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Tom Brown
Nationalisation and the new boss class
1958

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A pamphlet by Tom Brown discussing nationalisation, its theoretical roots and whether it is a working-class gain.

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# Nationalisation and the new boss class

Tom Brown

1958

orders from above, bossing by officer relics of forgotten wars, repeated attempts to run these industries like a red-coated military tattoo and the general atmosphere of official form-filling irritation and pin-pricking.

No! Nationalisation is not Socialisation, but State Capitalism, the bastard beloved of the middle-class theorists who have captured the Labour movement, themselves neither fish, flesh, nor fowl.

Socialisation, the ideal born of the early Labour movement, can come only from the workers and not from those who have a class interest in the preservation of capitalism. It is not State ownership, but the common, social ownership of the means of production and social ownership implies control by the producers, not by new bosses. It implies Workers' Control of Industry—and that is Syndicalism.

The Labour Party would be happy to lose nationalisation, if only they could do so on a dark night. With their "new policy" they also, of course, accept the continuance of social and economic inequality, the existence of a non-owning and a property-owning class, though some of the latter may own shares in State capitalist companies. They also accept that one class shall, at work, have no say in the management of industry, while the other class, including the Labour leaders themselves, shall have all power.

## Gain or loss?

State ownership has given no benefit to the workers, neither to those employed by the State, nor to those still working for the private form of capitalism. True, the miners' greatly-improved wages are cited as fruits of the new control, but the increase is due solely to the bigger demand for British coal and the general condition of the labour market. In any case, a sizeable increase in the miners' wage was bound to come, whatever the form of ownership.

As to the other State-owned industries, the reduction of working hours and wage increases have lagged behind those of private capitalism. Workers "outside" have set the pace in each wage round, with the State having to follow—outstanding examples of this being the Royal Dockyards and the Electricity Board's power stations, where the workers follow the gains made by the engineering unions in private capitalism.

The State industries find it most difficult to compete against the capitalist when recruiting labour. That is, surely, a formidable reply to those Socialists who claim that nationalisation improves the workers' wages and conditions.

As to conditions of work, in the State industries these are generally regarded as being much worse than those "outside". (It should be noted that workers in State concerns speak of "outside" in much the same way as prisoners do). The worst features are red tape,



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Capitalists, of course, often approve of nationalisation and public corporations when these suit their commercial or investment interests. The Port of London Authority, quoted by many Labour Party men as an example of Socialism, was formed by a capitalist government under the guidance of Lloyd George. The London Passenger Transport Board, an example of Socialism according to Herbert Morrison and others, was introduced by the Labour Government of 1929–31, but carried out by the following Tory governments.

Nor does the Labour Party believe in universal nationalisation. Already the responsible members of the party are scared of their previous programme and are even publicly crying "Halt!" to nationalisation. Sir Hartley Shawcross, seconded by Richard Stokes, was the first candid spokesman of the recantation.

Even those Labour M.P.s who have attacked Shawcross for his "Halt to State Ownership" cry, do it with so many ifs and buts that they cause one to doubt the difference between the policies of "Right" and "Left".

The official policy of the Labour Party is now to be, in its chief economic plan, not nationalisation, but a vague programme of State ownership of shares in private companies, and its new pensions scheme is also to be based on capital investment. Even this is meeting with opposition from the Co-operative section of the Labour Party—a section powerful enough to have prevented the nationalisation of sugar and insurance during the last Labour Parliament—opposition based on its own interest in investment in these businesses.

It is already accepted among the Labour leaders that future Labour Governments shall be based on a society which has some industries under State capitalism, but most under private capitalism—with State shareholding in some of the latter. This policy is copied from the Tory act of State investment in the Anglo-Iranian Oil Company.

returning to Russia after a few years' absence, he saw one man doing work previously done by three on the railways.

At the same time the standard of living of the peasants and workers was reduced. There has, for instance, been an almost constant shortage of food—often amounting to famine—in Russia since the Bolsheviks gained power. Whenever they wished to discredit any of their fallen leaders, such as Malenkov recently, the man in question was accused of being responsible for the food shortage.

But shortage was only for the masses… for the privileged class there has always been plenty. The Webbs, in their book *Soviet Communism, a New Civilisation*, said there was greater economic and social inequality in Russia than existed in Britain or the U.S.A.

## Statism

Neither the Statism of the Labour Party nor that of the Communists is social ownership, they are State Capitalism. Under nationalisation, private capital is invested in a state-controlled industry and a fixed dividend paid, as in certain forms of private capitalist investment, the original owner is compensated, usually by being given blocks of state bonds, and the worker is exploited to continue the payment of rent, interest and profit. The worker in the state industry remains a wage slave, his wage regulated by the condition of the labour market, he has no more share in the management than have his brothers in I.C.I. or General Motors. He is still subject to "the Boss", though usually to a brass-plated general instead of a traditional capitalist.

Nationalisation is not the invention of the Labour Party. The Tory Part, too, accepts State ownership. The post office, the telegraphs, cables and telephones were nationalised by Tories. There was no fundamental opposition to the nationalisation of the railways from the Tories, the issue being largely one of bargaining—the amount of dividend to be paid to the shareholders.



