, including the implementation of radical redistributive policies, as a prerequisite for achieving economic growth? This was the opinion of those who now believed that an incomes policy, which could ensure an inflation-free growth strategy, could only prove workable through a Social Contract between the trade unions and the government⁷⁶⁹. Debates over future direction started to occur, but some younger revisionists now believed that a major new contribution was required.

Giles Radice, a committed revisionist MP and regular contributor to *Socialist Commentary*, called for a renewal of Labour’s intellectual compass and decried the lack of systematic theory: “a symptom of our theoretical barrenness is that nobody in the Labour Party writes books any more. They give interviews and write articles, pamphlets and essays. But not books. In fact, it is no exaggeration to say that there has been no really serious study of socialism produced by a Labour Party thinker since *The Future of Socialism* nearly twenty years ago. And good though that book was, it is now a partially exhausted mine”⁷⁷⁰. Radice considered that new “sociological homework” was required to investigate the changes that had taken place within the traditional working class in relation to the

⁷⁶⁷ ‘The Politics of the Future’, *Socialist Commentary*, October 1970, pp. 1-2.

⁷⁶⁸ Peter Stephenson, ‘Money to Spend on Himself’, *Socialist Commentary*, Sept 1970, pp. 7-9.

⁷⁶⁹ Bruce Douglas-Mann, ‘Social Justice is the Key’, *Socialist Commentary*, Jan 1971, pp. 3-5.

⁷⁷⁰ Giles Radice, ‘Where are Labour’s Ideologues?’, *Socialist Commentary*, July 1972, p. 25.

rising influence of ‘the affluent worker’⁷⁷¹, whilst more constructive thought was needed on how to maintain an egalitarian strategy in the absence of growth⁷⁷². Although Radice was developing his own ideas, it is instructive that the titles of his contributions were phrased as questions to be addressed. The majority of revisionists still looked to their leading parliamentary figures for inspiration.

In a series of speeches made throughout 1972, Roy Jenkins set out his vision for a principled and pragmatic approach to revisionist social democracy that could have formed the basis of future Labour policy during the 1970s. His contribution has largely been overlooked because of subsequent events, but the political case that he set out could have aided the future intellectual dominance of revisionism, and a continuation of the centre-right political alliance within the Labour Party. Although it did not entirely meet Radice’s demand for a new *Future of Socialism*, it provided strong foundations for the development of a new strategy for achieving the egalitarian objectives of revisionist socialism, whilst taking into account the new economic and political problems that had emerged. It helped to initiate, at least briefly, a rational and constructive debate amongst political moderates over the future direction of democratic socialism in the new and unfavourable conditions that prevailed in the 1970s.

Jenkins’ speeches were reprinted in *Socialist Commentary* and published as a book, entitled *What Matters Now* (1972). Jenkins started by restating the revisionist commitment to attacking social distress, by targeting the causes of deprivation and social injustice⁷⁷³. The prioritization of social justice remained a crucial area of political divergence from the Conservatives, whose political philosophy remained essentially wedded to economic individualism. Jenkins stated the difference by defining freedom in positive terms, rather than the negative definition given by many Conservatives: “The right to choose is meaningless without the power to choose; and in a society as riven by unfairness as ours still is, any approach to fairness, any approach to real ability to choose, requires constant intervention by the state. In the real world, communal action is not the enemy of individual freedom, but its guarantor; the pursuit of individual

⁷⁷¹ Giles Radice, ‘What about the Workers?’, *Socialist Commentary*, Feb 1971, pp. 6-7.

⁷⁷² Giles Radice, ‘What Kind of Consensus?’, *Socialist Commentary*, May 1972, pp. 3-4.

⁷⁷³ Roy Jenkins, ‘The New Challenges of Injustice’, *Socialist Commentary*, April 1972, pp. 15-16.

economic freedom to the exclusion of all else may increase freedom for a few, but only by restricting the real freedom of the many”⁷⁷⁴.

This was a restatement of the revisionist philosophy, with the belief that state action could positively increase individual freedom for the majority of people and that inequality was at the root of social discontent. The approach to equality remained balanced between the objective of greater social equality and the maintenance of economic incentives. But Jenkins asserted that new problems had emerged since the 1950s that made the revisionist task more difficult and demanded a modification of the original approach. There needed to be a concentrated attack on poverty, as it was no longer possible to rely on growth, yet the new difficulty was that the poor were now a minority. The Labour movement needed to enlist the support of the majority to help overcome poverty by an appeal to idealism and the cultivation of a widespread social conscience. The cause of equality had to be actively advocated: “we have to persuade motor car workers in my constituency that they have an obligation to low-paid workers in the public sector. We have to persuade the British people as a whole that they have an obligation to Africans and Asians whom they have never seen. It is a formidable task. We cannot hope to carry it out if we base our appeal on immediate material self-interest...we have to recast the mould of politics”⁷⁷⁵.

Of course this approach contained the obvious problem that mere ‘moral exhortation’ might not make much impact upon the car workers, amongst others. Radice agreed with Jenkins that the revisionist commitment to equality could no longer rely upon growth. There was now a clear need for a positive strategy to promote the cause “of the underprivileged and the less powerful in society”. But he was also realistic enough to realize that a new strategy of idealistic persuasion would need to be strengthened by policies that benefited the majority, as well as the minority. An egalitarian strategy should stress the commonality of interest that existed throughout society and seek to place inequality in a wider context. Inequalities of status and power remained as important as inequalities of wealth and, as these forms affected more than just a minority, the broad-based approach

⁷⁷⁴ Roy Jenkins, ‘The New Challenges of Injustice’, *Socialist Commentary*, April 1972, pp. 16-17.

⁷⁷⁵ Jenkins, ‘The New Challenges of Injustice’, April 1972, p. 18; See also a speech dedicated to the aim of overcoming global poverty and inequality. Roy Jenkins, ‘The Challenge of World Poverty’, *Socialist Commentary*, June 1972, pp. 15-19.

to social equality stood more chance of ensuring majority support⁷⁷⁶. Jenkins' speech on 'Inequality and Work' reflected Radice's views in calling for workers to gain greater control over the decisions and conditions that affected their working lives. A moderate form of industrial democracy, where workers gained greater responsibility, was seen to be an effective way of overcoming industrial unrest, and practical schemes had proved successful in Nordic countries⁷⁷⁷.

Jenkins acknowledged that a more interventionist approach to industrial policy was required in order to break the cycle of regional disparities and aid economic development in depressed regions of the country. Practical measures included regional employment subsidies, and the creation of a State Holding Company, based on the model that operated in France and Italy, which would stimulate investment in industry with the backing of a Regional Development Bank. Jenkins was now converted by the continental experience of successful public enterprise, helping to promote greater competitiveness in the private sector and boosting employment in the regions⁷⁷⁸. He also called for greater use of government planning and public ownership of land in order to tackle the growing problems of urban living, including environmental degradation and social deprivation⁷⁷⁹.

Jenkins' ideas are believed to have received limited attention due to Labour's swing to the Left and the Party's preoccupation with the issue of EEC entry⁷⁸⁰. His resignation from the shadow Cabinet in April 1972, in opposition to a future referendum on continued EEC membership, negatively affected his standing and influence within the Labour Party, but also impacted upon the development of his ideas. David Marquand, who masterminded the speeches, stated that Jenkins subsequently "made no real attempt to develop the ideas he had set out or campaign for them in Parliament or the party". He put this down to Jenkins no longer genuinely believing "that the Labour Party could be saved for the pluralistic, tolerant social democracy for which he had stood since his early days in politics"⁷⁸¹. The impact of the EEC issue and the rise of the Labour New

⁷⁷⁶ Giles Radice, 'What Kind of Consensus?', *Socialist Commentary*, May 1972, pp. 3-5.

⁷⁷⁷ Roy Jenkins, 'Inequality and Work', *Socialist Commentary*, July 1972, pp. 15-18.

⁷⁷⁸ Roy Jenkins, 'Socialism and the Regions', *Socialist Commentary*, May 1972, pp. 15-18.

⁷⁷⁹ Roy Jenkins, 'Socialism and the Cities', *Socialist Commentary*, September 1972, pp. 15-19.

⁷⁸⁰ Ellison, 1994, p. 190.

⁷⁸¹ Marquand, 'The Welsh Wrecker', Adonis and Thomas (Ed.), 2004, pp. 126-127. Other prominent Jenkinsites considered leaving active politics during 1972. Rodgers, 2000, p. 135.

Left reduced Jenkins' political influence and gradually eroded his enthusiasm for contributing to Labour politics. The cause of revisionist social democracy suffered as a result.

Crosland, despite his greater focus upon his career as a front-line politician, continued to think deeply about the new problems that socialists faced throughout the Western democratic world, including the rightward shift in public opinion, as taxation reached its limits⁷⁸². He still found time to attend international seminars on socialism and to update himself on new ideas concerning equality, including the work of the American philosopher John Rawls⁷⁸³. One of the key dilemmas on which Crosland focused was the problem of balancing potentially conflicting values and interests. This had always been an aim of revisionism but, under new and less favourable conditions, the balance was proving harder to achieve in practice. Crosland listed three such areas: the interests of the individual against the interests of wider society; individual freedom against greater social equality; liberal values and socialist values⁷⁸⁴. How should revisionists respond to this dilemma? They supported all of these objectives but it was becoming more difficult to strike a satisfactory balance between them.

In 1974, despite struggling to find the time and resources to give full attention to the central dilemmas facing his revisionist strategy⁷⁸⁵, Crosland produced his first substantial work in over a decade. It was published against a background of economic crisis in the country and growing political divisions within the Labour Party. *Socialism Now and Other Essays* was largely comprised of collected speeches and articles from the period 1965-73, covering areas related to Crosland's practical experience as a government minister and opposition spokesman. It included his thoughts on policy relating to housing, environment, education and industrial policy. The foreword to the book, written by his Private Parliamentary Secretary (PPS), Dick Leonard, appeared to preempt criticism of

⁷⁸² ACP 4/12, 22-23, notes on Sweden, 1972.

⁷⁸³ ACP 4/12, 8, Jottings on equality, circa 1972. In these notes he mentioned the work done by Rawls on equality, as well as surveying the latest sociological work of Bell, Jencks and Lipsett.

⁷⁸⁴ ACP 4/12, 11, International Seminar on 'Socialism in Changing Societies', Final Statement, 1972.

⁷⁸⁵ Bell believed that, after 1971, practical reasons, such as the Labour Party's lack of finance for research and secretarial support to former ministers, lessened the opportunity for Crosland to produce a new work comparable to *The Future of Socialism*. Bell, 2004, pp. 42-44.

Crosland's failure to attempt a major rethink of the ideas set out in *The Future of Socialism*, nearly twenty years previously. Leonard stressed that Crosland's intellectual contribution was necessarily affected by his commitment to practical political life⁷⁸⁶.

Of the more intellectual style of essays on socialism, only the opening essay, 'Socialism Now', represented a new contribution to revisionist thought. It was therefore the most eagerly awaited piece by those moderate social democrats looking for guidance from their leading intellectual inspiration. Yet, following on from Leonard's explanation, Crosland immediately struck a slightly defensive note regarding his practical inability to produce a more substantial renewal of his original revisionist thesis: "for in truth it calls for a major new work of political economy, whereas I can offer only the practical thoughts of a practicing and fully-occupied politician"⁷⁸⁷. *Socialism Now* was the product of a more world-weary figure, a man who no longer had the time or inclination to embark on a major new philosophical treatise.

Crosland's post-1970 determination to concentrate on his role as a full-time politician meant that his new offering bore the mark of more overtly political calculations, edited and influenced in its content by his personal advisors whose task it was to further his career. Dick Leonard suggested that the new work, and main essay, be entitled 'Socialism Now' because it contained "undertones which could be calculated to maximize the extension of your appeal leftwards across the Party"⁷⁸⁸. David Lipsey, commenting on the production of a new essay, advised against producing a highly theoretical contribution, "since the intellectual wing of the party is hardly the one to be identified with any more strongly than is inevitable at the moment"⁷⁸⁹. The new work involved a serious addition to the political debate, but it was equally intended to raise Crosland's profile and broaden his political appeal within the Labour Party.

In the title essay, 'Socialism Now', Crosland provided a staunch defence of the central principles that defined his original thesis. Socialism still meant a

⁷⁸⁶ Anthony Crosland, *Socialism Now and Other Essays*, London: Jonathan Cape, 1974, p. 11.

⁷⁸⁷ Crosland, 1974, p. 15.

⁷⁸⁸ ACP 13/15, 51-52, letter from Dick Leonard to Crosland, 12th Aug 1972.

⁷⁸⁹ ACP 13/15, 47-48, letter from David Lipsey to Crosland, 1972.

commitment to a strong, wide-ranging social equality – covering income, property, education, class, power and privilege in industry – and a Labour government should be judged on how far it succeeded in progressing this fundamental objective, especially as Britain continued to be marked by extreme and unjustifiable inequalities⁷⁹⁰. The traditional socialist pre-occupation with ownership was still viewed as essentially irrelevant to the egalitarian cause⁷⁹¹, and Crosland rejected the Labour New Left’s “revival of semi-Marxist thought”⁷⁹². He argued that the current economic crisis was not a fundamental crisis of capitalism, whilst rebutting the basic features of the Holland analysis: the power of capital remained balanced by the regulation and public expenditure of the state, trade union power, and the impact of increased competition and falling profits; the threat from the power of multinationals had been exaggerated; and an extensive programme of public ownership would only serve to produce unaccountable ‘managerial bureaucracies’, not necessarily controlled in the public interest or more sensitive to the needs of consumers⁷⁹³.

Crosland defended his view that government still retained enough power and control without recourse to large-scale nationalisation⁷⁹⁴. More public ownership might be required in certain circumstances, and Crosland believed there was a case for a state holding company and more public enterprise, but he argued that greater direct state involvement in the economy should still be determined on the basis of a pragmatic, non-dogmatic approach. He warned against the simplistic belief of the Left that nationalization was an instant panacea, as it was not self-evident that publicly owned companies necessarily produced better results than private industry⁷⁹⁵.

Crosland’s analysis of past failures largely adhered to the arguments set out in his 1971 essay, *A Social Democratic Britain*. He believed that the 1964-70 governments had many achievements to their name, not least in increasing the levels of public expenditure in education, health and social security. The main failure of low growth was considered to be a result of flawed economic policy

⁷⁹⁰ Crosland, 1974, pp. 15-16.

⁷⁹¹ Crosland, 1974, p. 35.

⁷⁹² Crosland, 1974, p. 26.

⁷⁹³ Crosland, 1974, pp. 28-35.

⁷⁹⁴ Crosland, 1974, p. 34.

⁷⁹⁵ Crosland, 1974, pp. 38-43.

decisions, whilst the government also proved unable to implement essential reforms in regards to taxation, pensions and private schooling. But Crosland also acknowledged that a lack of popular support was responsible for the limited progress towards egalitarian goals⁷⁹⁶. How did Crosland seek to overcome the problems that had arisen since Labour took power in 1964, exacerbated by the uncondusive economic and political conditions of the moment? His strategy appeared to amount to an enhanced commitment to social reform and greater prioritization of major policy areas that would contribute most to greater equality – public ownership of development land, increased quality and quantity of housing, redistribution of capital wealth, the elimination of selection and social segregation in education, and a commitment to economic policies supportive of full employment⁷⁹⁷.

Crosland did concede some ground to the Holland thesis, and the central concerns of the Labour New Left, in advocating an extension of industrial democracy, with workers representation on managerial boards⁷⁹⁸, and greater direct state intervention in the economy⁷⁹⁹. But generally he saw these as supplementary elements within an essentially consistent revisionist strategy, rejecting the scale and emphasis placed upon them by those he accused of being motivated by an ideological attachment to “a refurbished Marxism”⁸⁰⁰. Crosland’s strategy was effectively a reaffirmation of his social democratic principles and a reordering of his priorities, in line with what had and had not been achieved: “I conclude that a move to the Left is needed, not in the traditional sense of a move towards old-fashioned Clause 4 Marxism, but in the sense of a sharper delineation of fundamental objectives, a greater clarity about egalitarian priorities and a stronger determination to achieve them”⁸⁰¹.

Although it represented an important new contribution, *Socialism Now* failed to adequately address the significant dilemmas and difficulties facing Crosland’s revisionist strategy. He acknowledged the practical constraints of

⁷⁹⁶ Crosland, 1974, pp. 18-24.

⁷⁹⁷ Crosland, 1974, pp. 44-46.

⁷⁹⁸ Crosland, 1974, pp. 49-53; Crosland had previously dismissed direct involvement of workers in industrial decision-making as “the majority prefer to lead a full family life and cultivate their gardens”. Crosland, 1971, p. 13.

⁷⁹⁹ Crosland, 1974, pp.38-40.

⁸⁰⁰ Crosland, 1974, p. 43.

⁸⁰¹ Crosland, 1974, p. 44.

office, including the democratic constraints imposed by the irrational and incompatible demands of the electorate, the economic problems of low growth, rising inflation and the impact of an international oil crisis⁸⁰². Yet, his solutions, in continuing to rely on growth and calling for a move to the Left in terms of a greater level of commitment to equality, seemed to conflict with his final words of caution to fellow socialists: “whatever the rate of growth we have to remember that our socialist claims on the increment are not always the same as those of our supporters. While we rightly say that equality and higher public expenditure are what divide us from the Tories, they may reply that their priorities are more jobs, lower prices, lower taxes or the suppression of crime”⁸⁰³. The leading revisionist intellectual had raised the key dilemma of democratic socialism – the difficulty of reconciling socialist objectives with the demands of the electorate – but it was generally considered that he had failed to provide any constructive solutions or to successfully update his original thesis.

The socialist philosopher, Bernard Crick, was disappointed that Crosland had committed himself to the world of political action over new ideas, and asserted that “his new book only hints at an argument yet to be developed”⁸⁰⁴. The Left argued that Crosland’s new work merely provided further evidence that his original thesis had proved unable to stand the test of time because private capital was still too powerful. Capitalism still needed to be cut down to size by the implementation of the Holland thesis, with far greater public ownership of ‘the commanding heights’ backed up by workers control⁸⁰⁵. On the Right he was criticized for failing to come up with ideas as to how the growth he craved could best be produced⁸⁰⁶.

Natural supporters were equally critical. The political motive behind *Socialism Now*, in attempting to broaden Crosland’s political appeal, was believed to have inevitably weakened its intellectual strength. There was a feeling amongst some candid friends that this was the reason that Crosland had not tackled the key problems that were blighting Britain in the 1970s, namely trade union power and

⁸⁰² Crosland, 1974, pp. 54-57.

⁸⁰³ Crosland, 1974, p. 58.

⁸⁰⁴ Bernard Crick, *The Observer*, 24th March 1974.

⁸⁰⁵ Richard Clement, *Tribune*, 22nd March 1974; Michael Barratt-Brown, *Labour Weekly*, 12th April 1974.

⁸⁰⁶ *The Economist*, 27th April 1974.

inflation⁸⁰⁷. There was also a belief that he was now needlessly promoting greater public ownership, without really believing that it would help produce greater growth, and that he was not willing to tackle the Left more effectively on this issue⁸⁰⁸.

Sympathetic journalists, such as *The Guardian's* Peter Jenkins, concluded that the shortcomings of *Socialism Now* were due to Crosland not having the time to produce a new *Future of Socialism*, although the central dilemmas still required resolution⁸⁰⁹. It was considered that Crosland had not resolved the tension between his egalitarian objectives and the need to placate opinion amongst the better-off working class who resented the reduction of differentials⁸¹⁰; and that he had produced a new potential conflict between his advocacy of economic growth and his proposals for greater industrial democracy and state intervention⁸¹¹.

Giles Radice expressed the disappointment of many revisionists with Crosland's contribution. He noted the practical political authority that Crosland now brought to bear upon areas such as education and housing but in his one truly new offering, the opening title essay, Radice believed that the changes that had occurred within society had not been properly analysed. He felt that Crosland had not examined in more depth what equality should now mean in the context of changed social and economic conditions, not to mention adverse public opinion, and had failed to move beyond his fundamental and fragile dependence upon economic growth. What was required was a thorough-going work, a *Future of Socialism* Mark II: "as he admits himself, Mr Crosland has not written it. But that does not mean that it does not need to be done"⁸¹².

⁸⁰⁷ ACP 13/17, 4, letter from Ian Little to Crosland, 5th Nov 1973; ACP 13/17, 14, letter from Edmund Dell to Crosland, 5th Nov 1973.

⁸⁰⁸ ACP 13/17, 9, letter from C. D. Foster, 7th November 1973; ACP 13/17, 14, letter from Edmund Dell to Crosland, 5th Nov 1973.

⁸⁰⁹ Peter Jenkins, *The Guardian*, 22nd March 1974.

⁸¹⁰ Peter Jay, *The New Statesman*, 22nd March 1974.

⁸¹¹ Timothy Raison, *The Listener*, March 21st 1974.

⁸¹² Giles Radice, 'Revisionism Revisited', *Socialist Commentary*, May 1974, pp. 25-27; Crosland is said to have replied to Radice's criticism by suggesting that "Keynes didn't write another General Theory" and that he (Crosland) was "too bloody busy". Cited in Jefferys, 2000, p. 176.

The Demise of Croslandite Revisionism

The Labour Party returned to power unexpectedly in February 1974. The Conservative Government called a sudden election, seeking a fresh mandate in response to the political pressures produced by economic crisis, with quadrupling of world oil prices exacerbating the rising inflationary trend, and trade union resistance to a statutory prices and incomes policy. The particular intransigence of the National Union of Miners (NUM) led the Prime Minister, Edward Heath, to ask the nation to decide ‘who governs Britain?’ The voters gave an inconclusive response, failing to provide a clear democratic mandate to either of the main two parties⁸¹³. The inability of Heath to reach an agreement with the Liberal Party resulted in Harold Wilson being invited to form a minority Labour administration. Despite the worst electoral performance since 1945, in terms of votes gained, the Labour Party had won more seats than any other individual party and effectively found itself back in power by default. Within months Wilson sought a clear mandate, but Labour only secured a slender parliamentary majority of three at the October 1974 election, leaving it continuously vulnerable to by-election defeats⁸¹⁴.

The prospects for resurrecting Labour’s social democratic programme were diminished by severe political and economic constraints. The limited democratic mandate was compounded by the realities of the economic situation. All Western economies were affected by the external shocks of the early 1970s, with the oil crisis generating a quadrupling of energy prices and the cost of basic raw materials rising dramatically. These global pressures meant that national economic policies were increasingly dictated by the need to bring soaring inflation

⁸¹³ The dramatic events surrounding the February 1974 election are covered in Dennis Kavanagh, ‘The fatal choice: the calling of the February 1974 election’, Ball and Seldon (Ed.), 1996; See also Alan Sked and Chris Cook, *Post-War Britain: A Political History 1945-1992*, London: Penguin, 1993, pp. 285-290.

⁸¹⁴ Labour’s share of the vote retreated from 43% in 1970 to 37.1% and 39.2% respectively in the two 1974 elections, with the loss of over half a million votes. See Chris Cook and John Stevenson, *The Longman Companion to Britain Since 1945*, 2nd Edition, Harlow: Pearson, 2000, pp. 59-60.

under control, rather than prioritizing a commitment to economic growth⁸¹⁵. Relative to other nations, Britain's economic woes in 1974 were particularly extreme, characterised by low growth, rising unemployment, a record balance of payments deficit and hyper-inflation⁸¹⁶. British inflation rose from 9.2% in 1972-73 to 24.1% by 1974-75 and quickly became the most pressing problem facing the new Labour administration⁸¹⁷. Yet, it is generally considered that the Labour Party arrived in office ill-prepared to deal with the realities of the ensuing economic crisis.

The divisive period of opposition resulted in an unconstructive stalemate between opposing factions. The Labour New Left, inspired by the Holland thesis, made the intellectual running after 1970 but was unable to translate their rising influence over policy into political control within the parliamentary leadership. Benn's party popularity was recognized through his appointment as Industry Secretary, whilst Wilson also allotted important Cabinet posts to his ex-Bevanite colleagues, Michael Foot and Barbara Castle. But the main ministerial positions in the Labour Government of 1974 were still occupied by figures from the centre-right of the party who, although divided on many issues, were able to unite in opposition to the policy proposals emerging from a left-dominated NEC and easily assert their authority and numerical advantage within Cabinet⁸¹⁸. Wilson regained the premiership and appointed Healey as Chancellor, Callaghan as Foreign Secretary and Jenkins as Home Secretary, with Crosland remaining in a middle-ranking Cabinet position as Secretary of State for the Environment. Bernard Donoghue, the head of the Prime Minister's Policy Unit, described the Cabinet as "probably, in terms of individual qualities and collective experience, the outstanding Cabinet of this Century"⁸¹⁹. However, the political divisions and

⁸¹⁵ Catherine R. Scheck, 'Britain in the world economy', Addison and Jones (Ed.), *A Companion to Contemporary Britain, 1939-2000*, Oxford: Blackwell, 2005, pp. 476-477.

⁸¹⁶ A comparative table on international economic performance during the 1970s is provided by Richard Coopey and Nicholas Woodward, 'The British economy in the 1970s: an overview', Coopey and Woodward (Ed.), *Britain in the 1970s: the troubled economy*, London: UCL Press, 1996, p. 3.

⁸¹⁷ Figures cited in Sked and Cook, 1993, p. 300.

⁸¹⁸ Wilson, concerned for party unity and electoral success, moved to block the significant elements of the Left's alternative strategy, including the proposal to nationalize the largest 25 industrial firms. Harold Wilson, *Final Term: The Labour Government 1974-76*, London: Weidenfeld and Nicolson, 1979, pp. 29-30.

⁸¹⁹ Bernard Donoghue, *Prime Minister*, London: Jonathan Cape, 1987, p. 15.

intellectual failings of opposition meant that the parliamentary leadership failed to adequately prepare for the economic problems that awaited them in office⁸²⁰.

The failure to overcome political differences and personal rivalries, and the inability to compete effectively with the Left in the production of new ideas, contributed to an intellectual vacuum. Bell considered that, as a result, “the parliamentary leadership had to rely upon a return to office to solve an intellectual crisis”⁸²¹. This risky strategy was reliant upon short-term pragmatism and realism, yet even this approach was compromised, as the parliamentary leadership found itself saddled with commitments that reflected the increased influence and power of a self-confident Left and an assertive trade union movement. This was underlined by the February 1974 manifesto, which was suffused with anti-EEC sentiments, an exhaustive list of spending commitments and public ownership proposals, with greater stress on economic equality to “bring about a fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families”⁸²². Martin Holmes, in his analysis of the period, suggested that Labour’s commitments were not in keeping with the realities of the acute economic conditions facing the Government, but were intended to maintain party unity⁸²³.

The Social Contract was the main election formula that the Labour Party devised to find a way out of the crisis. It was the product of Labour’s TUC-Liaison Committee and, although nominally aimed at tackling inflation, it has been viewed as an essentially unbalanced policy that contained no clear or coherent mechanism for achieving this objective, reflecting the shifting balance of power in the Labour Party⁸²⁴. Philip Whitehead, the former Labour MP, referred to it as “a non binding compact, whereby in return for an array of measures

⁸²⁰ This sense of unpreparedness was confirmed by the former Labour minister, Joel Barnett, who admitted that Labour’s shadow Treasury team, under Denis Healey, “had worked out no short-, medium- or long term economic and financial policies”. Joel Barnett, *Inside the Treasury*, London: Andre Deutch, 1982, p. 15.

⁸²¹ Bell, 2004, pp. 5-6.

⁸²² The contrast between the 1970 and 1974 manifestos, in terms of both content and rhetoric, is striking. See ‘Let us work together – Labour’s way out of the crisis’, British Labour Party General Election Manifesto, Feb 1974.

⁸²³ Martin Homes, *The Labour Government 1974-79: Political aims and economic reality*, London: Macmillan, 1985, pp. 2-4; Pimlott referred to Labour manifesto as “a ragged series of compromises which amounted to an election formula, rather than a collective belief”. Pimlott, 1992, pp. 617-618.

⁸²⁴ Shaw, 1996, pp. 114-115.

designed to benefit their members economically the union leaders would use their best endeavours to moderate wage claims”⁸²⁵. The Labour Government was committed to enhance the legal status of trade unions and to increase the social benefits going to its members, and in return the trade union movement was committed to *try* and deliver wage restraint, despite the view of its leaders that it was virtually impossible to fulfil their side of the bargain⁸²⁶. The Labour Government’s fulfilment of its side of the bargain without any considerable reciprocation is considered to have helped short-term party unity but not the economic situation, storing up even greater difficulties for the future⁸²⁷.

This chapter deals with the decisive impact that Labour’s third postwar period in office had upon Crosland’s revisionism. The conditions were some of the most difficult that have ever faced a British Cabinet, with a disastrous economic inheritance compounded by internal party divisions and a limited democratic mandate. Political constraints proved critical in preventing the Labour leadership from taking the decisive action necessary to tackle the immediate crisis. This fatal delay helped precipitate the IMF Crisis of 1976 and the final abandonment of the Croslandite strategy. The ‘new realism’ that emerged amongst members of the Labour Government represented a retreat, under considerable pressure, from the central values and objectives of revisionist social democracy, whilst creating an unbridgeable political chasm between the parliamentary leadership and the Labour Party activists.

Responding to economic crisis

At first the Labour Government appeared ignorant to the true state of the economy and unwilling to make the difficult choices required to return the economy to a position of stability. At a time of rapidly increasing inflation, Denis Healey’s first

⁸²⁵ Philip Whitehead, *The Writing on the Wall*, London: Michael Joseph, 1985, p. 118; Barbara Castle referred to it as “government action to create a ‘climate’ to which the unions would respond”. Barbara Castle, *The Castle Diaries 1974-76*, London: Weidenfeld and Nicolson, 1980, p. 10.

⁸²⁶ Len Murray, TUC General Secretary, reflected the general opinion of union leaders at a TUC-Liaison Committee. According to Castle, he stated that they could not deliver wage restraint even if they wanted to, as they could not control their members. Castle, 1980, pp. 19-20.

⁸²⁷ Holmes, 1985, pp. 7-15.

budgets in March and July 1974 were largely tactical, concerned with ensuring political survival and the election victory in October of that year. Roy Jenkins, in the position of a disapproving ex-Chancellor, believed the effect of these budgets was “like throwing stones at a potential avalanche”, as they served to exacerbate the inflationary trend and further damage the fragile confidence of the financial markets⁸²⁸. The tactical, political approach was sanctioned by the Prime Minister. Wilson’s leadership style naturally inclined him towards avoiding conflict at all costs. He preferred to steer a consensual course between the contrasting demands of a militant trade union movement expecting concessions, and international economic forces pressurizing the national currency and demanding severe deflationary action⁸²⁹. His political adviser, Bernard Donoughue, believed that the inevitable outcome of Wilson’s approach was to wait for the economic crisis to become so serious that he could gain political unity in Cabinet for tough action to counter inflation⁸³⁰.

Britain’s economic situation deteriorated further in spring 1975, as a world recession exacerbated the problems of a struggling economy. Growth levels decreased, inflation moved up towards 25%, and the trade unions proved unable to make voluntary pay restraint a success. In response, Healey began to shift away from his reliance upon the Social Contract and towards a deflationary approach in order to reduce the Public Sector Borrowing Requirement (PSBR), which had risen dramatically as a result of low growth. Castle mentioned a bilateral meeting with the Chancellor in which he stated that “the borrowing requirement was ‘terrifying’. He just had to cut back public expenditure. The Social Contract wasn’t working. Inflation was getting out of control”⁸³¹. The April 1975 budget marked the beginnings of a more hard-line approach, with spending cuts of over one billion pounds and income tax rises, whilst a clear pay policy was introduced with the agreement of key trade union leaders⁸³². Having relied upon voluntary trade union cooperation, the Labour Government was now left with no clearly

⁸²⁸ Jenkins, 1991, p. 387; Castle, a major spending minister in charge of social security, noted how easily the Chancellor gave in to her departmental demands during 1974. Castle, 1980, pp. 43-58.

⁸²⁹ Wilson saw leadership in terms of securing policies that were both adequate to the situation yet also acceptable enough to avoid a party split or ministerial resignations. Wilson, 1979, pp. 112-114, 121.

⁸³⁰ Donoughue, 1987, p. 60.

⁸³¹ Castle, 1980, pp. 359-360.

⁸³² Holmes, 1985, pp. 22-31.

worked out alternative strategy for tackling inflation and restoring market confidence.

The innate realism of Labour's parliamentary leadership began to assert itself. Tony Benn, the main spokesman for the New Left's alternative strategy, became increasingly isolated in Cabinet. He alienated potential supporters on the Left, such as Castle and Foot, due to his lack of realism and "practical edge". His reliance upon rhetorical flourishes appeared designed to boost his popularity in the Labour Party, but failed to address the seriousness of the economic situation or to call for the unions to face up to their responsibilities⁸³³. His Industrial Policy White Paper, which envisaged wide-ranging powers of acquisition and compulsion over private industry, was rewritten by the Prime Minister's Policy Unit, leading to the dilution of its content and the moderation of its rhetoric to avoid provoking a hostile reaction from industry⁸³⁴. Benn played a central role in the anti-EEC referendum campaign of June 1975, but the vote went decisively in favour of continued membership. Subsequently, Wilson took the opportunity to demote him from his Industry portfolio to the lesser position of minister for Energy⁸³⁵.

Despite his revisionist commitment to enhanced social provision, Crosland accepted that action was necessary to steady the economy and make room for inflation-free growth. He was in general agreement with other influential members of the social democratic Right in calling for realism, a defence of the mixed economy and an acceptance that there were no easy solutions to Britain's economic problems⁸³⁶. Crosland accepted that there was an immediate need for public expenditure cuts. In May 1975 he told a local government conference to accept reductions in their spending plans and castigated the selfishness of some trade unions for pursuing inflationary wage rises to the detriment of other workers and more vulnerable social groups⁸³⁷. But he was also concerned to avoid a repeat

⁸³³ Castle, 1980, pp. 393, 422, 479.

⁸³⁴ Donoghue, 1987, pp. 52-55; Wilson described the tone of Benn's White Paper as "polemical, indeed menacing", and demanded it be rewritten. Wilson, 1979, pp. 33-36.

⁸³⁵ Pimlott, 1992, p. 667; Castle described the distress of the Left at the diminution of their influence, which included Benn's demotion, Eric Heffer's sacking and Judith Hart's forced resignation. Castle, 1980, pp. 408-415.

⁸³⁶ Anthony Crosland, Roy Jenkins, Shirley Williams and Reg Prentice, 'What Labour's Policies Really Are', *Socialist Commentary*, Sept 1974, pp. 2-5.

⁸³⁷ Crosland told local government that "the party's over". Crosland, 1982, p. 296; Whitehead, 1985, p. 150.

of 1966, when deflationary cuts were made without regard to Labour's central political purpose or its social priorities⁸³⁸. Crosland became the main advocate of a strategy that might best be described as 'realism with a social purpose'. He accepted the seriousness of the economic situation but believed it was vital to retain and prioritize policy commitments that were central to his egalitarian objectives.

Although not in possession of a senior Cabinet post, Crosland was still seen as a powerful minister and a potential future Chancellor. Therefore his contributions and ideas carried considerable weight⁸³⁹. Crosland attempted to gain acceptance for his prioritization strategy within Cabinet by identifying a limited number of areas to be pursued with full commitment and by setting an example for other ministers to follow. He sent a memo to the Prime Minister setting out low priority areas within his own department, including subsidies to industry and transport, whilst listing high priority areas across government, including overseas aid, urban renewal, social service cash benefits and housing investment. Crosland explained how he had sacrificed two big spending categories in Cabinet because they were low priorities in relation to the Government's overall social objectives, and asked the Prime Minister to take the lead in ensuring other Cabinet colleagues took a similar approach⁸⁴⁰.

Crosland's strategy suffered from the failure of other ministers to follow his lead, as the tradition of defending every item within a departmental budget proved too strong. He was able to form alliances with other ministers on the Left, especially Barbara Castle, in attempting to defend the level of public expenditure, but agreement faltered over the specific details⁸⁴¹. It also became apparent that a significant gap in thinking had developed between Crosland and his former Gaitskellite colleagues, Healey and Jenkins. The current and former Chancellor

⁸³⁸ Crosland opposed Healey's developing policy of demanding cuts across the board, and defended Britain's level of public expenditure. Tony Benn, *Against the Tide: Diaries 1973-76*, London: Arrow Books, 1990, p. 356; Castle, 1980, p. 482.

⁸³⁹ Castle noted that, in Cabinet, Crosland was often called to give a first response to the Chancellor, as he was "the Chancellor-in-waiting". Castle, 1980, pp. 460-461; Barnett referred to Crosland as "the minister who had the greatest impact on Cabinet decisions on most issues". Barnett, 1982, p. 47.

⁸⁴⁰ ACP 5/8, 1, Memo to PM from Crosland, 31st Oct 1975.

⁸⁴¹ Castle's diaries place her alongside Crosland, as the principal critics of the Treasury line from April 1975. Castle, 1980, pp. 360, 398-399, 462, 542; But when it came to the detail the two ministers were forced to compete with one another. Castle, 1980, pp. 503, 524, 537, 543, 596.

felt that public expenditure was out of control and required a strategy of 'overkill', based upon negative Treasury forecasts and the need to restore market confidence to avoid damaging speculation, whilst Crosland questioned Treasury assumptions and forecasts in a bid to salvage important social objectives⁸⁴². But it was clear that Jenkins and some of his younger supporters were also willing to challenge the traditional revisionist philosophy that public expenditure was a good in itself. They increasingly believed that high levels of spending were causing inflation, which threatened social breakdown⁸⁴³.

The personal rivalry and difference of opinion over EEC membership helped to divide Jenkins and Crosland, but the economic crisis drove them further apart. Jenkins took a more hard-line position on the need to tackle inflation by large-scale public expenditure cuts, and adopted an increasingly semi-detached stance in relation to Labour politics. According to Donoughue, as the economic crisis developed "he did not speak very often, seeming not unjustifiably to be awaiting the unfolding of some scenario of nemesis"⁸⁴⁴. The Jenkinsite grouping came to be seen as exclusively linked to the European issue, and the 1975 referendum campaign served to distance them still further from the Labour Party. It initiated their first thoughts on breaking the mould of two party politics⁸⁴⁵. Rather than prioritizing the defence of revisionist social objectives, they were increasingly concerned with the mounting threat posed to parliamentary democracy, and were appalled at Crosland for bending to Labour Party opinion by granting an amnesty to law-breaking Labour councillors in Clay Cross⁸⁴⁶.

⁸⁴² Castle referred to the Cabinet divide being between the "Once-and-for-all Meat Cleavers" of the Right, led by Healey and Jenkins, and the "damage limitation" group, led by Crosland. Wilson summed up in favour of the Chancellor. Castle, 1980, pp. 548-549; Barnett stated that Crosland offered no realistic alternative considering the dire economic situation. Barnett, 1982, pp. 64-71.

⁸⁴³ Jenkins made a speech in Anglesey in January 1976 that claimed that public expenditure needed to be limited in defence of pluralistic democracy. Cited in Campbell, 1983, p. 175; Castle mentioned Jenkins' belief, with support from Reg Prentice and David Owen, that cuts were socially and philosophically desirable. Castle, 1980, pp. 400, 427, 521, 559.

⁸⁴⁴ Donoughue, 1987, p. 74; Castle shared this view. Castle, 1980, p. 61.

⁸⁴⁵ Jenkins, 1991, p. 424; Rodgers and Marquand, later to join the SDP, referred to the pleasure gained from a cross-party campaign involving like-minded individuals, ample funding and slick marketing. Rodgers, 2000, p. 151; Marquand, 'The Welsh Wrecker, Adonis and Thomas (Ed.)', 2004, pp. 132-133.

⁸⁴⁶ The Labour councillors defied the law over the imposition of housing rents. Crosland, as Environment Secretary, overturned their disqualification from office. He was responding to pressure from party opinion, which viewed them as martyrs opposing unjust Conservative legislation. Crosland, 1982, p. 283; Radice, 2002, p. 227.

The divisions amongst former colleagues on Labour's social democratic Right left the Jenkinsites as an isolated parliamentary minority, whilst Healey and Crosland proved unable to develop enough independent political support. This was highlighted by the 1976 leadership election. Wilson unexpectedly resigned as Prime Minister in March, and in the ensuing contest an unprecedented six candidates stood. The four candidates from the centre-right – Callaghan, Healey, Jenkins and Crosland – threatened to split the vote and enable the candidates from the Left – Michael Foot or Tony Benn – to capture the leadership. Radice explained how Healey and Crosland, although unable to win, took crucial votes away from Jenkins, whilst fifteen to twenty former Jenkinsites switched their support to Callaghan, as the best placed candidate to defeat Foot. Crosland's centrist strategy of appealing across the party's left-right divide never got off the ground within a polarized PLP, whilst Healey was a political loner who contested the election despite failing to cultivate a large network of supporters. All three men fared badly in the election. Callaghan won on a third ballot and became Prime Minister. Jenkins left British politics to become President of the EEC, after Callaghan overlooked his claims for the post of Foreign Secretary in favour of Crosland⁸⁴⁷.

The leadership election was the final proof that the former Gaitskellites had failed to resolve their political differences or agree upon a successor to their former leader, with the inevitable consequence of damaging the prospects of revisionist social democracy⁸⁴⁸. The other major factor that threatened the future of revisionism was the adverse economic conditions. Crosland gave a lecture, reprinted in *Socialist Commentary*, entitled 'Equality in Hard Times', in which he accepted a realist approach but also continued to take an optimistic view of what could be achieved in difficult circumstances. He outlined his views on Labour's main policy priorities, including a fairer taxation system; continued commitment and support for social housing, social services and social security benefits; advances in industrial democracy; decentralization and devolution of political

⁸⁴⁷ Radice, 2002, pp. 234-240; Jefferys believed that Crosland's derisory result, receiving the lowest number of votes, was down to having effectively alienated former allies without being able to successfully build a new power-base. Jefferys, 2000, p. 195.

⁸⁴⁸ This failure to replace Gaitskell had been acknowledged by Crosland and Jenkins at a commemoration dinner to mark the tenth anniversary of his death. Crosland referred to "the appalling sense of emptiness" that was still felt by former supporters of Hugh Gaitskell. 'In Praise of Hugh Gaitskell', *Socialist Commentary*, March 1973, pp. 12-13.

power; and the renewal of internationalism through the provision of development aid: “this then should be our programme for the pursuit of equality in difficult times. It encapsulates a sense of purpose within the bounds of the practical. For our Labour aims are not a luxury, to be indulged in only when they can be easily afforded. They are a necessity to be pursued with even more determination when the going is hard”⁸⁴⁹.

With Callaghan’s accession to leader, Crosland finally gravitated to one of the senior ministerial posts, providing him with greater opportunity to influence the direction of policy and keep his egalitarian vision alive. But the new Foreign Secretary could not have foreseen the unprecedented economic crisis that developed during the autumn of 1976. The events that followed became known as ‘the IMF crisis’ and their impact on Croslandite revisionism, even in its adapted form, was highly destructive.

The IMF crisis

During 1976, periodic speculative attacks upon the value of Sterling led to its depreciation in value by 12%. The accounts of Edmund Dell and Joel Barnett, two of the key Treasury ministers, refer to the engineered devaluation by Treasury officials and the Bank of England that set off a run on the pound⁸⁵⁰. But, regardless of the immediate cause, it was clear that the markets were offering their judgment on the management and economic performance of the British economy based upon previous experience and future prospects. In a return to the experience of the 1960s, albeit on a more extreme scale, the Labour Government was forced to respond by increasingly severe deflationary measures. Healey’s budgets cut deeper into public spending in an attempt to restore market confidence. Yet these actions failed to stem the run on the pound⁸⁵¹. The negative opinion of the financial markets had developed over a long period and was coming to a head. Healey testified to the extreme vulnerability of Sterling, as every announcement and action seemed to provoke an exaggerated reaction from the markets, despite

⁸⁴⁹ Anthony Crosland, ‘Equality in Hard Times’, *Socialist Commentary*, Oct 1976, p. 3.

⁸⁵⁰ Edmund Dell, *A Hard Pounding: Politics and Economic Crisis 1974-1976*, Oxford: Oxford University Press, 1991, pp. 205-206; Barnett, 1982, pp. 82-83.

⁸⁵¹ Barnett, 1982, pp. 87-89; Holmes, 1985, p. 90.

both inflation and the deficit falling⁸⁵². Pessimistic Treasury forecasts on the level of the PSBR, hostile media comment, political divisions and industrial strife all contributed to the intense pressure on the value of Sterling. International holders were not confident that the British currency provided a dependable prospect and were increasingly determined to sell their holdings.

Healey's immediate task was to prevent the continued slide in the value of Sterling. To this end he managed to negotiate a short-term standby credit from the international financial lending houses. But this was only a temporary measure and failure to regain market confidence would ensure an approach to the IMF for a more substantial long-term loan as a condition of the standby loan. The Government could be under no illusions that the IMF would impose harsh conditions in return for such financial aid⁸⁵³.

Kathleen Burk and Alec Cairncross, in their comprehensive account of the IMF crisis, stressed the significant influence of the US Government due to its position as the principle shareholder to the IMF. Key US officials believed that the British situation was critical to the future of the world economy. They feared that economic crisis would create the conditions for a rise in protectionist policies and the triggering of a global depression. William Simon, the U.S. Treasury Secretary, and Edwin Yeo, the Under Secretary for Monetary Affairs, were determined to exert a decisive influence upon the British Government's economic policy, ensuring greater political and financial discipline. The IMF was the ideal instrument for enforcement. Dependence on an international loan negotiated through the IMF would place Britain in a weak bargaining position, making it difficult to resist tough action to reduce their PSBR⁸⁵⁴. It would inevitably demand more extreme cuts in public expenditure. Therefore, Healey set about cutting the PSBR in order to restore confidence in the British economy and avoid the imposition of more severe IMF terms.

The Government's deflationary package of July 1976 proved insufficient to satisfy the markets and, with Sterling's continued fall in value, Healey was

⁸⁵² Denis Healey, *The Time of My Life*, London: Penguin, 1990, pp. 427-428.

⁸⁵³ Dell, 1991, p. 219; Healey, 1990, pp. 428-429.

⁸⁵⁴ Kathleen Burk and Alec Cairncross, *'Goodbye, Great Britain': The 1976 IMF Crisis*, New Haven and London: Yale University Press, 1992, pp. 37-45; Healey commented that William Simon "was far to the right of Ghengis Khan and was totally devoted to the freedom of the financial markets". Healey, 1990, p. 419.

forced to apply for an IMF loan in September 1976 in order to defend the exchange rate value and help pay back the initial stand-by loan⁸⁵⁵. His task was not only to successfully negotiate with the IMF for the vital loan, but also to win the approval of his Cabinet colleagues for the inevitable spending cuts that would be a condition of gaining the loan. Once IMF negotiations were underway the debates inside Cabinet intensified throughout the autumn. The ensuing discussions and disagreements crystallized the divisions within the Labour Party, highlighting the divergent political strategies that were formed in response to the national economic crisis.

The IMF mission arrived in London at the beginning of November. Their task was to conduct a full review of Britain's economic policies and to negotiate an agreement with the British Treasury on future policies as a condition for the award of the loan. At the same time the Cabinet began discussions, in order to reach agreement on the proposals that should be presented to the IMF. Initially the majority of the Labour Government, including the Prime Minister, believed that the July measures were severe enough and should be given time to work. They thought that this fact could be communicated to the IMF and would be enough to secure the loan and therefore gain the crucial stamp of approval necessary to regain market confidence. Consequently no more cuts would be required⁸⁵⁶.

The new Prime Minister, James Callaghan, initially attempted to put political pressure on the IMF by using his close relations with German Chancellor Schmidt and US President Ford to warn of the political consequences of severe terms⁸⁵⁷. But his original standpoint did not allow for the hardened views of the IMF team and the strong pressure coming from the U.S. finance officials. They were determined to ensure a tough package to restore confidence in the British economy⁸⁵⁸. It was the job of the Chancellor and his Treasury team to present an economic policy that would gain the acceptance of two apparently irreconcilable positions. Healey valiantly attempted to bargain with the IMF, who originally

⁸⁵⁵ One member of the Policy Unit later memorably stated, in reference to the apparent inadequacy of the cuts, "the markets wanted blood, and that didn't look like blood". Cited in Whitehead, 1985, p. 187.

⁸⁵⁶ Burk and Cairncross, 1992, p. 75; Dell confirmed that this division also existed between Treasury officials. Dell, 1991, p. 248.

⁸⁵⁷ Dell, 1992, p. 256; Callaghan warned the US President that tough terms might bring the Labour New Left to power, with their overt hostility to the Western financial system. Burk and Cairncross, 1992, p. 77.

⁸⁵⁸ Healey, 1990, p. 430; Burk and Cairncross, 1992, pp. 90-95.

wanted a tougher package than was politically realistic, whilst seeking to convince the Cabinet of the need for a fresh cuts package⁸⁵⁹. The heated debates that followed between October and December 1976 divided the Cabinet between three main groups, each with their own position. The Treasury position was opposed by a Left group and a revisionist group. A fourth group were loyalists, willing to support the decision of the Prime Minister. Yet, at first, Callaghan was undecided. He did not take sides but allowed the different positions to make their case⁸⁶⁰.

The Chancellor, Denis Healey, the Chief Secretary to the Treasury, Joel Barnett and the Secretary of State for Trade, Edmund Dell, were the main advocates of a tough Treasury position within Cabinet. They proposed a package of cuts that would reduce the PSBR from £10.5billion to £6.5billion by 1978-79. They believed that only further substantial public expenditure cuts could gain the approval of the IMF. This approval was vital in restoring the confidence of the international financial markets in the running of the British economy, thus enabling a sustained recovery from the incessant crises⁸⁶¹. Dell believed that the crisis was self-induced and that Britain should now swallow the harsh medicine required to cure its economic sickness. The markets lack of confidence was based on the reality of poor trade figures, high inflation and an excessive PSBR. Britain could no longer borrow the money it needed because its reputation had been badly damaged. He stated the case: "if the market had believed that all was in place for a recovery it would have supplied the money we needed unconditionally. Our application to the IMF had been forced on us by the incredulity of the market and therefore we had to make the choice, to negotiate successfully with the IMF, or to be swept from office"⁸⁶².

Tony Benn, in his first-hand account of the Cabinet debates, provided an accurate picture of the various positions⁸⁶³. Healey's case was presented as a pragmatic and understandably pessimistic response to events: he had tried to avoid going to the IMF but the market had cast its negative judgment and Britain was in a position of extreme weakness; the Labour Government did not have enough

⁸⁵⁹ Burk and Cairncross, 1992, p. 75.

⁸⁶⁰ In his memoirs, Callaghan confirmed the different groups and his preference for allowing their separate strategies to be fully aired within Cabinet, 1987, pp. 434-435.

⁸⁶¹ Healey, 1990, pp. 429-431; Barnett, 1982, p. 100.

⁸⁶² Dell, 1991, pp. 257-258.

⁸⁶³ Benn's account has not been contradicted by the other main participants.

authority with international opinion to demand a painless agreement; Britain would have to accept deflation and possible unemployment in the short-run or risk taking an even larger dose later; the initial deflationary impact would be offset by the return of market confidence; whatever the theoretical arguments of dissenters the crucial issue was the lack of international confidence in the British economy and this had to be restored by gaining the approval of the IMF; there was no realistic alternative strategy⁸⁶⁴. The Treasury position was strongly argued but other members of the Cabinet were unwilling to accept the full analysis or prognosis, as Healey's case did not appear to take into account domestic political realities.

A second group argued for the developing Labour New Left view. They believed that the only viable alternative to deflation was to implement protectionist measures, including import controls to protect manufacturing and planning agreements to ensure sufficient industrial investment. Broadly speaking this was the position of Tony Benn, Michael Foot and Peter Shore⁸⁶⁵. They believed that it would be disastrous to allow the IMF to dictate a policy of deflation, as a Labour Government would therefore be turning its back on its central policies and principles. In their judgment the Treasury position would result in the commitment to public spending being broken, unemployment rising, growth rates falling and the breaking of the Social Contract. The last point was a crucial issue. Benn and Foot, in particular, considered that the 1975 wages policy was a major Government success. Without the support of the wider Labour Party and the trade unions, the Government could not survive⁸⁶⁶. Foot and Benn believed that the solidarity of the Labour movement must take precedence and these economic policies provided the best opportunity for achieving this goal, even if it meant losing power. Foot expressed this view in his vehement opposition to the Treasury position: "we must connect what we do to our own beliefs. We may not get the loan but we have better prospects than a course that would be a disaster for the movement"⁸⁶⁷.

⁸⁶⁴ Benn, 1990, pp. 670-671.

⁸⁶⁵ Benn, 1990, pp. 664-666; Healey, 1990, p. 431.

⁸⁶⁶ Benn, 1990, pp. 621, 632-633.

⁸⁶⁷ Benn, 1990, p. 674.

A third group has been referred to as the revisionist dissenters. Led by Crosland, they initially included a new generation of revisionist Cabinet ministers, Shirley Williams, Roy Hattersley and William Rodgers⁸⁶⁸. Crosland opposed the Treasury package on both economic and political grounds. The basis of his revisionist ideas and strategy were at stake. He believed that there was no rational argument for the cuts, as with one million unemployed there was plenty of spare capacity in the economy to support a strategy of high growth. Inflation could be dealt with by sticking to the present incomes policy. The deflationary impact of severe spending cuts would be self-defeating as they would merely increase unemployment, therefore reducing tax revenues and increase social spending on the unemployed. The result would be an even higher PSBR. Crosland had reluctantly accepted the July measures, but now he argued that they required time to work. He opposed the potentially fatal damage that further deflation would inflict upon the Social Contract. It would invite the break-down of the agreement with the unions, especially in the public sector, and therefore destroy the crucial incomes policy⁸⁶⁹.

Crosland's position meant adhering to existing policies, in keeping with his recent analysis in *Socialism Now*. The Government should stick to priorities and retain strong will-power in the face of external pressures. If the IMF refused to back down Crosland was willing to use a political strategy of threats and blackmail. He believed that Britain's weakness provided a negotiating strength, as her international allies could not afford to see the British economy collapse. The Government could threaten protectionist measures, departure from the EEC and troop withdrawals from Germany. Cosmetic cuts and desperate threats were the strategy he offered in order to call the IMF's bluff⁸⁷⁰. In his diaries, Benn offered a flavour of Crosland's final case put to the Cabinet on 2nd December 1976. Crosland refused to believe that the IMF would press for cuts of £1 billion or more, but "if they do, we should resist and threaten a siege economy, or talk about

⁸⁶⁸ Rodgers, as chief organizer of the Jenkinsite group, had fallen out with Crosland over EEC entry, but there had been a degree of reconciliation in March 1975. According to Rodgers, Crosland admitted making a mistake over the 1971 vote. Rodgers, 2000, p. 154.

⁸⁶⁹ Benn, 1990, p. 589; Burk and Cairncross, 1992, p. 89.

⁸⁷⁰ Benn, 1990, pp. 653-654.

our role in Cyprus or our troops in Germany, or our position in Rhodesia, membership of the EEC etc. Schmidt and Ford would soon give way”⁸⁷¹.

The groups opposing the Treasury position suffered from a lack of unity. Crosland and Hattersley were willing to enter into an alliance with the Labour New Left, if only on a temporary basis. Their strategy was moving further towards a protectionist position in order to defend the domestic economy from further cuts, and so contact was made with Tony Benn’s adviser, Frances Morrell⁸⁷². The attempt at forming an alliance against the Chancellor was rebuffed, but Crosland’s increasingly desperate strategy also alienated his supporters. Rodgers was strongly opposed to any threats of troop withdrawals, with the damage that might be done to NATO and Britain’s international relations. He moved decisively towards the Treasury position. Shirley Williams rejected protectionist measures due to a combination of commitment to free trade and the potential damage it would inflict upon the third world. Crosland’s younger followers were not willing to damage established international relations and free trade for the sake of £2.5 billion in cuts to the PSBR⁸⁷³.

The Treasury position was strengthened by the disintegration of the revisionist dissenters. The Chancellor considered that “Crosland was a more formidable opponent; he argued persuasively that the situation was already under control. So in fact it was, but the markets would not believe it”⁸⁷⁴. Healey’s case was also helped by the acceptance of the Left group that their alternative strategy would lead to similar levels of spending cuts and unemployment to the policies resulting from an IMF agreement⁸⁷⁵. Healey summarized the Treasury position in the Cabinet on the 2nd December. Britain needed the IMF loan in order to repay the earlier stand-by loan, and could only be assured of getting it by promising to cut the PSBR accordingly. The British Government must now come into line with international opinion⁸⁷⁶.

⁸⁷¹ Benn, 1990, p. 667; Crosland’s wife stated that he was not a popular Foreign Secretary within his own department at the time, due to word getting out concerning his protectionist and isolationist threats. Crosland, 1982, p. 382.

⁸⁷² Crosland, 1982, p. 379.

⁸⁷³ Rodgers, 2000, p. 165; Dell, 1991, p. 267.

⁸⁷⁴ Healey, 1989, p. 431.

⁸⁷⁵ Benn, 1990, pp. 632-633; Healey, 1990, p. 431.

⁸⁷⁶ Dell, 1991, pp. 267-269; Barnett, 1982, pp. 104-105.

Callaghan gave his support to Healey's tough prognosis. Once the Prime Minister decided to back his Chancellor, the loyalists and revisionist group fell into line. According to Tony Benn, Crosland "thought it was wrong economically, and socially destructive of what he had believed in all his life. Also it was politically wrong", yet he felt that he had no option but to support the Prime Minister to maintain the survival of the Government and Party unity⁸⁷⁷. The only group that continued to provide opposition was the protectionist Left group, but they were vastly outnumbered by the loyalist majority. The Treasury position had prevailed in Cabinet and their proposed package gained IMF consent, with official agreement concluded in January 1977. 'The Letter of Intent' sent to the IMF promised to reduce public sector spending year on year and to accept the will of the markets: "it is...essential to reduce the PSBR in order to create monetary conditions which will encourage investment and support sustained growth and the control of inflation"⁸⁷⁸.

The impact of the IMF Crisis

The IMF crisis has been portrayed by Labour historians as Crosland's last stand in defence of his revisionist ideas. It was made more poignant by his sudden death from a stroke on 19th February 1977, aged just 58. Kevin Jefferys originally stated that the events had shattered the remaining fragments of the revisionist Right: "the ideals of economic growth and social equality as favoured by Crosland – who died unexpectedly a few months later – seemed further away than ever"⁸⁷⁹. Desai concluded that the crisis proved "the impossibility of advance towards equality by the methods prescribed by Croslandite revisionism"⁸⁸⁰. Shaw viewed Crosland's desperate resistance to the IMF agreement as representing "a swan song for the Keynesian social democracy he had propounded for a generation"⁸⁸¹, whilst Thorpe considered that the crisis "highlighted further the ideological bankruptcy and self isolation of the social democratic Right within the party"⁸⁸².

⁸⁷⁷ Benn, 1990, p. 674; Whitehead stated that Crosland "was unconvinced by the economic arguments but his political judgment was that the Prime Minister should not be opposed". Whitehead, 1985, p. 199.

⁸⁷⁸ Cited in Burk and Cairncross, 1992, p. 107.

⁸⁷⁹ Jefferys, 1993, p. 96.

⁸⁸⁰ Desai, 1994, p. 164.

⁸⁸¹ Shaw, 1996, p. 136.

⁸⁸² Thorpe, 2001, p. 180.

It is difficult not to agree with these assessments. The reliance of Croslandite revisionism upon economic growth and stability meant that the extent of the economic situation ruled out progress towards his social egalitarian objectives. Crosland failed to construct a realistic or coherent alternative strategy to support his objectives in the absence of growth. His resistance to the Treasury position shifted from merely advocating a lesser package of cuts to contemplating borrowing the protectionist and isolationist ideas of the Left in order to salvage a higher level of public expenditure. To his natural supporters on the Labour Right, his approach appeared to reflect a man who was now bereft of new ideas and had lost all political judgment⁸⁸³. He accepted that, considering the economic predicament, it was essential that the Labour Government secured the loan, yet he was willing to resort to wild threats and risk failing to gain IMF approval. By the end he was an isolated figure, only managing to retain the clear support of one Cabinet member, Roy Hattersley. Having failed to shift the Chancellor's position or convince the Prime Minister that he had a viable alternative, he was forced to capitulate and accept a policy that he fundamentally disagreed with.

Yet, in some respects, it can be argued that Crosland's position was proved correct. The Treasury's engineered devaluation had precipitated the crisis⁸⁸⁴ and their forecasts for the PSBR had been overestimated, whilst the July measures of 1976 had in fact eliminated the current account deficit before the IMF package had taken effect. Based upon these factors Healey admitted that, in a sense, the IMF crisis was unnecessary. The loan was repaid in full by 1979, with no drawing made from it after 1977, and the Chancellor was able to produce a mildly expansionist budget by April 1978⁸⁸⁵. The policies required for economic recovery had apparently been in place all along. These factors lend credence to a more sympathetic slant concerning the impact of events upon Croslandite revisionism. Kevin Jefferys, in his recent biography, believed that Crosland gave a strong intellectual performance in opposing the Treasury line, yet made the correct political decision in supporting Prime Minister Callaghan. Jefferys argued that in

⁸⁸³ Dell's harsh judgment of Crosland was that he had gradually alienated his political supporters "by his refusal to regard as important any questions that involved him in difficulty". Dell, 1992, p. 252.

⁸⁸⁴ Holmes believed the main fault for the crisis lay with Treasury officials attempts to engineer a devaluation. Holmes, 1985, p. 100.

⁸⁸⁵ Healey, 1990, p. 432.

both cases Crosland's judgment was proved sound. The Labour Government survived and the economy would have recovered regardless of the IMF loan. Therefore, although "more battered than at any stage in recent years", Croslandite revisionism survived and was "at least able to fight another day"⁸⁸⁶.

This more positive assessment is a brave attempt to balance the overwhelming weight of opinion. Although many of the negative judgments might be exaggerated as a result of the subsequent history of the Labour Party and the forward march of Thatcherism, the evidence relating to the political and intellectual demise of Croslandite revisionism is difficult to deny. Crosland's position no longer attracted political support. The agreement between the Labour Government and the IMF was clearly a victory for a new realism on the Labour Right and spelt final defeat for Crosland's revisionist strategy, with its reliance upon Keynesian assumptions and techniques to further his socialist objectives. The IMF agreement has been seen as a turning point in economic policy, away from the Keynesian belief that governments could engineer growth and full employment through the fine-tuning of demand⁸⁸⁷, whilst also highlighting the incompatibility between the Labour Government's "domestic political imperatives and Britain's external constraints"⁸⁸⁸.

The crisis reflected the rise of a new monetarist doctrine, proclaiming that sustainable inflation-free growth could only be achieved by reducing the levels of public sector borrowing. Inflation and control of the money supply were now the central priorities, rather than unemployment and growth⁸⁸⁹. The new economic orthodoxy was strengthened by changes in the international economy, with a new era of floating exchange rates making weak and open economies like Britain more vulnerable to the negative judgment of the market⁸⁹⁰. The shifting international conditions, allied to the weakened state of the British economy, undermined Keynesian assumptions and constrained economic policy choices.

Healey and his Treasury team were merely responding pragmatically to these new realities, as the international markets cast their judgment upon the

⁸⁸⁶ Jefferys, 2000, p. 216.

⁸⁸⁷ Holmes, 1985, p. 100.

⁸⁸⁸ Mark D. Harmon, 'The 1976 UK-IMF Crisis: The Markets, the Americans and the IMF', *Contemporary British History*, Vol. 11, No. 3, autumn 1997, p. 4.

⁸⁸⁹ Burk and Cairncross, 1992, p. 138.

⁸⁹⁰ Burk and Cairncross, 1992, pp. 129-130.

British economy through the IMF. As a result, many of Crosland's former revisionist colleagues have been sanguine in their conclusions. Marquand referred to Crosland as "intellectually defenceless" during the IMF Cabinet debates, due to his failure to adequately rethink his original revisionist thesis. Despite all the changes that had occurred in Britain and the international economy, he stuck doggedly to the broad outlines of his 1956 thesis. The result was that "when battle was joined, it became clear that his own alternative amounted to little more than an impotent and corrosive regret"⁸⁹¹. Crosland appeared to have no coherent alternative to the IMF cuts and although the Treasury forecasts had been proved incorrect there was no way of knowing this at the time. The promise of cuts was vital to placate international opinion, which had become increasingly intolerant of British economic management.

Edmund Dell, a key participant in the crisis and Crosland's most trenchant critic, stated that the reality of Britain's position was that the IMF loan could only be secured by large-scale cuts. It was only the stamp of IMF approval and the change in policy that restored market confidence in the running of the British economy and secured the value of the currency. The judgment of the market was crucial and the crisis that led to the need for an IMF loan was not a result of incorrect forecasts or irrational actions. It was due to failed economic management of the national economy over many years and only 'overkill' on public expenditure cuts, linked to the securing of the IMF loan, proved able to restore market confidence and enabled economic recovery⁸⁹².

Crosland understandably feared that a new realism on the Labour Right was leading to a greater hostility towards increased public expenditure due to the requirement to placate the markets. As is clear from his personal notes, he feared the implications of a strategy that meant the "breeding of illiterate & reactionary attitudes to public expenditure" and the drift to economic orthodoxy⁸⁹³. But, as the leader of the revisionist dissenters, Crosland did not appear to have a coherent strategy of his own for dealing with Britain's long term economic weakness and the rapidly declining confidence of international opinion. He had always stressed

⁸⁹¹ Marquand, 1992, pp. 175-176.

⁸⁹² Dell, 1991, p. 284; Radice also believed that there was no alternative to the Healey position. Radice, 2002, p. 265.

⁸⁹³ ACP 16/8, Notebook, August 1976; Also cited in Crosland, 1982, pp. 355-356.

the importance of economic growth as the basis for his revisionist strategy. Therefore the failure of the British economy and the rise of inflationary pressures demanded a pragmatic acceptance of the constraints that prevented the full realization of his revisionist objectives. The priority was then to develop a new work of political economy that might provide a strategy for dealing with the problems of 'stagflation'.

A successful Social Contract could have brought inflation under control, but could not have solved the failures of economic performance. Crosland appeared to have no answers. At the 1976 Labour Party Conference in Blackpool, on the eve of the Government's application to the IMF, Crosland had told two political journalists that he had no solutions to Britain's economic crisis. One of the journalists, Peter Jenkins, is reported to have responded angrily to this characteristic and apparently glib admission: "You're meant to be Labour's great economist, Tony, yet apparently you have no idea how to make the crisis easier for people you profess to want to help"⁸⁹⁴. In November 1974, Barbara Castle noted in her diary a contribution from Crosland during Cabinet discussions at Chequers concerning the dire economic circumstances that the Government faced. His comments are striking for their intellectual vacuity, especially as the development of a successful economic policy was so crucial to his revisionist strategy: "Tony C. followed...we didn't know how our relative decline had taken place. All we can do is to press every button we've got. We do not know which, if any, of them will have the desired results...All we could do was to 'grit our teeth till the oil flows'. (Typical Tony, that!)"⁸⁹⁵. Crosland's brand of revisionism appeared intellectually bereft, overwhelmed by economic conditions and political events outside his control. Yet he refused to respond to the national crisis by accepting the new realism of Healey, as this would have amounted to an abandonment of the revisionist strategy in which he had invested his whole political life.

⁸⁹⁴ Cited in Crosland, 1982, p. 372.

⁸⁹⁵ Castle, 1980, p. 223.

The new realism

The defeat of Crosland's position of revisionist dissent, and the overwhelming Cabinet majority against the Left's protectionist preferences, meant that the Labour Government's political prospects after 1976 were now firmly in the hands of those who advocated the Treasury position during the IMF crisis. The Chancellor, Denis Healey, was backed by his Treasury team of Edmund Dell, Joel Barnett and Robert Sheldon, a 'no-nonsense' group of Labour ministers hailing from the North-West of England. Barnett confirmed that they were all originally "anti-Gaitskell and pro-unilateral nuclear disarmament" but had gravitated to the social democratic Right based upon a pragmatic response to Britain's unfolding economic problems. It is instructive that they were never ideological revisionists, and were not on close social terms with the Jenkinsites⁸⁹⁶. They supported Healey due to good working relations and a shared realist approach to the crisis that threatened to overwhelm the British economy after 1974. With the departure of Jenkins and the death of Crosland, this group of new realists increasingly articulated the dominant position of the Labour Right in regards to analysis and future policy. It was a position that sought to present itself as a purely pragmatic response to indisputable realities, unencumbered by the burdens of ideology.

The new realism largely found expression through the policies of Callaghan and Healey, rather than through intellectual contributions in books or articles. However, Edmund Dell strengthened his reputation as a leading advocate of the hard-line Treasury approach in a piece written for *Socialist Commentary*, in which he justified his stance during the IMF crisis. He condemned the opposing groups within Cabinet, especially the revisionist dissenters, for showing no understanding of the changed world in which the government now operated, whilst outlining the central reasons why a fundamental shift in policy was required⁸⁹⁷. In Dell's view, the world had changed on the 15th August 1971, when the post-war Bretton Woods System of fixed exchange rates was suspended. The December 1971 Smithsonian agreement realigned exchange rates to allow for a greater degree of fluctuation, but by 1973 the system was effectively abandoned

⁸⁹⁶ Barnett, 1982, pp. 9-13.

⁸⁹⁷ Edmund Dell, 'The Politics of Economic Interdependence', *Socialist Commentary*, April 1977.

and national currencies were now left to float. Consequently, the risk of greater exchange rate volatility increased due to the enhanced significance attached to the judgment of the financial markets and the loss of international coordination⁸⁹⁸. Dell stated that “we now live in a harsh, Hobbesian world and it is time we learnt to look after ourselves”, as the world was no longer willing to tolerate Britain’s self-inflicted economic position⁸⁹⁹. His tough prescriptions for national self-reliance meant putting solvency first and allowing growth to follow. This involved less borrowing and the need to eliminate deficits in relation to both public expenditure and the balance of payments, whilst adjusting to the realities of the markets⁹⁰⁰.

Dell’s tough message was reflected in the actions and opinions of the Labour Chancellor. Denis Healey’s biographer claimed that, although he originally shared many of the Keynesian assumptions of other revisionists, such as Crosland, he did not carry “the full doctrine”⁹⁰¹. This enabled him to embrace a new realism after 1975, when, as a novice Chancellor, he was faced with the destabilizing impact of the new international system of floating exchange rates and later admitted that “the strain of dealing with these problems was almost too much for me”⁹⁰². Healey eventually gained the full backing of the Prime Minister. Callaghan never fully embraced any set of ideas and his innate pragmatism meant that, when the tide of opinion in the media, the Treasury and the markets favoured cuts over spending and control of inflation over reductions in unemployment, he felt compelled to move in their direction. Callaghan’s infamous Conference speech in 1976 launched the post-Keynesian era, as a Labour leader told his party that the country was living beyond its means, whilst decrying the inflationary results of a Keynesian approach to economic policy⁹⁰³. Although it has been argued by Callaghan and Healey that they were never ideological converts to the

⁸⁹⁸ The changes to the international exchange rate system are explained in Richard Coopey and Nicholas Woodward, ‘The British economy in the 1970s: an overview’, Coopey and Woodward (Ed.), 1996, pp. 4-5.

⁸⁹⁹ Dell, ‘The Politics of Economic Interdependence’, April 1977, pp. iv-v.

⁹⁰⁰ Dell, ‘The Politics of Economic Interdependence’, April 1977, pp. ix-x.

⁹⁰¹ Pearce, 2002, p. 402.

⁹⁰² Healey, 1990, p. 413.

⁹⁰³ The speech is cited in Callaghan, pp. 425-427; Benn referred to it as “the most patronizing lecture about our economic problems and how all Governments had dodged them”. Benn, 1990, p. 615.

new monetarist orthodoxy⁹⁰⁴, their pragmatic response to prevailing conditions and shifting opinions naturally took them away from Keynesianism and towards a mild form of monetarism in order to satisfy the markets⁹⁰⁵.

Healey became convinced that the nostrums and assumptions of Keynesian economics were now redundant. This loss of faith was due partly to the fundamental flaws inherent in its application⁹⁰⁶, but largely due to the development of a new and volatile international environment, inevitably unforeseen by Keynes, writing in the 1930s, or by Crosland, writing in the 1950s. The financial markets became more influential in deciding the value of exchange rates, with the level of Sterling increasingly dependent upon demand for it on the financial markets, which was in turn reliant upon the actions and prejudices of financial advisors and fund managers⁹⁰⁷. Their influence was increased by the dynamics of the technological revolution and the globalization of the financial markets, which led to the faster pace and greater quantity of capital movements.

Revisionism had relied upon Keynesian economics, but Healey felt that economic theories were increasingly compromised by the new international conditions. Crosland's response to the dismal growth record of the 1964-1970 Labour governments was to stress the importance of will-power and the refusal to allow constraints to prevent a future Labour Government from pursuing expansionist economic policies⁹⁰⁸. On returning to power, Labour's Chancellor, Denis Healey, learnt to his cost that unilateral expansionism at a time of global inflationary pressures, and the widespread deflationary approach of other nations, proved to be a recipe for intolerable hyper-inflation⁹⁰⁹.

Britain suffered more than most from the unconducive global conditions due to her traditional international orientation. The burdens of world leadership, in terms of military commitments, had been largely retained without the concomitant

⁹⁰⁴ Callaghan, 1987, 477; Healey, 1990, p. 383.

⁹⁰⁵ Donoghue, 1987, pp. 82-83.

⁹⁰⁶ Forecasting errors in underestimating PSBR in 1974-75, and overestimating PSBR in 1976, led to excessive reflation in the former case and excessive deflation in the latter. In Healey's view, demand management proved impossible due to the inadequacy of available information and a lack of clear understanding on how people will spend their money. Healey, 1990, pp. 379-383.

⁹⁰⁷ Healey, 1990, p. 412.

⁹⁰⁸ See Chapter 7 for Crosland's post-1970 analysis. Crosland, *A Social Democratic Britain*, 1971; Crosland, *Socialism Now*, 1974.

⁹⁰⁹ Healey, 1990, p. 393; Dell referred to Healey's initial period as Chancellor as a triumph of politics over economic prudence. Dell, 1991, p. 43.

wealth or power to sustain it. Likewise, Sterling remained an international reserve currency, which placed it under heavier strain from speculation than other national currencies. The markets were liable to punish a government that ran deficits and did not appear to be serious enough in combating inflation. Perversely it was now clear that in the new international environment Keynesian-style deficit spending was reducing economic sovereignty, as deficits meant borrowing from the markets and having to accept their conditions⁹¹⁰. The British economy was therefore more open to the judgment of international financial opinion and more weighed down by international responsibilities than other similar sized industrial nations.

In the new volatile and uncertain international conditions, the new realists considered that Keynesianism was redundant as a guide to economic policy, with major consequences for Crosland's revisionist strategy. Writing later, Dell repeated his view that Labour's revisionists had underestimated the impact of an interdependent world, whilst a weakly performing economy could not afford to increase public expenditure and ignore inflationary pressures⁹¹¹. His retrospective assessment of Crosland, as Labour's leading revisionist, was that he had developed idealistic aspirations that could never be realised: "Crosland had never appreciated that an economy increasingly open to the world was inconsistent with the comfortable message of *The Future of Socialism*. The ideas that had provided the background to *The Future of Socialism*, that a high rate of growth could be relied on and that the problem of unemployment had been solved, were already at a discount. Contrary to *The Future of Socialism*, the economic problem had not been solved. The Keynesian techniques in which Crosland had deposited so much confidence had failed"⁹¹².

The suggestion implicit in the views of the new realists was that Labour should embrace a more modest form of social democracy, with the central goal of effectively managing a capitalist economy rather than a radical domestic programme of egalitarian reforms⁹¹³. Adjusting to these new realities meant

⁹¹⁰ Healey, 1990, p. 400.

⁹¹¹ Dell, 1991, pp. 58-66.

⁹¹² Edmund Dell, *A Strange Eventful History: Democratic Socialism in Britain*, London: Harper Collins, 2000, p. 462.

⁹¹³ Dell's thoughts on his political experience are more blunt and straightforward than the memoirs of others amongst Labour's new realist Right. He suggested "that democratic socialism was a mirage and had been perceived as such by most Labour leaders" and "Labour governments were elected to manage capitalism, not to introduce socialism". Dell, 2000, p. 476.

lowering political expectations and working within the limits set by the markets. But this new realism demanded a re-education of the Labour Party. Healey, as quoted by Benn during the IMF Cabinet debates, declared that “so long as we live in an open and a mixed economy, we shall depend on the market judgment to determine our future. If we couldn’t persuade our followers that these were the facts we would fail in our leadership and then another Party would have to take over”⁹¹⁴.

It has been argued by Noel Thompson that the new realism, explicit in the Treasury position from 1976, was largely based upon the economic situation. What was important, “as regards Labour’s conduct of economic policy, was not so much the political economy of the Labour leadership, still less the Labour Party, but the political economy of those who in fact held the levers of economic power”⁹¹⁵. The new realist within the Labour Government did not believe that it was possible or desirable to challenge these new centres of economic power. By giving up on any ideological commitment, and relying purely on pragmatism, the new realism of the Labour Right risked draining politics of any ideals or sense of purpose. It amounted to an abandonment of the vital egalitarian commitment to redistribute power and wealth within society, not only leaving fundamental social inequalities untouched but also accepting the consequences that sprung from the exercise of new economic power by the international markets⁹¹⁶.

Although Crosland’s desire for greater equality was beset by practical difficulties, committed social reformers must grapple with these difficulties and develop strategies for achieving their aims. After 1976 the new realists on the Labour Right appeared to be only revisionists in the negative sense, in opposing the neo-fundamentalism of the Left but not proposing any positive strategies for achieving social reform. Empiricism and pragmatism were important components in the revisionist position, but the imperative of social reform was a fundamental objective. The Labour Party remained the only vehicle for progressives and political idealists. Mere pragmatism risked defaulting in the battle of ideas and leaving the field open to the neo-fundamentalism and isolationism of the Labour

⁹¹⁴ Benn, 1990, p. 659.

⁹¹⁵ Noel Thompson, *Political Economy and the Labour Party*, London: UCL Press, 1996, p. 237.

⁹¹⁶ David Howell referred to Labour ministers demonstrating “a readiness to jettison reforms in the pursuit of economic salvation”. Howell, 1980, p. 318.

New Left to dominate the party's thinking. It was increasingly clear that the political survival of a revisionist alternative would rely upon a thorough reappraisal of Crosland's original thesis and the development of new strategies for achieving the central objective of greater social equality. Shortly before he died, Crosland told Roy Hattersley that he remained hopeful that someone would come forward to adapt his revisionist ideas to the new and more difficult economic conditions that now prevailed. He stressed the need to prevent the Left from gaining a monopoly over democratic socialist ideas and the importance of keeping his egalitarian vision alive⁹¹⁷. But the uncondusive political circumstances of the late 1970s made the task of revising Croslandite revisionism problematic for a new generation of social democratic intellectuals.

⁹¹⁷ Crosland's conversation with Hattersley is cited in Jefferys, 2000, p. 218.

Section IV

**Revising Croslandite Revisionism,
1977-81**

The Social Democratic Predicament

The impact of the IMF crisis enforced the erosion of Labour's social democratic commitment to growth and full employment, whilst the death of Crosland appeared to confirm the shift towards a new realism. Labour's parliamentary leadership was accused of moving the party towards an abandonment of political doctrine⁹¹⁸. The socialist philosopher, Bernard Crick, warned that "the right wing of the Labour Party is in danger of making a cult of pragmatism and of realism, not as means to ends, but as ends in themselves"⁹¹⁹. The clear message was that social democratic practice required the kind of intellectual underpinning that Croslandite revisionism had provided.

With the loss of Labour's leading post-war intellectual and the departure of Roy Jenkins to Brussels, the task of regenerating revisionist ideas and leadership now transferred to a younger generation of social democrats. I will refer to them as 'new social democrats' to differentiate them from the older generation of Gaitskellite revisionists. They were represented in Cabinet after 1976 by Bill Rodgers, Shirley Williams, Roy Hattersley and David Owen, the latter having replaced Crosland as Foreign Secretary in February 1977. There were also prominent backbench MPs, with the requisite intellectual abilities to rethink the revisionist position, including David Marquand, John Mackintosh and Giles Radice. As a group, they can be identified by their factional allegiances and political associations, many having been initiated into Labour Party politics as Gaitskell supporters and CDS activists.

The new social democrats were originally Croslandites, in terms of gaining intellectual inspiration from *The Future of Socialism*, but the majority of parliamentarians became Jenkinsites. Crosland may have provided the ideas, but it was Roy Jenkins they turned to for political leadership. Jenkins' superior parliamentary and ministerial performance, combined with a more congenial temperament and the active encouragement of their political careers, suggested

⁹¹⁸ David Watt, in *The Financial Times*, believed that Labour, deprived of Crosland, was swiftly becoming a party "without a doctrine". *The Financial Times*, 21st Feb, 1977.

⁹¹⁹ Bernard Crick, 'The Character of a Moderate (Socialist)', *The Political Quarterly*, Vol. 47, 1976, p. 10.

that he was the right man to fill the void left by Gaitskell⁹²⁰. The new social democrats were overwhelmingly pro-European, with the majority following Jenkins through the Conservative lobby during the momentous parliamentary vote on EEC membership and supporting his unsuccessful leadership campaign in spring 1976. However, the loss of both men occurred at a time when many of these younger revisionists had cause to feel increasingly let down by the failings of the older generation.

Crosland's political separation over the EEC issue affected personal relations and hindered the development of a new revisionism. A memo from his political adviser during the 1976 leadership campaign revealed how Crosland's political ambitions were damaged by the failure to reach a rapprochement with the Jenkinsites, whilst also highlighting his dismissive attitude towards the attempts of younger revisionists to revise his original thesis⁹²¹. His EEC abstention and Clay Cross capitulation indicated the prioritization of his political career over the renewal of his ideas, whilst his stance during the IMF crisis appeared to confirm to the Jenkinsites a self-imposed political isolation and intellectual sterility. Marquand considered that revisionism was in desperate need of "a blood transfusion of ideas" during the 1970s, but Crosland gave the impression "of emotional and intellectual hatches battened down" and a preference "not to ask awkward questions in case the answers turned out to be intolerable"⁹²².

The political leadership of Jenkins was also called into doubt during a period of increasing political polarization. He appeared to lack the ruthlessness and political acumen required to secure the Labour leadership, which Rodgers put down to "moral fastidiousness"⁹²³. Denis Healey appeared to be the natural choice of leader after the loss of Crosland and Jenkins, but he proved unwilling to build up support amongst the former Jenkinsites and even appeared determined to alienate and offend potential supporters⁹²⁴.

⁹²⁰ Several of the younger generation gave these reasons for preferring Jenkins as a political leader over Crosland. Roy Hattersley, *Who Goes Home? Scenes from a Political Life*, London: Little Brown, 1995, pp. 55-8; Rodgers, 2000, pp. 113-115; Marquand, 'The Welsh Wrecker', Adonis and Thomas (Ed.), pp. 110-111.

⁹²¹ ACP 6/4, 1-4, memo on leadership election and its implication for the future, March 1976.

⁹²² Marquand, 1992, pp. 177-178.

⁹²³ Campbell, 1983, p. 176; Rodgers, 2000, p. 157.

⁹²⁴ Hattersley, 1995, p. 223; Rodgers, 2000, p. 163.

The new social democrats were forced into a position of self-reliance in order to defend their political careers and rethink the future direction of revisionist social democracy. This chapter examines the conditions and events that combined to make the task of revising Crosland's ideas problematic. Revisionism was subject to an intellectual assault from both sides of the British ideological spectrum, with the Labour New Left and the Conservative New Right providing critiques that declared the death of social democratic politics. The significant constraints of government, and the increasing political pressure upon the new social democrats' position within the Labour Party, made it an uncondusive period in which to answer the hostile intellectual critiques or undertake a systematic reworking of the Croslandite thesis. However, early attempts were made to provide a constructive appraisal of revisionist development, and it is possible to identify the clear outlines of a new political direction that sought to rectify the weaknesses of post-war social democracy.

The hostile political climate

The aftermath of the IMF crisis was marked by a degree of economic recovery, as market confidence returned and the value of Sterling rose once again. But the Labour Government faced the political realities of struggling for survival with a small parliamentary majority, which fell to one by January 1977. An early general election was only avoided by a parliamentary agreement with the Liberal Party⁹²⁵. This precarious governmental existence was compounded by the mounting political pressure from within the party in response to rising unemployment, wage restraint and cuts in public expenditure. A *New Statesman* editorial in February 1977 typified the growing mood of discontent amongst the Labour Party's activists and supporters. It was now considered that the Callaghan Government's policies no longer represented "the priorities nor even the objectives of the Labour movement; indeed, the cost of achieving such objectives will be paid by working men and women living at steadily reduced standards, of whom a million and a half

⁹²⁵ The so-called Lib-Lab pact was concluded successfully because neither party felt ready to fight an election against a rejuvenated Conservative Party. Sked and Cook, 1993, p. 313; Holmes, 1985, p. 104.

will be enduring the misery of unemployment”⁹²⁶. This discontent expressed itself in a decline in electoral support, reflected in by-election results and opinion polls, but it was also demonstrated by the mood of left-wing reaction developing within the Labour Party.

The Labour New Left originally provided an intellectual analysis after 1970, and this was developed further through the Alternative Economic Strategy (AES). Holland’s proposals for extensive state intervention and workers control of industry were now allied to the protectionist measures of the Cambridge School, so called because of the work of two Cambridge economists, Francis Cripps and Wynn Godley. Cripps became Tony Benn’s policy advisor after 1974, providing him with proposals with which to argue against the new realism implicit in the deflationary policies of the Treasury⁹²⁷. Benn was the main Cabinet spokesman for the AES during the IMF crisis, in which he argued for import restrictions and tighter exchange controls as an alternative to the monetarist policy of cutting public expenditure⁹²⁸. The failure to gain acceptance for the AES amongst Labour’s parliamentary leadership, despite the strong support for the Left within the wider Labour movement, increasingly led to a more overtly organizational approach aimed at overturning the hitherto dominant influence of the social democratic Right.

Intra-party movements developed to challenge the power of the PLP through demands for greater internal party democracy. The most influential group was the Campaign for Labour Party Democracy (CLPD), which aimed to make the Labour Party more accountable to its members through automatic reselection procedures for MPs, NEC control of the manifesto and a predominant role for the extra-parliamentary party in electing the leader⁹²⁹. This legitimate campaign to change the Labour Party’s constitution was seen by social democrats as designed to significantly weaken their authority. It was viewed as turning them into mere delegates for the interests and views of left-wing Labour activists rather than representatives of all their constituents. Their opposition to such proposals

⁹²⁶ *The New Statesman*, 4th Feb 1977, p. 141.

⁹²⁷ The AES is examined in detail by Noel Thompson, ‘The Alternative Economic Strategy and After, 1972-84’, *Political Economy and the Labour Party*, London: UCL Press, 1996, Ch. 16; See also Mark Wickham-Jones, ‘The New Left’, Plant/Beech/Hickson (Ed.), 2004.

⁹²⁸ Benn, 1989, pp. 551, 595, 621.

⁹²⁹ Seyd, 1987, Ch. 4; Frances Morrell, ‘The New Left’, Plant/Beech/Hickson (Ed.), 2004, pp. 254-255.

strengthened as a result of growing militancy amongst Labour's rank and file and the growth of extreme left-wing groups becoming affiliated to the party, such as the Revolutionary Workers Party and the Militant Tendency.

Socialist Commentary condemned the NEC for failing to allow the circulation of a report by the National Agent into the increasing 'entryism' by extremist groups⁹³⁰. These minority groups represented a direct challenge to the liberal democratic state, advancing the cause of a modern brand of Trotskyism from within the Labour Party and justifying violent and illegal extra-parliamentary action in order to advance their radical objectives. Their political creed was based upon the belief that Marxist-Leninism only failed due to historical accident, and so could now be revived in modern Britain through class struggle and industrial conflict. These extremist groups were able to gain influence beyond their numbers due to the abolition of the Labour Party's proscribed list of political organizations and the semi-dormancy of many local Labour parties (CLPs). Having taken over local parties, they often threatened to deselect their sitting MPs⁹³¹.

The social democratic Right became increasingly beleaguered in the face of left-wing dominance of the NEC and the extremism taking hold in many local constituency parties. The leftward shift in power was also reflected within parliament by the rising membership of the Tribune Group after 1974. The Jenkinsites launched the Manifesto Group in December 1974, aiming to restore the balance within the PLP⁹³². It was followed by extra-parliamentary grass-roots organizations set up to balance the domination enjoyed by the Labour Left within the constituencies and to appeal to moderate opinion on the centre and right of the Labour Party. The Social Democratic Alliance (SDA) was launched in October 1975 and the Campaign for Labour Victory (CLV) was set up in February 1977⁹³³. The setting up of these groups recalled the initial organizational activity of CDS,

⁹³⁰ 'Is the NEC doing its job?', *Socialist Commentary*, March 1976, p. 1; Extracts from the Underhill Report on 'Entryist Activities' were printed in the same issue of *Socialist Commentary*, March 1976, pp. 2-4.

⁹³¹ David Webster, *The Labour Party and the New Left*, Fabian Tract 477, Oct 1981, pp. 13-14; Stephen Haseler, *The Tragedy of Labour*, Oxford: Blackwell, 1980, pp. 62-67.

⁹³² The Manifesto Group's parliamentary membership largely comprised of Jenkinsites, under the chairmanship of Dickson Mabon. *Socialist Commentary*, February 1975, p. 1; Castle, 1980, p. 156; Rodgers, 2000, p. 168.

⁹³³ *Socialist Commentary*, Nov 1975, p. 4; CLV was chaired by Dickson Mabon and involved other revisionist social democratic MPs, including Giles Radice, John Horam, John Mackintosh and Bryan Magee. Giles Radice, 'Campaign for Labour Victory (CLV)', *Socialist Commentary*, November 1977, pp. 3-4; Rodgers, 2000, p. 168.

but the position of the mid 1970s was bleaker. The new social democrats within parliament found it difficult to give a clear lead, and fought a predominantly defensive campaign from a dwindling PLP base, whilst taking a cautious approach to speaking out due to the fear of risking their careers.

The first member of the social democratic Right to break with the Labour Party had been Dick Taverne in 1973, and he was followed by Christopher Mayhew, who joined the Liberal Party in 1974⁹³⁴. But they gained negligible support for their actions. Reg Prentice, Labour minister and contributor to *Socialist Commentary*, faced deselection by his Newham party activists⁹³⁵ and eventually defected to the Conservative Party, whilst Brian Walden, the Birmingham MP, left parliament for the world of broadcasting. Stephen Haseler, a former parliamentary candidate and CDS activist, believed that the disunity of the Labour Right enabled the Left to dominate by default. The overriding party loyalty of many on the Right meant that not enough support was offered to the grass roots organizations, such as the SDA and the CLV, in their fight against the advance of left-wing extremism. The fear of splitting the party or making the situation worse meant that MPs were facing severe pressure within their constituencies without the necessary backing of their colleagues⁹³⁶.

It was clear that the pressures of losing their job made many MPs cautious about speaking out against extremism in the Party or even providing an alternative analysis to the Labour New Left. This cautious stance did not impress those outside parliament. Former Gaitskellite MP, Woodrow Wyatt, and former *New Statesman* editor, Paul Johnson, were just two of the influential voices that criticized Labour's social democrats for their failure to halt the shift to the left, with the concomitant threat that they perceived to parliamentary democracy and the mixed economy. They also deplored the appeasement of an increasingly powerful and militant trade unionism, which threatened individual liberty through the collectivism of 'the corporate state' and 'the closed shop'⁹³⁷. Johnson called

⁹³⁴ Christopher Mayhew, from the older generation of Gaitskellites, faced pressure due to his vote in favour of EEC membership and abstention on the Conservatives Industrial Relations Bill. Mayhew, 1987, p. 203.

⁹³⁵ A public meeting in support of Prentice was advertised in *Socialist Commentary*, Sept 1975, p. 2.

⁹³⁶ Haseler, 1980, pp. 118-127.

⁹³⁷ Woodrow Wyatt, *What's Left of the Labour Party*, London: Sidgwick and Jackson Ltd, 1977, pp. 113-117, pp. 140-155; Paul Johnson, 'Farewell to the Labour Party', *The New Statesman*, Vol. 93, 9th Sept 1977.

upon Labour's social democrats to choose between two stark options: "they can seek fresh pastures outside British politics – and there has been a steady drift of MPs that way, to the EEC, to television, to academia. Or he or she can conform"⁹³⁸.

Socialist Commentary attempted to take a more constructive and moderate approach. They realised that many of the problems that moderate social democrats were facing at grass-roots level came down to the ideological recession from which the Labour Party was suffering. This was an inevitable result of the economic crisis and the necessity for a period of realism. But the editorial team continued to call upon the parliamentary leaders, and especially the members of the Manifesto Group, to be more forthcoming in developing a new and coherent set of ideas with which to arm 'the moderate majority' within the constituencies: "left-leaning ideas tend to go unanswered at Party meetings because there are not enough members who are able to put crisply the inevitably more complex democratic socialist case"⁹³⁹. *Socialist Commentary* provided a vital organ for the promotion of revisionism in the Labour Party and the initiator of crucial political debates. It increasingly called for 'realism' and 'moderation' from the Labour Party in the face of overwhelming governmental constraints, reflecting an acknowledgement that there were no easy answers to the economic crisis⁹⁴⁰. Nevertheless, it retained a commitment to overcoming the intellectual weaknesses that afflicted the cause of revisionist social democracy. Its sudden demise was a major setback to the task of rethinking Crosland's ideas.

By the mid 1970s the journal was in financial trouble as a result of the high levels of national inflation between 1974 and 1976⁹⁴¹. The quality suffered, with cost-saving measures leading to an unsatisfactory layout. December 1978 saw the final issue, as the main journal of and for Labour's revisionist tradition of non-Marxist democratic socialism folded due to lack of funds. In his last contribution as editor, Peter Stephenson made the valid point, which surely would have been endorsed by Crosland, that "day to day political action is eventually

⁹³⁸ Johnson, 'Farewell to the Labour Party', Sept 1977, p. 330.

⁹³⁹ 'A year for the Party', *Socialist Commentary*, Jan 1977, p. 3.

⁹⁴⁰ 'Impatience Will Get Us Nowhere', *Socialist Commentary*, October 1976, p. 1.

⁹⁴¹ A major appeal for financial support was made in the November 1974 issue.

ineffective if its roots in policy, discussion and debate are too shallow". He also raised the serious concern that the ideological vacuum that afflicted the Labour Party was leaving the way clear for the internal political dominance of the Labour Left and the intellectual threat of the Conservative New Right. Labour's democratic socialist tradition had lost confidence and he mourned the fact that "no one person could now write with the combination of range and authority that Anthony Crosland had achieved in the 1950s"⁹⁴².

The demise of *Socialist Commentary* was representative of the prevailing weakness of the revisionist position, politically besieged and intellectually bereft. In January 1977, David Marquand joined Roy Jenkins in Brussels, disillusioned with the direction being taken by the Labour Party and British politics in general. Marquand felt that the meaningful issues that now divided British society were not being represented by the stale bipartisan battles which, despite revisionist efforts, continued to prioritise arguments over public and private ownership. Consequently there was little opportunity or political space for a new revisionism to develop due to the realities of the political conditions prevailing in Britain during the mid 1970s⁹⁴³.

The abstentions, defections and extreme disenchantment of the Labour Right only strengthened the position of the Left. The dwindling adherents of Labour's revisionist tradition were forced into a defensive posture, increasingly disabled by their discomfort. It was difficult for many of the new social democrats to hide the impression that they wished to create a new political party that would provide a more appropriate vehicle for the renewal of revisionist social democracy. Rumours of such a realignment of British politics had abounded since the cross party campaign for membership of the EEC. They were resurrected as a result of the Lib-Lab pact of 1977. The new social democrats were now bound to experience a degree of anticipation at the idea of a realigned left, free from any ties with militant trade unions and left-wing extremists. John Mackintosh, the independent-minded backbench Labour MP, was one of the few who were unafraid to speak out. He stated that "the most important single consequence of a realigned left would be that the ambivalence over the value of a mixed economy

⁹⁴² *Socialist Commentary*, December 1978, pp. 1-4.

⁹⁴³ David Marquand, 'Farewell to Westminster', *The New Statesman*, 7th Jan 1977, p. 2.

would cease, and those who want to replace such an economy by a totally state-owned and controlled system would have to make their case to the electorate”⁹⁴⁴.

Given the tribal nature of British politics, where the parliamentary duopoly places a high premium on party loyalty, the semi-detached pose of the majority of new social democrats and the talk of realignment weakened their internal party position still further. The death of Crosland, the departure of Jenkins and the diffidence of Healey meant that there was no clear leader for the remaining new social democrats to rally behind. Political life within the Labour Party would become increasingly intolerable for them after 1979. Yet these were the political conditions in which the new social democrats had to embark upon a thorough revision of Croslandite revisionism. Their attempts to resolve the dilemmas and weaknesses of the original thesis were compounded by the necessity of defending their position against the ideologically hostile critiques provided by their political opponents.

The intellectual opposition: the New Left and New Right critiques

The antagonistic political environment in which the new social democrats found themselves was reflected in the changing intellectual climate. The emergence of new ideological movements on the left and right of the political spectrum was a response to the perceived failings of post-war social democracy. The Conservative New Right, inspired by the work of the Institute for Economic Affairs (IEA) and the economic thought of Professors Milton Friedman and Friedrich von Hayek, developed a programme committed to free market economics and control of the money supply. Margaret Thatcher became the main political spokesman after she was elected Conservative leader in 1975. The Labour New Left, inspired by Holland and the Cambridge School, argued for public ownership and protectionism. Tony Benn remained the most renowned advocate of this course⁹⁴⁵. As opposed to Labour’s social democratic Right, these two groups believed they

⁹⁴⁴ John Mackintosh, ‘The case for a realignment of the left’, *The Times*, 22nd July 1977, cited in Marquand (Ed.), *John P. Mackintosh on Parliament and Social Democracy*, New York: Longman, 1982, p. 195.

⁹⁴⁵ The assault upon social democracy, both from the New Left and the New Right, was underpinned by economic analysis that stressed the implications that flowed from the decline of Keynesianism. Advocates of both positions contributed essays to an edited volume. See Robert Skidelsky (Ed.), *The End of the Keynesian Era*, Basingstoke: Macmillan, 1977.

had discovered ‘the truth’ behind Britain’s economic failings, based upon “demolishing the theoretical underpinnings of Keynesianism”⁹⁴⁶. The respective political movements used new economic analysis to argue the case for the redundancy of post-war social democracy, leaving revisionists in “the diminishing middle ground of politics”⁹⁴⁷. They both argued that the inevitable future of politics was a straight fight between capitalism and socialism, the private sector versus the public sector, the market against the state. This was the political debate that post-war revisionism had originally hoped to eradicate.

Croslandite revisionism had emerged in a period of economic stability, with the objective of revising socialism for a new age. It was grounded in the belief – reflecting the arguments of Bernstein – that socialists should now accept the social democratic political approach as an end in itself. Labour governments should aim to manage a mixed economy, containing both a thriving private sector and a substantial public sector. The main issues were now sociological rather than economic. The resolution of class divisions and deep social inequalities were the main objectives of modern revisionist socialism⁹⁴⁸. But after 1964 Britain was dogged by persistent crises of low growth and high inflation. Therefore, by the 1970s, economic questions were once more central to political debate. Economists would once again become more influential than sociologists, as there was a revival of interest in the classical liberal political economy of the nineteenth century, especially the work of Adam Smith. Free market economic and monetarist ideas took on a greater resonance in the context of a failing economy that was suffering the effects of low growth and inflation.

Two Oxford economists, Richard Bacon and Walter Eltis, produced a powerful thesis which argued that a vast increase in the public sector since the war had weakened the productive side of the mixed economy and fuelled inflation⁹⁴⁹. Labour’s parliamentary leadership, having suffered the consequences in office, were increasingly open to these arguments, as they moved towards an enforced

⁹⁴⁶ Noel Thompson, ‘Economic Ideas and the Development of Opinion’, Coopey and Woodward (Ed.), 1996, p. 66.

⁹⁴⁷ Sked and Cook, 1993, p. 328.

⁹⁴⁸ Crosland, 1956, pp. 515-520.

⁹⁴⁹ R. Bacon and W. Eltis, *Britain’s Economic Problem: Too Few Producers*, London: Macmillan, 1978.

new realism as a result of economic crisis. The journal *Encounter*, previously a haven for social democratic opinion during the post-war years, increasingly opened its pages to the advocates of a free-market economy (referred to as neo-liberals), and therefore indicating the tide of political opinion. The neo-liberals set out to appeal to the strong liberal democratic element within revisionist social democracy, with their assertion that the essence of a free society was reliant upon a properly functioning market economy. Peter Jay, the Economic Editor at *The Times*, referred to himself as a 'market socialist' in an attempt to convince Labour revisionists that their main political objective, the empowerment of the individual, could best be advanced through greater market freedom and less state collectivism⁹⁵⁰.

A more clear-cut condemnation of post-war social democracy was provided by the two leading academic advocates of the New Right position. Milton Friedman argued that the trend towards greater and greater public spending reduced individual freedom and threatened democracy. It led to an increase in centralized state power at the expense of the individual and undermined democracy by reducing the effectiveness of an overburdened state apparatus. The resulting corporatist state increased the power of special interest groups, which could lobby successfully for resources and benefits at the expense of the general public⁹⁵¹. Von Hayek argued that the failure of social democrats to disavow their commitment to equality of outcome had led to an attack on a fundamental democratic right, that of economic liberty. He considered that democracy was threatened by the extensive political objectives of social democracy, as it inevitably led to state collectivism and, eventually, tyranny. He accused post-war social democrats of weakening democracy through 'overstretch' of democratic government, with subsequent political failures having led to a loss of faith in democracy itself and the rise of political extremism. Hayek called for minimal

⁹⁵⁰ Peter Jay was son-in-law to James Callaghan and credited with writing his infamous 1976 Conference speech, which is seen as initially marking the end of the Keynesian era. Peter Jay, 'Who's Left, What's Right?', *Encounter*, Vol. XLVIII, No. 2, Feb 1977.

⁹⁵¹ Milton Friedman, 'The line we dare not cross: the fragility of freedom at 60%', *Encounter*, Vol. XLVII, No. 5, Nov 1976, pp. 12-13; it may not have been a coincidence that Roy Jenkins' Anglesey Speech, in 1976, warned of the dangers to a pluralistic democracy when the level of public expenditure reached 60% of GDP.

government determined by general rules and prevented from engaging in an unlimited extension of state power, regardless of the objectives⁹⁵².

The neo-liberal economists argued that the market economy had become increasingly inefficient due to misguided government intervention, trade union power and an excessive public sector. The natural discipline of the free market had been subverted by political interference and major governmental restrictions. If the economy was to prosper these harmful outside influences would have to be removed, or at least minimized. They preached to all that would listen, but their ideas became most influential within the New Right political movement, which came to influence the direction of Conservative Party politics during the 1980s through think tanks, academic and media opinion. Post-war social democratic politics was identified as holding the greatest responsibility for the weakness of the market system and the liberal democratic state. It had over-burdened the private sector and damaged the dynamics of the market mechanism due to its central political objectives of greater equality.

As the leading social democratic intellectual and advocate of egalitarian political objectives, Crosland was inevitably targeted by political enemies on the New Right. But, after his death, Crosland's ideas also received a degree of criticism from former friends and associates, who suggested the redundancy of his revisionist thesis: Michael Young claimed that Crosland's analysis was weakened by recent social changes and the problem of increasing equality without expanding the state; John Vaizey argued that he had been too reliant upon Keynesian economics, whilst his ideas on equality were unachievable; Daniel Bell stated that Crosland's thesis was undone by his doomed reliance upon economic abundance⁹⁵³. A more direct and unsympathetic critique of Croslandite revisionism was provided by Colin Welch, the deputy editor of *The Daily Telegraph*.

Welch saw Crosland as the pre-eminent Labour intellectual in the post-war period and the man who had done most to influence the direction of British

⁹⁵² F. A. Hayek, 'The miscarriage of the democratic ideal', *Encounter*, Vol. L, No. 3, 1978, pp. 14-17.

⁹⁵³ Michael Young, John Vaizey, Daniel Bell, 'Anthony Crosland and Socialism', *Encounter*, Vol. XLIX, No. 2, August 1977, pp. 83-93.

politics and the dominance of post-war social democracy. The main thrust of his critique was representative of the New Right analysis, which asserted that socialism of all shades was based upon incorrect assumptions and had produced perverse results⁹⁵⁴. He argued that Crosland had relied upon a strongly functioning economy but his commitment to equality had led him to favour excessive public spending and taxation. These burdens damaged the dynamics of the market system by reducing the incentive to make profits and reducing the confidence of investors. Welch claimed that Crosland's concern with inequalities had been self-defeating, as a failing economy led to rising unemployment and decreasing prosperity, which only served to increase the poverty and inequality he wished to eradicate⁹⁵⁵.

Welch considered that Crosland's egalitarian instincts had been an important element in the ruin of the economy. This central economic failure produced even more resentment and envy, the very divisive social attitudes Crosland had wished to erase. Welch asserted that Crosland had fatally underestimated the vital natural ingredients of a market economy, the acquisitive individualism of 'economic man' and the profit motive of private enterprise. Croslandite economics rested upon the false assumption that political authority could increasingly control distribution of rewards without having a negative impact upon the productive process. It was clear to Welch that the efficiency of the market economy was fatally damaged by interfering in the unequal rewards that it naturally threw up. Although Crosland supported a market economy, he was charged with opposing the essential elements that made it work⁹⁵⁶. He merely replaced the traditional socialist concern with nationalization with the equally burdensome advocacy of heavy taxation⁹⁵⁷.

Welch argued that Crosland failed to understand that his essentially liberal vision relied upon the prosperity and personal wealth that a properly functioning market economy can provide. He then concluded his hostile critique with a

⁹⁵⁴ Colin Welch, 'Crosland Reconsidered: the man who took too much for granted', *Encounter*, Vol. LII, No. 1, Jan 1979; This essay was an expansion on an earlier contribution to an anti-social democratic publication. Colin Welch, 'Intellectuals have consequences', *The Future That Doesn't Work: Social Democracy's Failures in Britain*, R. Emmett Tyrell (Ed.), New York: Doubleday, 1977.

⁹⁵⁵ Welch, 'Crosland Reconsidered', 1979, pp. 84-88.

⁹⁵⁶ Welch, 'Crosland Reconsidered', 1979, pp. 89-92.

⁹⁵⁷ Welch, 'Crosland Reconsidered', 1979, p. 94.

wholesale condemnation of the unintended consequences of Crosland's revisionist ideas: "Tony Crosland's typical neglect may in part explain the fearful contrast between the enlivening prospects he offers, of a liberal and civilized society, and the shabby, decaying slum, the haunted house, in which we have been condemned (as I argue) by his egalitarian fervour. All around us we see frustration, failure, hopelessness, the very soil in which alone can thrive (apart from punk rock, and whatever that rough beast may portend) those sour and mad fanatics whom he detested so much, whom he aimed to outflank and thwart, and for whom he has unwittingly paved the way"⁹⁵⁸. Welch's exaggerated hyperbole and recriminations were symptomatic of the breakdown of political consensus and the ensuing intellectual conflicts. But his critique was also representative of the growing political authority of the New Right and the apparently convincing case they made for freeing the market economy from the political restraints of social democracy. Crosland's revisionist thesis was a product of its time and was not primarily designed to defeat a revival of classical economic liberalism.

The repudiation of revisionism was no less vehement from the New Left. Their case had been developing throughout the 1970s, but Crosland's death appeared to signal an opportunity to finally announce the demise of a moderate and reformist democratic socialism. It was considered that the pragmatic approach, which merely sought to manage a market economy, could not restore the vital objectives of full employment and enhanced social welfare. The Labour New Left believed that the return of economic crises had proved that Keynesianism was an ephemeral economic phenomenon in the history of capitalist development. Therefore Crosland's revisionist ideas, reliant as they were upon Keynes, were fatally undermined.

Holland claimed that Britain's current condition, post IMF, was proof of Marx's contention that economic crisis was endemic to capitalism. He used the opportunity to revive his original arguments from *The Socialist Challenge*. The British economy could only be stabilized by an extension of direct state power, especially through public ownership⁹⁵⁹. New international pressures, largely

⁹⁵⁸ Welch, 'Crosland Reconsidered', 1979, p. 95

⁹⁵⁹ Stuart Holland, 'Keynes and the socialists', *The End of the Keynesian Era*, Skidelsky (Ed.), London: Macmillan, 1977.

created by multinationals, and the tendency towards private monopolies had made capitalism inherently unstable and immune to humanization by political authority. Holland therefore called for the mixed economy to be rebalanced in favour of the public sector, as this made economic power more directly controlled by the democratic state, and therefore more fully accountable to the public interest. He asserted that the clear choice was now between a New Right, determined to give even greater power to private capital, and a New Left that planned to harness the power of capital through greater state control⁹⁶⁰.

Barbara Wootton, a revered figure amongst many democratic socialists, reflected the mounting opposition to the social democratic mixed economy. It was seen as having failed to provide the promised prosperity and full employment. She used the arguments of the New Right – that social restrictions on market freedom had removed the essential efficiency of the economic system – as evidence that it was no longer possible to both humanize capitalism and also produce growth. “It has now become clear that there comes a point beyond which you cannot civilize capitalism. If its ruthlessness is restrained, its operators throw in the towel. But if capitalism cannot, or will not, keep our industries humming, public enterprise must come to the rescue”⁹⁶¹.

The Labour New Left view was that state collectivism should now fill the void left by the failure of private capital. It represented the revival of traditional socialist fundamentalism, based upon the failed record of revisionism. This position was expressed by Anthony Arblaster, in an article published in the wake of Crosland’s death. He provided a direct critique of Crosland’s revisionist thesis, maintaining that Crosland’s ideas had been fatally undermined by his mistaken assumptions and the unexpected changes to capitalist development. Capitalism had proved too weak to support his egalitarian objectives, but too strong to be controlled by indirect measures. In consequence only direct state control could ensure that even the limited socialist objectives of Croslandite revisionism were met⁹⁶².

⁹⁶⁰ Stuart Holland, ‘Economic totems and political taboos’, *The New Statesman*, 16th Dec 1977, Vol. 96, pp. 842-843.

⁹⁶¹ Barbara Wootton, ‘Can we still be democratic socialists?’, *The New Statesman*, 4th August 1978, Vol. 96, p. 145.

⁹⁶² Anthony Arblaster, ‘Anthony Crosland: Labour’s last revisionist’, *The Political Quarterly*, Vol. 48, 1977.

Arblaster referred to three main flaws that had emerged to fundamentally weaken revisionism. Firstly, the experience of Labour Governments since 1964 proved that ultimate economic power did not rest with the democratic state, largely due to the international pressures from multinationals and financial markets. Secondly, the increased power of organized labour had not been accepted by the forces of capital, and the subsequent industrial strife had shown that the balance of power still lay with private enterprise. Arblaster asserted that trade unions had proved impotent to prevent increases in unemployment and decreases in the living standards of their members. Thirdly, Crosland had exaggerated the transformation of industry towards 'social responsibility'. The basic character of capitalism remained fundamentally unaltered in the priority it gave to the profit motive over the public interest⁹⁶³. The AES, as advocated by Benn and Holland, offered the only realistic path to full employment and the eradication of poverty. Arblaster suggested that the death of Crosland marked the end for revisionist socialism: "his survivors do not merely have no alternative strategy to offer: they show little sign of realizing that the strategy which he consistently advocated has already failed"⁹⁶⁴.

Signposts to a new revisionism

The significant indictments of Crosland's ideas, from both the New Left and the New Right, demanded a forceful response from a new generation of revisionists. But the intellectual task facing the new social democrats was problematic on three counts. Firstly, the leading political figures were in ministerial posts and inevitably wrapped up in the day-to-day business of Westminster and Whitehall, whilst also constrained from speaking out too vociferously by the collective responsibilities of government. Secondly, there was a difficult balance to be struck between providing a forceful political lead and avoiding making their vulnerable position within the Labour Party worse. Realism could work both ways. Britain's economic realities might demand greater fiscal and monetary discipline, whilst the Labour Party's political realities might demand that parliamentary leaders avoid

⁹⁶³ Arblaster, 'Anthony Crosland', 1977, pp. 425-426.

⁹⁶⁴ Arblaster, 'Anthony Crosland', 1977, p. 428.

sparkling controversy and antagonizing still further the increasingly vocal and militant rank and file membership. Thirdly, a major reappraisal of revisionism required the requisite time and intellectual capacity with which to conduct a delicate and detailed task. It was necessary to respond effectively to the hostile critiques provided by anti-social democratic adversaries, whilst engaging constructively with the obvious weaknesses from which the revisionist position suffered.

William Rodgers provided an initial reassessment of revisionism in the wake of Crosland's death. His Anthony Crosland Memorial Lecture, during the summer of 1977, was entitled *Socialism Without Abundance*. Rodgers stated that progress had been made towards many of Crosland's objectives, particularly in terms of public expenditure and education, but he also stressed that new problems had emerged, which were understandably unforeseen when *The Future of Socialism* was written. The central issue was that, contrary to Crosland's expectations, a Labour government was still judged according to economic performance, and the adverse record of the 1960s and 1970s produced political implications for his revisionist strategy. In times of low growth, the commitment to public expenditure clashed with legitimate expectations of higher personal consumption⁹⁶⁵. Rodgers suggested that a new approach to equality should emphasize that social progress was not purely related to the proportion of GDP taken up by public expenditure or to the degree of redistribution of wealth that occurred. He considered that under new political and economic conditions it was necessary to rethink revisionist social democracy, taking a broader approach to social equality. This meant consolidating and improving the quality of the social services, whilst focusing on non-economic sources of inequality, such as status, environment and greater control over ones own life⁹⁶⁶.

Rodgers' thoughts were intended to start the process of intellectual renewal. He suggested a framework from which a new programme could develop, based upon the view that revisionism was a continuous process of adjustment to contemporary conditions and attitudes. But his ministerial position meant that he was unable to provide a more significant contribution. One of those best placed to

⁹⁶⁵ William Rodgers, *Socialism Without Abundance*, Supplement to Socialist Commentary, July/August 1977, pp. ii-iii.

⁹⁶⁶ Rodgers, *Socialism Without Abundance*, 1977, iv-vii.

undertake this task was John Mackintosh, a fellow Manifesto Group member and Jenkinsite supporter. He was a backbench Labour MP, largely due to his vocal criticism of the leadership of Wilson and Callaghan, and was therefore untainted by any direct association with the old-style social democratic leadership and unconstrained by ministerial responsibilities. This position enabled him to continue in his intellectual pursuits. Mackintosh was especially renowned for his expertise on the mechanics of parliamentary democracy and government, but was also strongly associated with the revisionist wing of the party and thought deeply about the future of social democracy. He referred to himself as both a revisionist and a social democrat and was concerned with the problem of renewing the Croslandite thesis for a new era⁹⁶⁷.

According to his close friend and colleague, David Marquand, Mackintosh was in a similar position – due to the political space that was afforded to men labelled as irreverent mavericks – and possessed similar intellectual gifts to the Crosland of the 1950s. He strongly shared Crosland's passion for greater social equality and a more classless society. Yet by the 1970s he could see that the Croslandite strategy was failing and the revisionist position was in need of updating, though the objectives and basic philosophy still retained their relevance⁹⁶⁸. It was clear to many of the new social democrats that a thesis developed in the 1950s was in need of reassessment, especially as revisionism was now on the defensive from formidable political opponents. The unexpected early death of Mackintosh in 1978 was arguably the biggest loss to the intellectual cause of revisionism post-1976. He had the will and the ability to write a new *Future of Socialism* for a new political era. Marquand certainly believed that his friend was feeling his way towards a thorough reassessment of Crosland's thesis and had provided some crucial signposts that would be taken up by other social democrats⁹⁶⁹.

⁹⁶⁷ Significant biographical essays are provided by David Marquand in the introduction to his collection of edited essays by Mackintosh, and by Greg Rosen. David Marquand, 'Introduction', *John P. Mackintosh on Parliament and Social Democracy*, Marquand (Ed.), New York: Longman, 1982; Greg Rosen, 'John P. Mackintosh: his achievements and legacy', *Political Quarterly*, Vol. 70, No. 2, April-June, 1999, pp. 210-216.

⁹⁶⁸ David Marquand, 'Introduction', Marquand (Ed.), 1982, pp. 8-10.

⁹⁶⁹ Marquand, 'Introduction', Marquand (Ed.), 1982, p. 20; Rosen also stated that Mackintosh's early death prevented him from developing more fully a new and modernized revisionism. Rosen, 'John P. Mackintosh', 1999, p. 216.

Shortly before his death, Mackintosh produced several essays reviewing Crosland's ideas and identifying the crucial political dilemmas and difficulties facing modern social democracy in Britain. His 1978 essay in the journal *Political Quarterly*, of which he was joint editor, was entitled 'Has social democracy failed in Britain'. It not only represented a coherent appraisal of Croslandite revisionism, which could act as a significant catalyst for the renewal of revisionism, it also provided an emphatic response to the hostile anti-social democratic critiques. He firstly responded to the challenge posed by the New Left, as expressed by Arblaster's *Political Quarterly* essay. Mackintosh acknowledged that, despite dominating Labour Party politics since the 1950s, Crosland's central egalitarian objectives remained largely unfulfilled due to Britain's economic failings and the continued existence of significant class divisions⁹⁷⁰. It was therefore inevitable that his original analysis would be criticized, but Mackintosh considered the Marxist-inspired intellectual critique of the New Left to be fundamentally flawed.

Mackintosh stated that, far from being undermined by the continued power of capitalism, revisionism had failed to achieve its social objectives due to the weakness of the private sector. Private enterprise, the main engine of wealth production in a mixed economy, had suffered from the excessive power of the state and the changed social atmosphere. Crosland had assumed that this shifting balance of power made his objectives possible and that the private sector would prove resilient enough to prosper. Yet Mackintosh claimed that the tide had moved so far that the contemporary balance of power proved self-defeating, as it produced the emasculation of the main source of wealth from which Crosland's social objectives were to be funded: "the chief weakness in Crosland's whole position is that the mixed economy has not shown this resilience. The public sector has been demoralized by constant government intervention; and the private sector has lost all confidence because its rewards and reputation have diminished and managers have preferred to play safe, to cut production, to hold back investment, to accept union domination and restrictive practices not as a capitalist plot to beat Labour Governments but out of sheer doubt about the future"⁹⁷¹.

⁹⁷⁰ John Mackintosh, 'Has social democracy failed in Britain?', *Political Quarterly*, Vol. 49, 1978, p. 262.

⁹⁷¹ Mackintosh, 'Has social democracy failed in Britain?', 1978, p. 265.

Mackintosh refuted Arblaster's analysis, and that of Holland, for failing to accept that this was a specifically British crisis, rather than a capitalist crisis. No other industrial nation was suffering to the same extent. Holland's concentration on the power of multinationals and subsequent call for extending public ownership ignored the root causes of the 'British disease'. All nations had multinationals, and these conglomerates were subject to the power of the consumer, whilst Britain's dependence on international trade and imports meant that it was just not feasible to support policies of protectionism and isolation. The particular British problems stemmed from the weakness of the private sector and the exaggerated power of trade unions, both of which led to the poor productivity record of the economy. Mackintosh claimed that it was trade unions, not multinational capital, that had defied the elected governments of Heath and Wilson, whilst nationalized industries had performed poorly due to their inherent inability to respond effectively to the needs of the consumer⁹⁷².

The Mackintosh analysis appeared to concede much of the New Right criticism of social democracy, especially in relation to the burdensome effect of state intervention. But he was more concerned as to the character and effectiveness of the intervention, rather than being ideologically opposed to state action within the economy. Mackintosh also responded to their general critique that a combination of Keynesianism, trade unions and public spending were somehow inherently flawed and that social democracy inevitably causes economic decline. He was correctly able to point to the fact that other European countries with social democratic governments had not suffered the extent of Britain's problems. Why had Germany achieved inflation-free growth? It was still possible, if politically difficult, to combat inflation through an incomes policy as a far more sensible solution than the use of mass unemployment, with all the concomitant social problems that would arise⁹⁷³.

The continued commitment to an incomes policy meant that Mackintosh faced a practical problem, as recent history had shown the difficulties of enforcing a 'sensible wages policy' upon an intransigent British trade union movement,

⁹⁷² Mackintosh, 'Has social democracy failed in Britain?', 1978, pp. 263-264; These arguments were also contained in an earlier *Encounter* essay. Mackintosh, 'Is Labour facing catastrophe?', *Encounter*, Vol. XLVIII, No. 1, Jan 1977, pp. 49-52.

⁹⁷³ Mackintosh, 'Has social democracy failed in Britain', 1978, pp. 265-266.

traditionally opposed to interference in their rights to free collective bargaining and embittered by declining living standards. He did not immediately expand on how social democrats could ensure that history would not repeat itself, and he did not live to experience the breakdown of Healey's incomes policy during the so-called 'winter of discontent' in 1978/79. As a committed pro-European, he certainly wished for Britain to emulate the continental social democratic model practiced in northern Europe. He felt that political integration through the EEC would help to produce this change in political culture⁹⁷⁴, but the immediate task was to foster this direction through an attention to domestic policy.

The rebuttal of much of the New Left analysis and the extremities of the New Right position did not mean that Mackintosh failed to see the weaknesses of Crosland's revisionism. He concentrated upon three key failings, which were mainly a result of omissions, unforeseen developments and flawed assumptions. The first failing was due to the practical difficulty of changing social attitudes by a top-down approach to economic and institutional changes. Experience had shown revisionists that no simple legislative programme could create a more egalitarian society. Secondly, the unintended results of legislative reforms may well create more tensions and divisions than originally existed. Real and warranted scepticism existed as to the effects of a comprehensive system of education, taxation of inherited wealth, and the idea of the 'Social Wage'⁹⁷⁵.

Thirdly, and arguably the greatest of Crosland's failings, were the economic assumptions that underpinned his revisionist strategy. Crosland relied upon continued high levels of growth, the continued restraint of increasingly powerful trade unions, personal savings and higher investment. Yet, according to Mackintosh, his analysis celebrated the decline of the competitive spirit and was therefore complicit in the building of a social atmosphere suspicious of profit and enterprise. Crosland's revisionist strategy was charged by Mackintosh with producing a private sector lacking in confidence, suffering significant constraints and haemorrhaging talent to the public sector. There was clear echoes here of the influential Bacon and Eltis critique, of too few economic producers in a public

⁹⁷⁴ John Mackintosh, 'Socialism or social democracy?', Marquand (Ed.), 1982, p. 164; 'Is Britain a European Country?', Marquand (Ed.), 1982, p. 244.

⁹⁷⁵ Mackintosh, 'Has social democracy failed in Britain', 1978, pp. 266-267.

sector dominated economy. The solutions offered by Mackintosh for the redemption and renewal of revisionism stressed the need for a clearer theory of how the mixed economy should operate, with a correct balance maintained between the public and private sectors. He called for "clear criteria for the distribution of resources within the public sector and incentives for it to operate well", but also "some clear legitimacy attached to the private sector so that it feels it is doing a useful job for the nation, that there is some point in the work load and the risks involved"⁹⁷⁶.

The implication for the future of revisionism was that the market sector must be strengthened but Mackintosh did not accept that all the solutions of the New Right, such as legislation to weaken trade unionism and a reduction of taxation, would necessarily change British culture. In keeping with his critique of Crosland he felt that a purely mechanistic approach to engineering a changed social climate could only have limited success. Mackintosh was still in the early stages of developing an alternative revisionist thesis. He was clear that the social climate needed to change and become more commercially oriented and less divided by class, but he was understandably sceptical of apparently simple solutions⁹⁷⁷.

A more significant consequence of Mackintosh's reappraisal, and representative of his scepticism at the mechanistic top-down approach to reform, was his apparent retreat from Crosland's strong egalitarian commitment. He considered that much of the Croslandite strategy was based upon the assumption that egalitarian measures would inevitably enhance freedom. It had now become clear that collectivist measures, such as increased public spending and trade union power threatened individual liberty. He asserted that the political consequences of a massive increase in state bureaucracy were "a patronage state, the clientage state, with consequent reductions in independence and freedom"⁹⁷⁸. The implemented measures invariably restricted the freedom of those they were intended to help. Increased taxation had reduced the personal consumption of working people without any concomitant gain in equality; the lack of parental

⁹⁷⁶ Mackintosh, 'Has social democracy failed in Britain', 1978, pp. 267-268.

⁹⁷⁷ John Mackintosh, 'Britain's Malaise: political or economic', Marquand (Ed.), 1982, pp. 215-219.

⁹⁷⁸ Mackintosh, 'Has social democracy failed in Britain', 1978, p. 269.

choice in state education affected those of modest means, as wealthier sections could afford private education or to buy a house in a different catchment area; the tenants of social housing were often governed by restrictive rules and denied the ability to buy their homes; and many workers were prevented from gaining employment due to the power of trade unions to operate a 'closed shop'⁹⁷⁹.

Mackintosh believed that one of the key lessons that revisionists had to learn from post-war experience was that the drive to equality might produce perverse results. There was often a trade-off between liberty and equality and "the stage may have been reached where the average person now would prefer a renewed emphasis on his liberty; equality may have gone far enough to be subsumed or accepted and now the next drive should be to reassert the value of the freedom of the individual"⁹⁸⁰. The new social democrats were increasingly concerned to ensure that the new revisionism was more vigilant to the effects of egalitarian strategies upon individual liberty. If – as Marquand had suggested on leaving parliament – the new political divisions were between authoritarians and libertarians, then revisionists should strongly side with the latter. Social justice was still a central objective but the practical programme for achieving it had to be much more thoroughly thought through as to the possible consequences upon liberty⁹⁸¹.

Mackintosh's analysis appeared to announce the demise of Crosland's revisionist strategy, though proclaiming the enduring relevance of his political vision. A wider social equality was still an important ambition, but it should steer away from focusing upon equality of outcome and look towards new means for achieving what remained an essential objective. To the new social democrats Crosland was a man of his times who saw the beneficial results of big government and therefore could not be blamed for the failure to foresee the new problems and changed conditions prevalent in the 1970s. His programme had led to too much social engineering and had failed to provide a strong economic theory to justify and maintain the mixed economy, upon which his vision of social justice relied.

⁹⁷⁹ John Mackintosh, 'Liberty and equality: getting the balance right', Marquand (Ed.), pp. 183-189; many of these same points had been made by Rodgers in his Crosland Memorial Lecture. Rodgers, *Socialism Without Abundance*, 1977, pp. vi-vii.

⁹⁸⁰ Mackintosh, 'Liberty and equality: getting the balance right', Marquand (Ed.), p. 189.

⁹⁸¹ David Marquand, 'Farewell to Westminster', *The New Statesman*, Vol. 93, 7th Jan 1977, p. 2; Rodgers, *Socialism Without Abundance*, 1977, p. vii.

The new revisionism would have to appreciate the strict limits of the centralised state apparatus as a means for achieving social equality; avoid over-reliance upon a mechanistic approach to reform; ensure industrial relations reform in order to reduce the negative power of the trade unions; recognize that liberty was equally as important as equality; and lastly, and perhaps most importantly, strengthen the market sector of the economy to make it more competitive and thus more able to provide for general prosperity. These were the incomplete thoughts of Mackintosh, and they would provide the basis for future social democratic ideas, either inside or outside the Labour Party.

The New Revisionism

The 1979 general election is deemed a turning point in British political history. It brought to power a New Right Conservative Government, but also precipitated a split in the Labour Party. Electoral defeat exacerbated the declining authority of Labour's parliamentary leadership and led to the confirmation of the leftward shift within the Party. The failures of office – the cuts in public expenditure, the rising unemployment and the widespread industrial action – were blamed upon Labour ministers, who were condemned at subsequent party conferences for betraying socialism⁹⁸². After 1979, the dominance of the Left, and the marginalisation of the social democratic Right, was almost complete. Conference resolutions successfully called for unilateral nuclear disarmament, EEC withdrawal and large-scale nationalization; constitutional changes gave greater power to the unions and the CLPs in regards to the election of the Labour Leader and the automatic reselection of MPs; and the social democrats “suffered defeat after defeat”, whilst being heckled and booed during their speeches⁹⁸³. But Roy Jenkins' biographer, John Campbell, considered that the crucial moment was the election of Michael Foot as Party Leader in November 1980, defeating Denis Healey by the old parliamentary system of voting⁹⁸⁴.

The leadership result highlighted the political weakness of the Right on three counts: firstly, if they could not win a leadership battle contested exclusively within their main powerbase, what chance did they have in the future under new constitutional rules, in which an electoral college gave 70% of the vote to the left-dominated trade unions and CLPs; secondly, the elevation of an ex-Bevanite

⁹⁸² Eric Shaw, *The Labour Party Since 1979*, London: Routledge, 1994, pp. 23-24; Roy Hattersley, *Who Goes Home? Scenes from a Political Life*, London: Little Brown, 1995, pp. 220-223.

⁹⁸³ Tony Benn's diaries provide a synopsis of the constitutional changes carried during the crucial 1980 Labour Conference in Blackpool, September 1980. Tony Benn, *The End of an Era: Diaries 1980-90*, London: Arrow Books, 1994, pp. 3-5, 29-35; Radice, 2002, p. 290.

⁹⁸⁴ Campbell, 1983, p. 207; Benn noted in his diaries that, after the result was announced, “people were staggered, and members of the left were cheering, whilst those on the right were discomfited”. Benn, 1994, p. 46.

figure as a compromise candidate reflected how far the Party had shifted to the left; and thirdly, it reinforced the failure of the older generation of social democrats to stem the tide of left-wing advance. Many of the new social democrats now believed that they had been failed by Callaghan and Healey, as they appeared unwilling to confront the reality of the crisis within the Labour Party or stand up to the trade unions and fight the Left's constitutional changes⁹⁸⁵. Some within the younger generation were now willing to contemplate a break with the Labour Party and the setting up of a new social democratic political party.

The idea of a Labour Party split had first been discussed in social democratic circles as a result of 'the Taverne affair'. Taverne had considered that the politics of the social democratic Right were incompatible with a left-dominated Party, but accepted that only extreme circumstances might force a clean break⁹⁸⁶. For those individuals outside parliament, such as those within the Radical Centre for Democratic Studies⁹⁸⁷, the opportunity to break with the Labour Party had clearly arrived in the wake of the 1979 general election. Exiled social democrats called for a remoulding of British politics. Roy Jenkins' Dimpleby Lecture, *Home Thoughts from Abroad*, was an appeal for the breaking up of the Labour and Conservative duopoly, as both parties were deemed to have failed to provide stable and effective government⁹⁸⁸. David Marquand proclaimed a more ideological purpose. He stated that, with the demise of Croslandite revisionism and the left-wing ascendancy, it was only possible to resurrect the intellectual authority of the social democratic Right from outside the Labour Party. A new revisionism, which sought to abandon many of the old assumptions of the post-war period, could only develop within a new political party, as the new ideas and strategy would inevitably "offend virtually every centre of power in the Labour movement"⁹⁸⁹.

⁹⁸⁵ Rodgers, 2000, pp. 188-191; Radice considered that Healey mishandled a meeting in September 1980 with Owen, Williams and Rodgers, in which he appeared complacent and unconcerned with the state of the Party. Radice, 2002, p. 289.

⁹⁸⁶ Taverne, 1974, p. 161.

⁹⁸⁷ Campbell listed members as ex-Labour MPs and academics: Jim Daly, Colin Phipps, Michael Barnes, Dick Taverne, David Marquand, John Harris and Stephen Haseler. Campbell, 1983, p. 204.

⁹⁸⁸ Dimpleby Lecture: *Home Thought from Abroad* is Cited in Jenkins, 1991, pp. 516-518.

⁹⁸⁹ David Marquand, 'Inquest on a movement: Labour's defeat and its consequences', *Encounter*, Vol. LIII, No. 1, July 1979, p. 17.

The trio of recent Cabinet ministers, Owen, Rodgers and Williams, were initially ill-disposed to the calls for a realignment of British politics by those who had apparently given up the fight from within. However, the developments during 1980 quickly convinced them that the Labour Party could not be saved. The Social Democratic Party (SDP) was launched on the 25th January 1981, with the Limehouse Declaration⁹⁹⁰. The breakaway caused a final rupture from within the ranks of Labour's revisionist tradition, between those who stayed and those who left. The former group included Roy Hattersley, Philip Whitehead, Giles Radice and John Smith, whilst the latter group included William Rodgers, David Owen, Robert Maclennon and Shirley Williams. The Manifesto Group was divided over the decision, with personal friendships between former colleagues affected⁹⁹¹.

Those who stayed followed the Healey example of attempting to avoid confrontation and searching for a compromise within the Party. They were opposed to doing anything that would leave them open to charges of disloyalty, whilst believing that the best option was to patiently and calmly work to turn the leftward tide⁹⁹². Those who left felt that the containment approach of the older generation had failed, as the steady encroachment of the Left had been allowed to continue due to the flawed management of the parliamentary leadership, with their overwhelming concern for party unity⁹⁹³. It is possible to see the subsequent political fate of the SDP and the Labour Party from both perspectives. Jenkins is surely correct to state that no "self-respecting social democrat" could have fought the 1983 general election under a Labour manifesto that committed the Party to unilateralism, EEC withdrawal and massive nationalization⁹⁹⁴. Yet, it is also true to say that the Labour New Left ascendancy was eventually broken after 1983 and the formation of the SDP, which eventually broke up after 1987, helped ensure the triumph of Thatcherism by splitting the British left⁹⁹⁵. Perhaps a more balanced and impartial view is that the split was an inevitable tragedy, whilst it can be

⁹⁹⁰ Bill Rodgers, 'SDP', Adonis and Thomas (Ed.), 2004, pp. 216-217; Radice, 2002, pp. 294-299.

⁹⁹¹ Rodgers claimed that there would be no reconciliation between himself and Giles Radice for fifteen years. Rodgers, 2000, p. 208; Radice stated that only a third of the Manifesto Group joined the SDP. Radice, 2002, p. 299.

⁹⁹² Hattersley's position was based upon his statement that "if the ship sank, I would go down with it". Hattersley, 1995, p. 229.

⁹⁹³ Haseler, 1980, pp. 106-118; Rodgers, pp. 192-195.

⁹⁹⁴ Jenkins, 1991, p. 521.

⁹⁹⁵ Hattersley, 1995, pp. 232-235; Healey, 1990, p. 480.

argued that the SDP actually acted as an incentive for the Labour Party to move towards a new revisionism after the nadir of 1983.

However, the division amongst Labour's social democrats was not purely a matter of tactics. It was also about the degree of intellectual revision required. Those who stayed continued to believe that the Croslandite strategy remained relevant, despite the tough economic climate, whilst continuing to emphasise the commitment to egalitarian socialism. But there were few concerted attempts to defend the practical and philosophical basis of Croslandite revisionism. David Lipsey, Crosland's former adviser, stated that Croslandite revisionism had not been tried due to the lack of economic growth⁹⁹⁶, but he provided no real practical suggestions as to how that growth might be achieved. Austin Mitchell, Crosland's successor as Labour MP for Grimsby, believed that "Tony Crosland's dwindling band of devotees" needed to engage in some adjustments but claimed that, as the economy had never been run in favour of pro-growth policies, it was necessary to develop policies that directly tackled the constraints on growth. He advocated a mixture of Crosland's 1960s preference for devaluation and the New Left's proposal for import controls, in order to overcome the problems of an over-valued pound and balance of payments deficits⁹⁹⁷. Roy Hattersley remained one of the most devoted of Crosland's followers, but his political battles within the Labour Party meant that he only produced a philosophical defence of Croslandite revisionism some ten years after his mentor's death⁹⁹⁸.

The intellectual efforts of those who left to join the SDP were more considerable and represented a more critical stance in relation to Croslandite revisionism. Mackintosh had provided the first major attempts to reinvigorate revisionist ideas for a new era. The 1981 breakaway, aided by the existence of an exiled group of social democrats, offered the opportunity to shake off the political and intellectual constraints that existed within the Labour Party. Desai stated that the SDP split represented the inability of the revisionist wing to continue to "hegmonise a primarily labourist unintellectual party and this lay at the root of the

⁹⁹⁶ David Lipsey, 'Crosland's Socialism', Lipsey and Leonard (Ed.), *The Socialist Agenda: Crosland's Legacy*, London: Jonathan Cape, 1981, p. 26.

⁹⁹⁷ Austin Mitchell, 'Inquest on a coroner', *Encounter*, Vol. LIII, No. 6, Dec 1979, pp. 80-81.

⁹⁹⁸ Roy Hattersley, *Choose Freedom: The Future for Democratic Socialism*, London: Michael Joseph, 1987.

eventual break with Labour⁹⁹⁹. The social democrats that stayed did not have the political breathing space to think as freely¹⁰⁰⁰, whilst the creation of the SDP demanded that its founders developed new ideas to form the intellectual basis for a new model social democratic party.

Between 1979 and 1981, books by David Owen, Shirley Williams and Evan Luard were supplemented by substantial essays from Roy Jenkins, William Rodgers and David Marquand¹⁰⁰¹. From these contributions it is possible to identify a clear framework for a new revisionism that built upon the work of Mackintosh, identifying the weaknesses within the Croslandite position and producing a political strategy that sought to rectify them. The three main areas that had been identified included the poor performance of the social democratic mixed economy, the undermining of the democratic system and the failings of egalitarianism.

Regenerating the mixed economy

In his final published article in May 1978, Mackintosh claimed that a key weakness of revisionist social democracy was the reliance on economic growth without an adequate theory on the working of the mixed economy. It had merely been assumed that the public and private sectors would function successfully in roughly their current proportions, but instead the British economy failed to perform and social democrats had been discredited as a result. Mackintosh was unconvinced that it was merely down to misfortune or external events¹⁰⁰². He considered that the main cause of economic weakness was “the whole social, political and industrial atmosphere in Britain”, whereby little prestige was

⁹⁹⁹ Desai, 1994, p. 182.

¹⁰⁰⁰ Healey admitted that he felt constrained in his attacks on the direction that the Labour Party was taking due to the need to avoid antagonising party colleagues or upsetting party unity. Healey, 1990, pp. 467, 475.

¹⁰⁰¹ David Owen, *Face the Future*, London: Jonathan Cape, 1981; Shirley Williams, *Politics is for People*, Harmondsworth: Penguin, 1981; Evan Luard, *Socialism Without the State*, London: Macmillan, 1979; Roy Jenkins, Dimpleby Lecture: *Home Thoughts from Abroad*, Cited in Jenkins, 1991, pp. 516-520; William Rodgers, ‘Labour’s predicament: decline or recovery’, *Political Quarterly*, Vol. 50, 1979; David Marquand, ‘Inquest on a movement’, *Encounter*, July 1979.

¹⁰⁰² John Mackintosh, ‘Britain’s malaise: political or economic?’, Marquand (Ed.), 1982, pp. 203-208.

attached to working in industry and managers had lost the confidence or ability to manage effectively. Britain needed to become more commercially oriented and economically competitive, but the specific remedies required would be difficult as it involved changing the social atmosphere and values of British society. Mackintosh's thoughts were as yet incomplete, but he concluded that social democratic "theorists must produce an ideological defence of the mixed economy which is convincing and which gives the private sector its proper place"¹⁰⁰³.

The new social democrats considered that the private sector, the vital wealth creating element within the mixed economy, had to be strengthened in order to revive economic fortunes. There was a strong sense that the balance had moved too far in favour of the public sector, whilst high levels of taxation and excessive trade union power had damaged the effectiveness of the market sector. Rodgers considered that Labour's social democrats had previously failed to give enough attention to ensuring a "healthy, vigorous and profit-making" private sector, able to contribute fully towards a successful mixed economy¹⁰⁰⁴. It was therefore deemed necessary to restore the primacy of the market by reducing the burdens that afflicted it. Greater freedom for the market was not necessarily a new ideological commitment but a pragmatic response to the perceived development of an imbalance within the mixed economy. It was necessary to clear up the ambiguity that had been allowed to build up concerning the status of private capital and the importance of a thriving market sector.

Crosland's original thesis was primarily aimed at revising socialism in order to gain a widespread acceptance of the mixed economy and to reduce the significance of public ownership. His assertion was that the future of the Labour Party should belong to a reformist social democratic approach to socialist objectives. The importance of the central political objective – aimed at the final defeat of the fundamentalist Labour Left – may have contributed to his exaggerated contention that capitalism had been "reformed and modified out of existence"¹⁰⁰⁵. Crosland considered that a decline in the competitive spirit and the lessening of importance attached to the profit motive had aided the transformation of capitalism. He believed that the economic system might now be described as

¹⁰⁰³ Mackintosh, 'Britain's malaise', Marquand (Ed.), 1982, pp. 215-219.

¹⁰⁰⁴ Rodgers, 'Labour's predicament', 1979, pp. 424-425.

¹⁰⁰⁵ Crosland, 1956, p. 61.

'statism', although he refused to elaborate and become sidetracked by the issue of labels¹⁰⁰⁶.

The economic analysis contained in *The Future of Socialism* was more concerned with proving the irrelevance of Marxist fundamentalism, based on empirical evidence that confirmed the significant reduction in the power of capital. Croslandite revisionism did not deal in depth with the future of the mixed economy, the dynamics of the system and the role of the private sector. It was assumed that the most important economic problems of low growth and high unemployment had been solved by Keynesianism. Consequently his revisionist thesis was largely aimed at developing a social policy programme to benefit from the optimistic expectations of unlimited abundance. It did not tackle political economy in detail, and by the 1970s this omission had helped to create an ambiguity at the heart of British social democracy over the role and importance of the market sector.

David Reisman, in his study of the Croslandite mixed economy, suggested that Crosland's underlying assumption was that economic problems emanated from the private sector and the solutions from the state¹⁰⁰⁷. But, by the 1970s, Crosland's assumptions were undermined by events, and the new social democrats were forced to acknowledge and adapt to the dawning of a post-Keynesian era in which growth could no longer be guaranteed by state action, especially in the conditions created by a world recession and an energy crisis¹⁰⁰⁸. In these circumstances the revisionist failure to develop a coherent theory of how the mixed economy should actually work, or the degree of priority afforded to a dynamic and effective private sector, was seen as contributing to a rise in state collectivism and economic failure.

The new revisionism sought to clear up any ambiguity and state that the revisionist mixed economy was still, fundamentally, a market economy reliant upon the traditional dynamics of capitalism. Therefore competitiveness, profit and incentives were all vital ingredients, whilst state action could overburden private enterprise. Rodgers called for a new economic policy which gave government a more enabling role. Government should use its powers to produce a framework in

¹⁰⁰⁶ Crosland, 1956, pp. 29-35.

¹⁰⁰⁷ Reisman, *Anthony Crosland: The Mixed Economy*, 1997, p. 141.

¹⁰⁰⁸ Williams, 1981, pp. 16, 66, 172; Rodgers, 'Labour's predicament', 1979, p. 423.

which private enterprise could make their own decisions free from uncertainty and indiscriminate state interference. He called for more limited government targets, less subsidies, more government aid to small-scale enterprise and greater respect for the dynamics of a market economy. The role of the public sector should be restricted to dealing with the inevitable social problems produced by a dynamic, competitive market economy¹⁰⁰⁹.

This stress upon the importance of the market was criticized by some for its abandonment of the post-war social democratic approach, and for failing to directly address the issue of how growth was to be achieved¹⁰¹⁰. But the new social democrats did not rule out a role for government in the management of the economy. The Northern European example, as operated in Germany and Scandinavia, provided the SDP with their model of a successfully functioning mixed economy¹⁰¹¹. The 'social market' approach involved a constructive partnership between government and industry to ensure efficient economic management and the achievement of vital objectives, such as growth and employment. This model was attractive to the new social democrats because it avoided the more extreme ideological approach characterized by the New Left and New Right positions. It also contained an in-built flexibility that enabled governments to use the enormous productive capacity of a market economy whilst maintaining the democratic right to influence the distribution of rewards and achieve vital social objectives, such as tackling poverty and improving public services¹⁰¹².

The developing political economy of a new revisionism, with a greater stress upon a social market approach, was brought together in a more coherent form by David Owen. In Owen's view, the mixed economy in Britain had evolved in a muddled fashion with a fundamentally flawed mixing of objectives. Public organisations had often acted like private enterprises and were therefore failing to live up to the public service role expected of them, whilst private enterprises had exploited corporatism and state intervention to the point of losing their

¹⁰⁰⁹ Rodgers, 'Labour's predicament', 1979, pp. 424-427.

¹⁰¹⁰ Noel Tracy, *The Origins of the Social Democratic Party*, London: Crook Helm, 1983; Mitchell, 'Inquest on a coroner', 1979, pp. 81-84.

¹⁰¹¹ Rodgers, 2000, p. 211.

¹⁰¹² This pragmatic and flexible model was spelt out by Roy Jenkins in his Dimbleby Lecture (1979), cited in Jenkins, 1991, pp. 518-519.

competitiveness and economic dynamism¹⁰¹³. What was required was a clear delineation of values and roles. The mixed economy should consist of two entirely separate sectors: a competitive private sector, free from detailed government control and essentially motivated by the search for profits; and a public sector committed to the public service ethos. Croslandite revisionism was criticized for leading to the amalgamation of the two sectors and helping to destroy the vital dynamics of a mixed economy¹⁰¹⁴.

A competitive private sector was deemed vital and the government should not intervene in a way that damaged the nature of the market system. Owen considered that low growth and the restructuring of the economy away from manufacturing towards service industry employment was an inevitable trend. Yet his position in regards to economic policy was more *dirigiste* than that of the New Right. He favoured a strong industrial policy through “sensible and targeted government intervention” in “a stable but market-orientated climate”¹⁰¹⁵. He advocated using the wealth garnered from North Sea Oil to invest in manufacturing, in order to strengthen the technological infrastructure of British industry. Preserving Britain’s industrial base was considered crucial in avoiding a situation where the British economy merely relied on foreign investments for its income, as this would make the nation an even greater hostage to external events than in the recent past¹⁰¹⁶. Strong government direction and action was a crucial element in strengthening the competitive market sector of the mixed economy.

Owen felt that the debate over state intervention, greatly influenced by the New Right, had been too one sided. Intervention may not be a universal panacea but could be a useful tool used for strategic reasons. Other Western states used selective state intervention in regards to new technology, often where the private sector was unwilling to take the risk of investing large-scale capital. In such cases there was a continued role for a National Enterprise Board (NEB) to channel investment. There was also sometimes an argument for state ownership of a commercially run company where accurate independent knowledge of an industry

¹⁰¹³ Owen, 1981, p. 44.

¹⁰¹⁴ Owen, 1981, p. 116; Interestingly, Roy Hattersley continued to defend the idea of a mixed economy that was pluralistic and “should not be divided by rigid lines”. This was more in-keeping with Crosland’s ideas, with a variety of forms of ownership. Hattersley, 1987, p. 190.

¹⁰¹⁵ Owen, 1981, pp. 172-173.

¹⁰¹⁶ Owen, 1981, pp. 126-127.

is vital, such as with the pharmaceutical industry's relationship with the NHS¹⁰¹⁷. Owen strongly opposed the privatisation of natural monopolies, such as the public utilities of gas, water and rail, as no true markets existed and no real competition was possible. It was clear to him that in these circumstances state ownership should continue¹⁰¹⁸.

The social market approach was in keeping with the original revisionist position of having no dogmatic ideological opposition to the type of ownership, public or private, although more clearly demarcated than the Croslandite model. The market may well be the most effective sector in the great majority of cases, but where it was shown to be ineffective the public sector should certainly be directly involved. Owen was also willing to argue that British public spending was not that high by international comparisons. Although the diversion of resources towards the private sector would be preferable in the long term, he opposed cutting PSBR levels at a time of growing unemployment and recession. He also raised doubts about the Thatcher Government's extreme monetarism, as the evidence linking the money supply and inflation was not proved. Control of the money supply was important but should not be driven by ideology. It was his belief that many of the previous Labour Government's economic failures were due to poor decision-making and weak management coming up against institutional resistance, rather than flawed analysis. The obstacles to greater investment in British industry came from Britain's financial institutions and therefore Owen asserted the need for reforms to bring British lending policies into line with Japan and countries in the EEC¹⁰¹⁹.

The social aspect in Owen's social market philosophy came out strongly in his defence of the traditional social democratic goal of full employment. He believed that free collective bargaining, low inflation and full employment could not coexist but, unlike the New Right, he opposed a free market in wages. He was unwilling to accept mass unemployment as a method for taming inflation. This stemmed from the continued commitment to social democratic values: "any economic policy should be judged against a background in Britain of persistent

¹⁰¹⁷ Owen, 1981, pp. 230-233.

¹⁰¹⁸ Owen, 1981, p. 179.

¹⁰¹⁹ Owen, 1981, pp. 137-144.

class divisions and the widespread existence of poverty”¹⁰²⁰. He asserted that “policies to generate more employment are fundamental to preventing poverty”¹⁰²¹. It was therefore seen as inevitable that the new social democrats would continue to rely upon the success of an incomes policy, despite all the difficulties this entailed¹⁰²².

The social market approach demanded the continuation of a policy to contain wages combined with an active industrial policy, yet this appeared to call for a degree of statism at odds with the new social democrats’ apparent conversion to a more liberal economic disposition. They had become increasingly hostile to the way that corporatism had developed in Britain. Tripartite agreements between governments, big business and the trade unions had given the large-scale producer groups excessive influence over the policy-making process. Mackintosh had been particularly critical of the way corporatism had eroded the authority of parliament and helped to damage the public’s faith in democracy. Special interest groups had gained favoured status and access to government, leading to a very real decline in Parliament’s capacity to influence, reject and amend policy or legislation that was issued from the executive. The leaders of interest groups had been able to claim that any government plans or actions of which they disapproved were somehow illegitimate. This position had led them to believe that they were within their rights to withdraw cooperation and even frustrate the law if they did not agree with it¹⁰²³.

The main special interest groups – the powerful trade unions in particular – had been accused by Mackintosh of acting like medieval barons. The 1970s had witnessed their ability to defy both the government and the law. The opposition of the main trade unions had frustrated the attempts of successive governments to regulate industrial relations or control inflation in the national interest. The new social democrats recognised that social democratic governments had colluded in the development of this situation. Labour governments had responded weakly under pressure from interest groups and helped erode the public’s confidence in

¹⁰²⁰ Owen, 1981, p. 117.

¹⁰²¹ Owen, 1981, p. 85.

¹⁰²² Rodgers saw incomes policy as a permanent and “necessary component of economic management and social planning”, as free collective bargaining had led to inflation, whilst helping precipitate political and social conflict. Rodgers, ‘Labour’s predicament’, 1979, p. 428.

¹⁰²³ Mackintosh, ‘How much time left for parliamentary democracy’, Marquand (Ed.), 1982, pp. 49-54; See also Haseler, 1980, pp. 131, 152.

democracy and the common purpose of society. Direct action and law breaking appeared to result in the winning of concessions in cases such as Clay Cross and the Shrewsbury Builders¹⁰²⁴. An older generation of social democrats, including Crosland, were directly implicated in the situation where minority groups were seen to profit from breaking the law and defying parliamentary democracy.

The power of the producer groups had also damaged the dynamics of the mixed economy by obstructing change and defying economic policy. The government's ability to enforce their will in the interests of the nation was compromised and therefore the legitimacy of democracy was undermined. It was the growing contention of many new social democrats that the root cause of 'the British disease' was a political system that prevented the victory of 'the general interest' over the powerful special interests that had emerged within modern society. Without substantial reforms these interest groups would always be able to resist the vital changes needed to restore economic stability and return to economic growth¹⁰²⁵.

The new social democrats' solution was to favour a decentralising agenda, which would disperse and devolve power within a new mixed economy, guided by the social market approach. More freedom would be given to the private sector to serve the needs of the consumer and, equally importantly, more freedom would be dispersed on a political level so that democracy served the needs of its citizens more directly. Owen advocated a flexible and decentralised structure of pay bargaining. Settlements would in future be made at a local level, although conforming to a nationally agreed pay ceiling. Greater industrial democracy at the local level was also seen as the key to ensuring agreement between unions and business, as workers would gain more information and involvement in decision-making. They would therefore be more willing to understand and accept the final decisions¹⁰²⁶. The social market approach was central to the new social democrats' attempts to overcome Britain's *malaise*. It required a stronger private sector, but it also required important reforms to the political process to restore democratic legitimacy and the influence of parliament.

¹⁰²⁴ Mackintosh, 'the declining respect for the law', Marquand (Ed.), 1982, pp. 136-145.

¹⁰²⁵ Marquand, 'the politics of economic recovery', *Political Quarterly*, Vol. 51, 1980, p. 79.

¹⁰²⁶ Owen, 1981, pp. 157-162.

Reforming the political system

Much of the new social democratic criticism of Croslandite revisionism related to mistaken assumptions and significant omissions. The experience of post-war social democracy confirmed that economic problems had not been solved, and the lack of coherent theory concerning the operation of the mixed economy led to the vital role of the private sector being neglected. But Marquand has argued that the main weakness within Crosland's thesis related to his reliance upon an antiquated political system, with pre-modern features and an under-developed concept of citizenship. Along with the majority of social democratic reformers of his generation, Crosland believed that adequate political reforms had already been secured within Britain. The next goal was to ensure the development of social rights to complement existing political rights. He therefore mistakenly assumed that his policies could be implemented through existing mechanisms, but attempted implementation proved either abortive or had unforeseen consequences¹⁰²⁷.

The new social democrats shifted their attention to the machinery of government and the process by which a reform programme was implemented. Post-war social democracy was deemed to be too top-down in its approach to social reform. This led to an over-reliance on a remote, bureaucratic centralized statism, which proved unresponsive to public demands and inefficient in the delivery of services. Regenerating political democracy through greater decentralization of power and constitutional reforms was viewed as a crucial element in the revision of Croslandite revisionism¹⁰²⁸.

After 1979, the new social democrats became increasingly concerned to strengthen the philosophical basis of revisionism, and to reverse the identification of socialism with the centralizing tendencies of the modern state. Evan Luard, the Labour MP for Oxford, was at the forefront of this new thinking. He argued that post-war social democracy had become identified with the increasing uniformity

¹⁰²⁷ David Marquand, 'Half-way to citizenship? The Labour Party and constitutional reform', *The Changing Labour Party*, Martin J. Smith and Joanne Spear (Ed.), London: Routledge, 1992, pp. 44-47.

¹⁰²⁸ Marquand, *The Progressive Dilemma*, 1992, pp. 214-215.

and bureaucratic power of statism, which had crowded out the individual and undermined community. Despite the debate between fundamentalists and revisionists, all forms of socialism now implied the expansion of state power and control, whether by public ownership or public bureaucracy. This was based on the mistaken view that state control equated to wider social control¹⁰²⁹.

Luard argued that modern democratic socialists should oppose using the centralized corporate state as the main tool for achieving social justice, as it had diminished the power of individuals to control and determine their own actions without necessarily aiding greater equality¹⁰³⁰. Individual freedom had increasingly been subordinated to the collective interest of large-scale public and private organisations. The result was a stagnant society where standardization, uniformity and a passive acceptance of authority had stifled enterprise and individual initiative. Luard warned that increasing collectivisation threatened the individual as an autonomous being and it was now necessary for socialists to return to the libertarian strand within their philosophical tradition¹⁰³¹.

The new social democrats stressed the negative effects of statism, despite being used in the name of social equality. State power had aided in the decline of community, the death of diversity and had failed to transform human relations in a positive fashion. It was a major contributor to the modern trend towards large-scale organisation that had produced so much social damage by increasing the remoteness of authority and the alienation of the individual. The main message was that modern socialism should champion the individual citizen by swaying the balance of power away from the bureaucratic state and supporting a new philosophy based upon the libertarian tradition of decentralized socialism¹⁰³².

The decentralization of power involved institutional changes, including devolution of democratic power and greater popular participation to enhance individual freedom and reverse the growth of the centralized collectivist state. The influence of corporatism, with the special access it afforded interest groups, was seen as a symptom of too much power residing with the executive, as these groups

¹⁰²⁹ Luard, 1979, pp. 1-6.

¹⁰³⁰ Luard, 1979, pp. 7-9.

¹⁰³¹ Luard, 1979, pp. 14-24.

¹⁰³² Luard, 1979, pp. 100-101; Owen, 1981, p. 5.

were bound to bypass an impotent parliament and go straight to the centre where all authority was concentrated. The new social democrats sought to restore the balance where it had been lost. In regards to political economy this meant strengthening the market, whereas in relation to a properly functioning democracy this meant strengthening the position of parliament against that of the executive. This could only be achieved by fundamental political reforms, which were the precondition for a strongly functioning mixed economy free from the corrosive effects of corporatism, and the return of public confidence in the political process. Constitutional measures were required to enhance the relevance of parliament – the representative body of the people¹⁰³³.

Williams and Owen called for greater powers to be passed to the new parliamentary select committees. These organs existed to monitor the executive, subjecting it to greater scrutiny and acting as a catalyst for public debate on government decisions. Greater openness of government, in regard to information and explanation of decisions, was seen as a crucial step towards making the executive more accountable, and so they advocated a freedom of information bill to aid greater understanding and more rational debate in parliament¹⁰³⁴. They also argued that MPs should be given more power to use independent judgement on behalf of their constituents by reducing the power of party whips and allowing more free votes on important issues of principle¹⁰³⁵. These measures were intended to reduce the power of the executive over back-bench parliamentarians, and increase the opportunity for MPs to represent their constituents, rather than merely to reflect the party-line.

Another important method by which the new social democrats sought to reduce the power of central government was through devolving many of its functions to local and regional levels. The devolution of political power was an essential element in Luard's vision of grass roots socialism: "Only if decisions are taken at a genuinely local level, genuinely at the grass roots, therefore, can the goal of social participation, social control and social ownership have much meaning"¹⁰³⁶. He argued that authority must be devolved downwards to various

¹⁰³³ This essential case was originally made by Mackintosh. See 'Taming the barons' and 'The declining respect for the law', Marquand (Ed.), 1982.

¹⁰³⁴ Williams, 1981, pp. 186-187; Owen, 1981, pp. 286-307.

¹⁰³⁵ Owen, 1981, pp. 279-281.

¹⁰³⁶ Luard, 1979, p. 133.

tiers of government, from regional to local district level, and further downwards to community levels wherever possible or appropriate.

The commitment to devolution of democratic power to lower tiers of governance was part of the new social democrats' programme for deepening and strengthening democracy, which they felt had fallen into disrepute due to the failures of state centralism and corporatism. Local government powers were to be enhanced as the most efficient and effective level for responding to local need and ensuring accountability¹⁰³⁷. The devolution agenda also meant creating new regional tiers of government. They would take power from Westminster with minimal disruption, as it was merely an extended development of the administrative tiers that already existed at that level. The new regional governments would gain power over regional development and public services, and hold independent revenue raising powers to ensure their independence from central government¹⁰³⁸.

Owen developed Luard's thinking, with proposals for devolution to the individual nations and regions of the UK to be integrated with reform of the House of Lords. A newly reformed second chamber would be composed of representatives elected for regional assemblies in Scotland, Wales and the English regions. These would be the voting members. There would no longer be a hereditary element, but there would be non-voting members drawn from major positions held in important national organisations, such as trade unions. In this way their increased power would be matched by the accountability and responsibility that came from involvement in the democratic process¹⁰³⁹.

The other major constitutional reform that the new social democrats supported was reform of the electoral system. This was largely due to the unfairness and lack of merit attached to the First-Past-The-Post system. It was blamed by some academic observers for having produced an overtly adversarial style of politics, which exaggerated ideological conflict and created strong party links to special interest groups¹⁰⁴⁰. The traditional defence of the two-party-system

¹⁰³⁷ Owen advocated more financial independence through local taxation. Owen, 1981, p. 376.

¹⁰³⁸ Evan Luard, *Socialism at the Grass-Roots*, Fabian Tract 468, April 1980, pp. 6-10.

¹⁰³⁹ Owen, 1981, pp. 331-339; Owen's ideas echoed Mackintosh's proposals for bringing vested interests inside the political process. John Mackintosh, 'Taming the barons', Marquand (Ed.), 1982, pp. 131-135.

¹⁰⁴⁰ M. Stewart, *The Jekyll and Hyde Years*, London: Dent, 1977; S. E. Finer, *Adversary Politics and Electoral Reform*, London: Wigram, 1979.

had been undermined by recent election results that provided popular support for third parties, yet without fair representation in parliament¹⁰⁴¹. The recent record of governments also pointed to the lack of stability that resulted from the exaggerated representative strength of the winning party. This outdated political system had created a combination of distorted election results and poor governance over the previous decade.

In his influential Dimbleby Lecture in 1979, Roy Jenkins stated that the British electoral system had added to political instability and excessive partisanship by helping to maintain the two-party dominance. In contrast, the European system of proportional representation allowed for a political culture of consensus and cooperation, due to the acceptance of political coalitions. Jenkins argued that the British system resulted in coalition government, in all but name, because of the existence of fundamental political differences from within the parties. But they were dishonest coalitions, forced to maintain the illusion of unity when there was often a greater level of political consensus between groups inhabiting different political parties¹⁰⁴². Electoral reform would enable Britain to break out of the rigidities of the two-party-system and develop a more flexible, tolerant and consensual style of politics akin to that of other European social democracies. It would also help produce a more stable environment for industrial decision-making. Business leaders would no longer suffer the degree of uncertainty that accompanied changes of government, with the constant fear of fundamental shifts in direction and the reversal of former policies¹⁰⁴³.

The institutional changes to the political system were seen as part of a wider agenda of decentralization. The new social democrats believed that it was now vital to disperse power through wider ownership and greater control for the individual in relation to the collective organisation. It was felt that socialists should give as much attention to liberty as to equality and fraternity¹⁰⁴⁴. Greater decentralization, a renewal and deepening of democracy and greater participation

¹⁰⁴¹ For example, in October 1974, the Labour Party gained less than 40% of the vote, but over 50% of the seats, whilst the Liberal Party gained nearly 20% of the vote but just 6% of the seats, approximately.

¹⁰⁴² Dimbleby Lecture, cited in Jenkins, 1991, pp. 516-518.

¹⁰⁴³ Roy Jenkins, 'What's wrong and what could be set right', *Encounter*, Vol. L, No. 2nd Feb 1978, p. 16.

¹⁰⁴⁴ Williams, 1981, p. 204; Owen, 1981, pp. 5-6.

in the political process were all advocated. Yet people's everyday lives were more related to the world of work, and the type of organizations that individual citizens encountered played a major role in the quality of their lives. The new social democrats were influenced by many of the arguments of the New Left in relation to the alienation and powerlessness of the individual worker, but the agendas of the two political movements were quite different.

The new social democrats believed that it was not the mode of ownership, public or private, that was the problem but the scale of the organization. They saw that a wider spread of ownership was crucial to achieving diversity and a sense of individual control. They aimed to curb the trend towards the large-scale and encourage small-scale organisations. Capitalism was not the main enemy and public ownership was therefore still irrelevant. The main target for Luard was the vast scale of modern organizations, with their remote and impersonal management, as individuals were subsumed by the pressures of uniformity and standardisation within such monoliths. This was bad for the individual and bad for the economy. Wherever possible, small-scale enterprises should be promoted and large-scale organisations broken down into smaller units¹⁰⁴⁵. Williams advocated greater aid to small enterprises through government trusts, tax incentives and support from government agencies¹⁰⁴⁶. Nevertheless, it was considered that all workers should gain a greater degree of control over the decisions that affected them whatever the size of the enterprise might be.

Industrial democracy was seen by the new social democrats as a vital element in diffusing power down to the individual, to give him a greater degree of social ownership. This did not mean either state control, as advocated by the New Left, or a wider shareholder ownership, as championed by the New Right. It meant ownership resting with the employees of any individual firm. The status of external shareholders should be as lenders not owners. The real owners of any firm should be the workers and managers who actually determined the successful operation of their organisation. Luard's ideas on industrial democracy contained three main elements: consultation through work councils before decisions were reached; effective powers held by these councils to supervise and manage the

¹⁰⁴⁵ Luard, 1979, p. 128.

¹⁰⁴⁶ Williams, 1981, p. 206.

organization; and a legislative system of governing principles and objectives to act as an important guide to action¹⁰⁴⁷. Whilst the New Left looked to the Yugoslav model of worker control, the new social democrats' ideal appeared closer to the example of the retail store, John Lewis.

The new social democrats grasped the idea of industrial democracy as a solution to the problem of the trade unions' negative ability to defy incomes policy. Williams saw that the greater involvement, participation and consultation involved in industrial democracy could provide "a much stronger foundation for voluntary incomes and prices policies"¹⁰⁴⁸. The belief was that a better informed workforce involved in the decision-making process of their organisations would offer a more cooperative response, both to changing conditions and to wage policies. Owen berated Crosland for having been too dismissive of participation and lukewarm over industrial democracy. Institutional change was an important element in changing underlying attitudes. Owen stated the need for "changes in values and structures... to proceed together in order to achieve significant changes in the actual working of institutions", and argued that this was "one of the major lessons that should be derived from the revisionist experiences through the 1960s and 1970s"¹⁰⁴⁹.

Owen agreed with Benn over the importance of industrial democracy and worker participation, though his vision and purpose were quite different. This divergence was based upon the new social democrats' rejection of the New Left notion that modern capitalism was the main enemy. The objective was to reduce conflict and enhance productivity through improved industrial relations. A change in the industrial climate would enable industry to work in concert with the new world of competitive world markets and new technologies. Industrial harmony was crucial to avoiding resistance to change amongst workers and ensuring that managers could respond quickly and effectively to the changing conditions of a dynamic market system¹⁰⁵⁰. Owen was clear that the government should only provide a basic legislative framework for industrial democracy. Individual firms

¹⁰⁴⁷ Luard, 1979, pp. 121-124.

¹⁰⁴⁸ Williams, 1981, p. 137.

¹⁰⁴⁹ Owen, 1981, p. 36.

¹⁰⁵⁰ Owen, 1981, pp. 261-267.

and organisations should be allowed to develop their own schemes, in their own way and at their own pace. Diversity of implementation was acceptable. But he also stressed that trade unions should not be allowed to dominate the terms and forms, as they were essentially sectional interests and should not be allowed to “override the fundamental wider democratic interest”¹⁰⁵¹.

The new social democrats’ thinking contained the overriding concern of shifting the balance of power in favour of the individual over the large-scale organizations that had come to dominate modern society, especially the centralized state bureaucracy. The decentralization agenda aimed to end the remoteness of authority, whilst deepening and strengthening a culture of democracy. The arguments in favour of the small-scale enterprise, the ideas of ‘community’ and industrial democracy were all intended to give the individual a greater control over his life and the decisions that affected it. But this focus upon the dispersal of power and the enhancement of individual freedom represented a shift of direction from the Croslandite approach, which aimed to empower people through increased state action.

The new social democrats’ change of emphasis might have been more in tune with the popular aspirations of the British people, but it was not clear how the important objective of greater social equality would be furthered by increased decentralization of power and wider participation. The main strides towards greater equality during the twentieth century had occurred as a result of enlightened state power. If state power was to be downgraded would the objective of equality also be downgraded?

Rethinking equality

The new social democrats’ libertarian concerns with decentralizing power and strengthening the private enterprise sector appeared to provide the basis for a clean break with Croslandite revisionism. They rejected the corporatist direction taken by successive Labour governments and their new thinking stressed the need for greater individual liberty and diversity. On a philosophical level this reflected a significant revision of Crosland’s central commitment to greater equality. On a

¹⁰⁵¹ Owen, 1981, p. 269.

practical level it reflected the inherent difficulties of realising his egalitarian vision of a 'strong' social equality, with reformism delivered through the agency of the centralized state.

Crosland's original revisionist thesis provided an updated form of non-Marxist socialist thought. His principal idea was that modern democratic socialism related to the pursuit of greater equality, rather than pursuit of common ownership of the means of production, distribution and exchange. The revised objectives of greater social equality amounted to a careful balance between equality of opportunity and outcome. Crosland's revisionist thinking allowed for enough inequality of outcome to allow for necessary incentives, but not too much as to endanger social cohesion or create too large a division between a new meritocratic elite and the rest of society¹⁰⁵². His strategy relied upon economic growth to fund high levels of social welfare expenditure, the redistribution of wealth and educational reform. He considered these to be the best methods for achieving his goal of an egalitarian and classless society. But, as Reisman suggested, Crosland's socialism was "a socialism of good times and not bad"¹⁰⁵³. Consequently it was not easy to salvage his egalitarian strategy when Britain suffered the economic effects of stagnation and global recession.

The new revisionism was a reaction, not only to bad times but also to the inherent failings of the Croslandite strategy. The new social democrats believed that Crosland's revisionist thesis relied too heavily upon a top-down approach, utilizing the bureaucratic state machinery to socially engineer greater equality. By the late 1970s a gathering consensus of opinion formed, which considered that this method had not worked as well as intended. There had been significant unforeseen consequences that served to pour doubt upon the central assumptions that sustained post-war social democracy.

The introduction of a comprehensive system of education was seen by Crosland as a vital element in advancing both equality of opportunity and a more classless society. It was a shift that was already underway before Crosland's term as minister for education, and chimed with the general thinking of educational experts in the early 1960s. Over a decade later the new system drew expected

¹⁰⁵² Crosland, 1956, pp. 150-169.

¹⁰⁵³ Reisman, *Crosland's Future*, 1997, p. 157.

criticism from those who had always opposed it, but also from many who supported the principle but observed the practical weaknesses that had developed after implementation. The new system encouraged experimentation and the flowering of new ideas on how to realise each pupil's potential. Classes containing pupils of divergent abilities became popular amongst many educationalists. Luard believed that Crosland's egalitarian balance had been lost in translation, as the exaggerated pursuit of equality of outcome took root within the new education system. In keeping with the central idea of his thesis, in support of decentralisation and diffusion of political power, Luard argued that the urge for greater equality had led to standardised state controlled education. It had increased uniformity, crowded out the development of the individual, and caused "all to be educated in the same classes regardless of intellect or even interests, and to follow similar courses. Everywhere similar roles and attitudes become more firmly internalised, and the norms established increasingly difficult to resist"¹⁰⁵⁴.

Bernard Crick, the socialist theorist, suggested that Crosland's ideals had been corrupted: "the doctrine of 'mixed ability' classes is either a bad confusion between literal equality and egalitarianism, or more likely a rationalisation of despair at having too few teachers and too many children"¹⁰⁵⁵. Whether as a result of fashionable theories or the unfortunate consequence of scarce resources with which to fund the new system adequately, the implementation of comprehensive education had not proceeded as intended. Teething problems were to be expected in a new system, and it was unfortunate that they were exaggerated by the adverse reactions of a significant proportion of the middle classes who benefited from the grammar school system¹⁰⁵⁶. However, the existence of a class-ridden society, with exaggerated social divisions and snobbery, was strong enough to resist incomplete attempts at eradicating or overcoming its worst effects.

The failure to reform the whole education system, and most importantly the decision to leave the private sector untouched, proved to be damaging. Marquand considered that the comprehensive system had been clumsily

¹⁰⁵⁴ Luard, 1979, p. 50.

¹⁰⁵⁵ Bernard Crick, 'The character of a moderate socialist', *Political Quarterly*, Vol. 47, 1976; Crosland's originally intended that classes should be set by ability. Crosland, 1956, p. 272.

¹⁰⁵⁶ Samuel Brittan reflected the middle class view that Crosland's commitment to equality had, in practice, led to a levelling down of standards. Samuel Brittan, 'Hayek, the New Right and the crisis of social democracy', *Encounter*, Vol. LIV, No. 1, Jan 1980, p. 36.

implemented and practiced, with the result that it merely strengthened the private schooling sector¹⁰⁵⁷. The middle class – the social class with the lobbying power to ensure that the comprehensive system was properly funded – increasingly used their purchasing power to boycott the new system, or at least ensure that it did not function in the way it was intended. Their ability to pay for private schooling, or to buy a house in a middle class catchment area, had the effect of maintaining class divisions. Children of different social backgrounds were still segregated from each other, as those with wider opportunities exercised their power to avoid ‘social contamination’ and ‘levelling down’. Many could do this whilst still receiving state funded education. As a consequence, Peter Wilby, political columnist at *The New Statesman*, argued that the burden of socially engineering greater equality was too great to be borne by the education system, as it should not carry the responsibility for healing the deep social divisions that existed in a fundamentally unequal society¹⁰⁵⁸.

The scepticism surrounding the actual impact of educational reform was replicated in relation to the expansion of social welfare. Luard claimed that the increases in public expenditure had produced negligible results in terms of engineering greater equality¹⁰⁵⁹. It was generally considered that the redistributive effect of the welfare state had been nullified by its expansion. Lower income earners were now drawn into the tax network, required to provide greater financial contributions to fund the public services they used. As a result, Owen contended that most of the redistribution that had occurred in recent decades had gone from the richest to the middle income groups, rather than the poorest 30%¹⁰⁶⁰. In many areas, such as commuter transport, health and higher education, it was claimed that the middle income groups were gaining the most benefit from expansion. They were more vocal and articulate in their demands and they were more politically adept, and well-placed, to skew public spending towards their favoured areas. The growth of the middle class welfare state had become a well-known phenomenon by the early 1970s¹⁰⁶¹.

¹⁰⁵⁷ Marquand, ‘Inquest on a movement’, 1979, pp. 12-13.

¹⁰⁵⁸ Peter Wilby, ‘Education and equality’, *The New Statesman*, Vol. 94, 16th Sept 1977, pp. 358-360.

¹⁰⁵⁹ Evan Luard, *Socialism at the Grass Roots*, Fabian Tract 468, April 1980, p. 1.

¹⁰⁶⁰ Owen, 1981, p. 78.

¹⁰⁶¹ A critique of the impact of welfarism was provided by the political commentator, Rudolph Klein. See ‘The welfare state: a self-inflicted crisis?’, *Political Quarterly*, Vol. 47, 1976.

The expansion of social welfare had taken on a life of its own, beyond the designs of egalitarian politicians. Shirley Williams reflected that social democracy had become a victim of its own success, as the post-war welfare state was now judged against ever rising standards and expectations. Social trends, such as increased life expectancy and rising unemployment, added to the growing demand. It meant that the welfare state was often viewed as failing to measure up to the ever-changing public criteria for success, pushing its strongest political advocates to make unrealistic promises of increases and improvements. This spiral of demand-push created a greater financial burden upon the system¹⁰⁶². Poor economic performance clashed with increasing demand and expectations, resulting in the inevitable decline in the ideals of universalism, represented in means testing and targeting of resources.

An unfortunate side-effect of scarce resources, and the increase in rationing, was the politicization of social benefits. Owen contended that the questions about who did or did not deserve welfare had increasingly come to the surface of public discourse, with accusations of 'welfare scrounging' entering into mainstream political debate¹⁰⁶³. Under these circumstances, the demand for extra resources in areas such as health and education conflicted with the increasing resistance to the higher levels of taxation required to fund an expanding welfare state.

The social democratic expectation that the concept of a 'social wage' – whereby the average wage earner would feel compensated for the hole in his pay packet by the rising value of the public services he received – would gain popular support proved to be an illusion. There was an adverse reaction from many working class voters. This was especially true of those who felt that they lost most, such as the skilled worker. He saw his wage advantage over the unskilled and semi-skilled eroded by egalitarian incomes policies, whilst his aspirations for greater personal consumption were frustrated by the increased taxation required to fund social spending at a time of low growth. These factors were seen as merely provoking wage militancy and electoral resistance, and thus exacerbating

¹⁰⁶² Williams, 1981, p. 36.

¹⁰⁶³ Owen, 1981, p. 84.

inflationary pressures and reducing political support for social democracy¹⁰⁶⁴. Rodgers, whilst stressing the need for public expenditure limits based upon electoral realism, also stressed that increased personal consumption had been an important element in Crosland's social egalitarian agenda¹⁰⁶⁵. Luard even asserted that those who appeared to benefit most from increased social services felt increasingly alienated due to the remote bureaucratic structures, which imposed petty restrictions and lack of choice upon council house tenants and parents of state school pupils¹⁰⁶⁶.

The new social democrats concluded that the original revisionist approach had failed. Marquand stated that "the old, Croslandite assumption that the central purpose of social democracy is to increase the social wage as rapidly as possible, on which welfare state social democratic of all parties used to act in practice, even when they did not promulgate it as a principle, has now collapsed"¹⁰⁶⁷. Public expenditure, as a central mechanism for engineering equality, was now viewed as irredeemably flawed on both a practical and philosophical basis. There was still a clear requirement for governments of all types to spend on the social services, but Rodgers argued that it should now be less indiscriminate and more targeted at clear cases of social deprivation. Public spending should certainly not be allowed to rise at the expense of rising personal consumption, and any rises were out of the question during periods of low growth or no growth¹⁰⁶⁸. Williams now called for the quality of existing services to be improved through a programme of decentralisation of control, rather than a massive expansion¹⁰⁶⁹.

The new revisionism emphasised that the balance had shifted too far in favour of equality, and away from personal freedom as a result of the over-expansion of the public sector¹⁰⁷⁰. Their solution was to reverse the old social

¹⁰⁶⁴ Marquand, 'Inquest on a movement', 1979, p. 10; Luard, *Socialism at the Grass Roots*, 1980, p. 1.

¹⁰⁶⁵ Rodgers, 1979, 'Labour's predicament', 1979, p. 431; Croslandite devotee, Austin Mitchell, was forced to concede that the Conservatives had won a majority of younger and skilled worker votes in the 1979 election due to the issue of rising public expenditure and taxation. Austin Mitchell, *Can Labour Win Again*, Fabian Tract 463, Sept 1979, p. 9.

¹⁰⁶⁶ Luard, *Socialism at the Grass Roots*, 1980, pp. 2-4.

¹⁰⁶⁷ Marquand, 'Inquest on a movement', 1979, pp. 10-11.

¹⁰⁶⁸ Rodgers, 'Labour's predicament', 1979, p. 432.

¹⁰⁶⁹ Williams, 1981, p. 37.

¹⁰⁷⁰ Haseler, 1980, pp. 149-150; Marquand, 'Inquest on a movement', 1979, p. 10; Rodgers, 'Labour's predicament', 1979, p. 433.

democratic reliance upon the state, as it had proved itself to be a blunt and destructive instrument of social reform. However, the new social democrats' philosophical defence of greater individual liberty, and their focus upon a new decentralizing agenda, has drawn considerable criticism. The new revisionism has been viewed as giving up on the richness of Crosland's egalitarian vision and shifting towards more conservative aspirations, merely making a pragmatic adjustment based upon lower economic expectations and electoral considerations¹⁰⁷¹. It certainly appeared that the new social democrats proved more able to deconstruct the Croslandite strategy than to devise a new egalitarian programme.

David Lipsey suspected that the new social democrats had only ever been revisionists in the negative sense of being opposed to the fundamentalist preoccupation with public ownership, rather than positively committed to greater equality¹⁰⁷². Yet he had to admit that the failure of Crosland's growth strategy was to blame for the vacuum of ideas as to how to defend his egalitarian philosophy. Any attempt at revising his strategy had to overcome the major obstacle provided by popular public attitudes. Lipsey acknowledged that "over time the attitude of the average man to equality has become more critical as he stands by his differentials and seeks opportunities for his children to rise out of their class rather than with it"¹⁰⁷³.

The clash between Croslandite egalitarianism and popular aspirations went to the heart of the social democratic dilemma. Crosland had in fact originally warned of the electoral limits of increased taxation and public expenditure upon socialist ambitions: "socialists sometimes forget, in a natural enthusiasm for the benefits which higher expenditure will bring, just how unpopular high taxation is. If the Labour Party were to be generally credited, however unfairly, with a macabre desire to squeeze ever-larger sums out of the public, it might fall rather badly in public estimation, and not be given a chance to implement its plans in office"¹⁰⁷⁴. Shortly before his death, Crosland acknowledged the need to prioritise spending, as well as the limited redistributive effect of increased social

¹⁰⁷¹ Foote, 1997, pp. 260-261; Martin J. Smith, 'A return to revisionism? The changing Labour Party', Smith and Spears (Ed.), 1992.

¹⁰⁷² Lipsey, 'Crosland's Socialism', Lipsey and Leonard (Ed.), 1981, p. 26.

¹⁰⁷³ Lipsey, 'Crosland's Socialism', Lipsey and Leonard (Ed.), 1981, p. 40.

¹⁰⁷⁴ Crosland, 1956, p. 407.

welfare¹⁰⁷⁵. But the weakness of his strategy, in relying upon growth and the expansion of the welfare state, was revealed by the type of widespread popular reaction that he had foreseen in *The Future of Socialism*.

Croslandite revisionism, with its reliance upon a top-down approach to social reform, has been accused of overlooking the importance of attitudes and failing to develop any device for persuading people of the moral merits of egalitarianism. Owen stated that the explicitly mechanistic and statist approach failed to address “the attitudes which underpin the pursuit of equality, particularly how to foster altruism, which is the human desire behind the aspiration to eradicate inequalities and strive for a more egalitarian society”¹⁰⁷⁶. When the post-war economic boom came to an end, Crosland’s egalitarian programme came up against the cultural resistance of the British people. David Marquand and Raymond Plant have subsequently developed this critique of Croslandite revisionism.

Marquand has used a useful differentiation between moral and mechanical reformers, assigning Crosland’s reformist strategy to the latter approach¹⁰⁷⁷. Crosland’s over-reliance upon centralized statist mechanisms to socially engineer equality failed to cover up the shallow roots of revisionist social democracy. Once the political and economic climate turned bad, and difficult choices had to be made, Crosland’s socialism lacked the moral tools to persuade a hostile culture of the merits of egalitarianism. Croslandite revisionism lacked clear moral arguments or any form of persuasive strategy¹⁰⁷⁸. Professor Plant, although sympathetic to Crosland’s conception of equality, also believed that the failure to develop a moral consensus damaged the legitimacy of egalitarian socialism. Crosland failed to devise a theory to sustain his objectives or defend them from New Right critics¹⁰⁷⁹. Why should some people make sacrifices for others? The failure to convincingly answer this question explained the lack of moral consensus behind his ideas and the widespread cultural resistance that they provoked, even if based upon a crude simplification of his objectives.

¹⁰⁷⁵ Anthony Crosland, *Social Democracy in Europe*, Fabian Tract 438, Dec 1975, pp. 8-9.

¹⁰⁷⁶ Owen, 1981, p. 6.

¹⁰⁷⁷ Marquand, *Progressive Dilemma*, 1992, pp. 211-216.

¹⁰⁷⁸ David Marquand, ‘Moralists and hedonists’, *The Ideas That Shaped Post War Britain*, Marquand and Seldon (Ed.), London: Fontana, 1996, pp. 23-25.

¹⁰⁷⁹ Raymond Plant, ‘Democratic socialism and equality’, Lipsey and Leonard (Ed.), 1981, pp. 144-148.

Plant believed the reason for Crosland's reliance upon an indirect or mechanistic strategy was due to his underlying philosophy on moral values. Despite revising socialism in such a way that prioritised its ethical content over its policy content, Crosland held the fundamental belief that all moral issues were a subjective (or personal) matter. Therefore it was futile to attempt to impose your values upon others. This belief, combined with a commitment to democratic consensus, prevented him from leading a significant public defence of his egalitarian philosophy and meant that he had no available answer when it was revealed that the preferences of the majority were not well-disposed towards his socialist objectives¹⁰⁸⁰.

Given that the failure of the statist mechanism and the underperformance of the British economy revealed this underlying theoretical weakness at the heart of Croslandite revisionism, it is understandable that the new social democrats responded as they did. After all, they remained committed to shaping the future direction of British politics through the SDP. Their new revisionism was therefore bound to represent a pragmatic adjustment to the contemporary realities of a harsher economic and political climate, in which the New Right derived considerable strength from the moral vacuum left by the collapse of Croslandite assumptions¹⁰⁸¹.

Crosland had relied upon democracy working in his favour, continuing to provide the impetus towards greater egalitarian outcomes, but, as even his closest devotees had to accept, this assumption had proved false. Crosland also understood that political ideals were inevitably restricted by the demands and values of the electorate. The revisionist approach contained a clear understanding that the commitment to greater equality would have to move in tune with the changing nature of modern society. It also rested upon the belief that ideas and strategies could never stand still, but required constant revision in order to retain relevance. Therefore the new revisionism, whilst retaining the commitment to a

¹⁰⁸⁰ Plant, 'Democratic socialism and equality', Lipsey and Leonard (Ed.), 1981, p. 147; Plant has referred to the influence of the philosopher, A. J. Ayer, and his emotive theory of ethics, upon Crosland's moral outlook. Raymond Plant, 'Social Democracy', Marquand and Seldon (Ed.), 1996, pp. 172-174.

¹⁰⁸¹ *The Future of Socialism* was not designed to combat the ideas of the New Right, who were able to successfully appeal to the many people with a "fundamental interest in gaining the greatest possible share of wealth distribution" for themselves. Plant, 'Democratic socialism and equality', Lipsey and Leonard (Ed.), 1981, p. 153.

classless society, tended to focus on new concerns and issues that had arisen. Rising affluence had not been enough to break down the British class system; the new education system had not seen a significant improvement in social mobility; and the main threats to individual liberty now came from the collective power of trade unionism and statism. Based upon a pragmatic assessment of these perceived realities, the new revisionism focussed upon political reforms to break the institutional torpor that helped to block the modernisation of British society¹⁰⁸².

The freedom to pursue a new revisionist politics – centred upon the mixed economy, political reform and European cooperation – was a significant attraction to the new social democrats. Liberation from the Labour Party enabled them to develop a political doctrine that built upon the foundations of Croslandite revisionism, whilst attempting to rectify its intellectual weaknesses. They were considerably drawn towards the philosophical definition of social democracy supplied by Leszek Kolakowski, a Senior Fellow at All Souls College, Oxford¹⁰⁸³. He asserted that the social democratic idea was based upon a progressive political commitment to helping the weakest members of society, yet characterised by an approach that stressed a combination of hard-headed realism, rational analysis and pragmatism. It was based upon the non-dogmatic understanding that there are no ultimate political solutions to the problems of the human condition, and social progress can only be gradual, difficult and uneven. The commitment to social welfare and equality of opportunity was balanced by the essential values of freedom and democracy¹⁰⁸⁴.

The fundamental commitment to democracy inevitably makes for an arduous struggle in the pursuit of social objectives, and often painful compromises would have to be accepted. Modesty in analysis and prescription was deemed vital to ensure that potentially conflicting values can complement each other. But according to Kolakowski, one value was crucial: “the value of freedom has to be seen as the core of the social-democratic idea, simply because without it all other

¹⁰⁸² These points were made by those dedicated to developing a new revisionism within the SDP. See Stephen Haseler, ‘Can the social democrats devise policies for political power?’, *Encounter*, Vol. LVIII, No. 1, Jan 1982, pp. 10-15.

¹⁰⁸³ Owen considered Kolakowski to have provided the best definition of a new revisionist social democracy, in keeping with the moderate democratic socialism of continental European parties, such as the German SPD. Owen, 1981, pp. 66-72; Denis Healey quoted from Kolakowski’s definition during his 1979 Sarah Barker Memorial Lecture. Healey, 1989, pp. 472-473.

¹⁰⁸⁴ Leszek Kolakowski, ‘What is living (and what is dead) in the social democratic idea?’, *Encounter*, Vol. LVIII, No. 2, Feb 1982, p. 11.

values are empty and inefficient...There is no point in talking about equality in the absence of freedom”¹⁰⁸⁵. The Soviet Union provided the model of tyranny, where freedom was denied to the majority of the population, and the political identity of a social democrat should be formed in opposition to this state socialist model. Social democratic political strategies should be developed around the commitment to freedom, “defined as the area within which individuals may make decisions as they wish, unrestricted by law”¹⁰⁸⁶. The extent of freedom is important, not the degree of power to use it.

The new social democrats were increasingly drawn to a definition of freedom that was closer to the classical liberal concept of ‘negative liberty’, rather than the post-war, new liberal concept of ‘positive liberty’. They were becoming part of a new political consensus that pitted the democrats of the Western world against the authoritarian tyrannies of the Eastern Bloc. In such circumstances there was less room for a middle way. The idea of Western-style socialism was considered to be in a state of disrepair, impossible to define. Roy Jenkins had wanted to avoid using the term ‘socialist’ in launching the SDP, because of its vague and imprecise meaning, not to mention its negative political connotations. He also stated that “by the autumn of 1981 David Owen himself removed the several mentions of ‘socialist’ from the second edition of his book *Face the Future*”¹⁰⁸⁷.

The attempt by Crosland to revise socialism and keep the idea alive was now more difficult to sustain. The new social democrats believed that a clear distinction now had to be made between a socialist and a social democrat, in no small part due to the conditions of a world divided by fundamentally opposing principles. It was considered that defining yourself as a socialist implied anti-Americanism and support for communism. A social democrat should be unambiguously on the side of freedom and democracy¹⁰⁸⁸.

¹⁰⁸⁵ Kolakowski, ‘What is living (and what is dead) in the social democratic idea?’, Feb 1982, p. 12.

¹⁰⁸⁶ Kolakowski, ‘What is living (and what is dead) in the social democratic idea?’, Feb 1982, p. 13.

¹⁰⁸⁷ Jenkins, 1991, p. 532.

¹⁰⁸⁸ Kolakowski, ‘What is living (and what is dead) in the social democratic idea?’, Feb 1982, p. 16.

Conclusion

The critique of the new social democrats should have been an essentially sympathetic analysis of Crosland's revisionism, as these were his former political colleagues and intellectual followers. They hoped to revive the political fortunes of British social democracy through an effective renewal of the original revisionist thesis, but these attempts actually led them towards a fundamental reassessment of the Croslandite political strategy and a rejection of many of the assumptions that had sustained it. Although this left them open to charges of intellectual desertion, the direction of neo-revisionism appears to have been more a symptom of the fundamental state of disrepair into which Crosland's revisionist strategy had fallen.

The new social democrats were certainly more successful in identifying the weaknesses of Croslandite revisionism than in providing new means for achieving his egalitarian objectives. The focus of the new revisionism switched towards political principles and concerns that were overlooked by the original post-war generation of revisionists: the importance of a thriving private enterprise sector to the functioning of a mixed economy; the essential need to reform an antiquated and defective political system; a commitment to the decentralization and diffusion of power down to the local and individual level; and the necessity of greater European cooperation due to the effective decline in the power of national sovereignty.

The shifting political priorities of the new revisionism not only represented a rejection of the means by which Crosland's revisionist ends were to be realized, it also reflected a loss of faith in the ends themselves. It no longer appeared certain that Crosland's brand of revisionism was relevant or achievable in the context of the changing and uncondusive conditions of the 1970s and 1980s. Mistaken assumptions, first developed during the 1950s, had produced unforeseen developments in the nature of the British state and the implementation of social policy. Crosland's revisionism was deemed complicit in the exaggerated advance of state collectivism and the erosion of parliamentary democracy through corporatist solutions. He was also blamed for the practical distortions of a

misguided egalitarianism, which had too often been pursued at the expense of individual liberty.

Yet these criticisms and accusations seem to contain an unfair degree of determinism that ignores the historical context. It is clear that revisionist ideas were the most influential in the post-war era, and therefore revisionism was implicated in the political and economic failings of the era. These failings reached a climax with the economic and political crises of the mid 1970s and, as the leading post-war social democratic theorist, Crosland's ideas were held largely responsible by all sides in the ensuing battle of ideas. Of course the reality is more complex and there comes a point when a body of ideas comes into contact with, and is shaped by, the practicalities of the 'real world'. The pressures applied by different interests, institutions and events force adaptations and produce unintended outcomes. Revisionism was forced to develop within a political party with its own particular culture and traditions. The failure to reform Clause IV of the Labour constitution and the death of Gaitskell set the limits of revisionist development within the 'broad church' of the Labour Party; the revisionists were never able to cement their political hegemony and were destined to share an, at best, uneasy cohabitation with the Labour Left; the leadership of Wilson led to compromise and party unity first, whilst the commitment to intellectual integrity and primary political principles were diminished; and the Wilson era reduced the relative influence of the revisionists, leading to decisions such as the failure to devalue until it was too late.

However, Wilson's leadership was in many ways a symptom of the considerable divisions that continued to characterize internal Labour Party politics. Compromise was a natural result of the political stalemate that emerged after Gaitskell's battles over Clause IV and unilateralism. The Labour Party stubbornly resisted attempts at modernization and reform. But its conservatism and defensive pride in its traditions was representative of the wider nation.

The revisionist heyday also emerged at a time of increasing affluence, fueled by a worldwide post-war boom. The rising consumerism, after the privations of the war, and the sense of national pride at having defeated Nazi Germany, helped create a mood of political and intellectual complacency. The inherent national weaknesses and the effects of long-term decline had not yet caught up with a nation that felt it deserved prosperity and stability in a new

'Elizabethan age'. There was no great appetite for major political and social change within an essentially conservative nation. Political ideas do not tend to prosper in such an intellectually infertile climate and so Crosland's revisionist thesis inevitably stood out.

The intellectual competition was limited and the original revisionist thesis of 1956 bore the marks of the complacent national psyche. Its economic presumptions of growth and affluence were over-optimistic, its analysis of political obstacles was excessively insular and its radical social vision was not matched by a radical programme of political reforms. Crosland assumed that social equality would be enhanced through more of the same; more wealth would produce greater resources for increasing levels of public expenditure. The lack of political willpower necessary for a truly radical overhaul of national institutions and attitudes was not present. Post-war revisionism appeared radical for the times, but it fell far short of the radicalism necessary to address the true state of the nation. The weaknesses and omissions of Croslandite revisionism inevitably reflected the prevalent political culture and national mood of the post-war era. It was an unfortunate reality that those politicians and thinkers that had failed to radically challenge the national mood, rather than reflect it, would bear the brunt of the blame for national decline once the nation was eventually jolted out of its complacency.

It was the fate of the revisionist social democrats to be in power when Britain's long-running decline revealed itself during the 1960s, and reached a head during the troubled decade of the 1970s. A combination of misfortune, events beyond their control and unfavourable conditions appeared to conspire against successful implementation of the revisionist agenda. The Wilson administrations suffered from the economic inheritance passed onto them in 1964 and 1974, whilst nobody could have foreseen the breakdown of the global conditions that had sustained the long post-war boom. It is also true to say that the end of the Bretton Woods agreement and the impact of the Oil Crisis were huge external shocks that exacerbated national weakness. Crosland could not have foreseen these events or the subsequent rise of the neo-liberal Right. He was stronger in his intellectual defence against the New Left, as his revisionism had been developed in response to fundamentalist socialism. His generation had not expected the problems of low growth and rising unemployment to return or that an ideology

from the classical age of capitalism could ever be resurrected. Croslandite revisionism was, as a consequence, ill-prepared to face these new challenges.

All of these unforeseen developments destabilized the political environment in which revisionists were forced to operate. But revisionism by its nature was a flexible and pragmatic doctrine that implied the constant evolution of ideas in response to empirical evidence and political experience. The failure to adapt was as much a symptom of political weakness as it was of intellectual weakness. It was only to be expected that Crosland's original revisionist thesis would need updating. But adaptation of policy proved difficult to achieve due to the revisionists' over-reliance upon their parliamentary power-base. Having gained influence and authority within the Labour Party leadership, political and economic success was crucial to sustaining the revisionist ascendancy. But the realities of power did not match expectations, or the optimism of Crosland's thesis, and helped exacerbate a climate of political reaction inside and outside the Labour Party. The voters essentially rejected the governmental record of revisionist social democracy in 1970, whilst the hostility of Labour activists and trade unionists created a mood of reaction that was detrimental to future prospects.

The challenging new political environment after 1970 demanded cohesion and cooperation from the main advocates of revisionist politics, but the damaging divisions that emerged within Labour's social democratic Right enabled the Labour New Left to influence the future direction of policy. The failure of Jenkins, Healey and Crosland to work together was caused by personal rivalry and differences of opinion over Europe. It not only weakened the Labour Right as a political force, but prevented a more unified outlook in attempting to successfully adapt revisionism to the new and more uncondusive conditions of the 1970s. If there was no clear agreement over a successor to Gaitskell, there was also limited agreement over future political direction. Crosland remained doggedly determined to defend his original thesis, Jenkins became almost exclusively identified with the cause of EEC membership, whilst Healey became the main advocate of a hard-headed new realism devoid of any ideological commitment.

The failings of the older generation left a dwindling new generation of revisionist social democrats increasingly politically and intellectually insecure, facing a hostile Labour Party moving to the left and an electorate moving to the right, whilst struggling to come to terms with a failing economy. The new

revisionism that developed inevitably reflected a pragmatic and realistic response to the unfavourable political and economic conditions that now prevailed. By the time of his death, Crosland had few ideas on how to defend his ideas and strategy in a new era of low growth. It had become clear that Croslandite revisionism was an essentially pragmatic and moderate political creed, which contained no mechanism for furthering his egalitarian vision in the absence of growth. Under the conditions of a colder economic climate, the commitment to equality came up against a popular reaction against public expenditure and redistributive taxation. In the final analysis, it appeared that even a moderate and revised form of egalitarian socialism lacked the popular democratic support it required to sustain it during times of economic scarcity.

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