## Victory over Toryism

The air raid sirens had hardly sounded the last all-clear when Britain was thrust into the hurly-burly of a General Election. Before the world's first atom bombs had fallen on Japanese cities, a Labour Government with an overwhelming majority ruled the House of Commons, and when victory over Japan followed victory over Germany, a Labour Prime Minister, head of a victorious Labour Government, rose to tell a House of Commons packed to the roof with his jubilant comrades.

The road was now open, the way to the New Jerusalem was clear.

The older members of the Labour Party, who had canvassed on doorsteps after hard days in the factories, who had spoken from boxes on street corners to hostile or indifferent audiences, or to no audience at all, who had given precious coppers from their weekly doles to make this possible, were now about to see the fruit of their work. The hard work, the victimisations, the disappointments, were all as nothing in the bright promise of the new day.

But to millions of young Labour voters, casting a vote for the first time, such memories meant nothing. Their ideas were few and vague. They wanted a change and would "give Labour a chance". They expected a better life than their fathers had had, but as to what they wanted the Labour Party to do, they were not sure. They had been too busy at war to formulate any ideas about peace.

## In search of a programme

But were their elders, the pioneers, any clearer about Labour's programme? Peace has its victories, no less embarrassing than those of war. The Labour Government had a vast majority in Parliament and the support of the workers, expressed through big and wealthy trade unions.

The Tory enemy was cast down in defeat. Now to deliver the goods.

The Labour Government's economic programme was based on two principles—a give-away programme and state control of economic functions.

The first was expressed in family allowances, free health service, house, food and other subsidies.

The second principle led to state control of imports and exports, work licences, control of investment, direction of labour, price control and the nationalisation of some industries.

Most of this was uncertain ground to Labour M.P.s who were weekly swinging from the sombre deflation of Stafford Cripps to the cheerful inflation of the opposite wing. In the centre sat Attlee, not so much a leader as an umpire.

But on one plank the Labour Party stood with sure and confident feet—Nationalisation! Some of the other stuff was new, some was born of war and some had been opposed by the Labour Party 20 years earlier, but Nationalisation—the party had been built on it.

## The necessity of definitions

A word or a slogan may sound fine in a peroration, it may look well in a manifesto or on a banner, and you won't spoil the effect by not defining it, but when it has to be expressed in an Act of Parliament, you must know what you want. One is then in the position of a man who looks at a machine and says, "Will it work?"

Not all Labour speakers and writers were agreed on what was meant by Nationalisation. Some, like old Bob Smillie, drew loud applause by saying that they preferred the term "socialisation". But this section was always vague and uncertain. The other opinion was definite. The Post Office was nationalisation, nearly every government in the world had nationalised the railways… state pawnshops, water boards, even standing armies and floating navies were



power. So the Lenin government took over the movement and turned it into state capitalism. The Communists never forgot the fright the people of Russia gave them and, since then, have used state capitalism to back up their political dictatorship.

But that even nationalisation is not fundamental to even present-day 'Communism' is proved by the frequent turns of the Communists towards private ownership of land and industry—the best example being their attacks on the Spanish Syndicalist movement, CNT-FAI, for its collectivisation in Spain during 1936–39. During that period, and before, the world Communist movement favoured private capitalism against social ownership. In Spain, they even used Russian tanks and artillery to destroy the collectives.

Only one principle has remained constant among the many twists and turns of Communist policy: how to get power and how to keep it.

The keen appreciation of Russian economic serfdom expressed by so many members of the Labour Party does not spring from ignorance, for in the Bolshevik dictatorship hey see the fulfilment of their own desires. The Russian workers and peasants sought common ownership and democratic control of the means of production in their revolution. The principle they were establishing was essentially democratic; based on common ownership and workers' control, it was infinitely more democratic than anything known in Western Europe, being economic as well as social or political.

But what the Bolshevik counter-revolution established was a mixture of the State capitalism known to the West with Czarist serfdom. The trade unions and peasant unions were dissolved, right of assembly denied, strikes suppressed and the worst 19th Century capitalist practices introduced.

That lack of control meant lack of ownership was soon evident, for Russian industry was quite clearly being run for the benefit of a privileged class. The workers were forced to toil harder than they had ever previously done under the Czar—and as long ago as 1929 I heard Pollitt, leader of the British Communist Party, say that on

> *The leitmotif running through the speeches and writings of Lenin in 1917 was the overshadowing importance of the political issue of the class which held the actual reins of power. For him this issue was paramount.*

To Lenin, of course, as to all Communists, the use of the term "class power" always meant power for the Communist Party. Says Dobb:

> *At any rate an immediate transition to a socialist economy was not on the agenda in the early months of the new Soviet regime. Immediate preoccupation was with the seizure of certain economic key positions to consolidate the political power... But no sweeping measures of confiscation or nationalisation were immediately proposed. Rather was it a controlled or directed Capitalism, steered by such measures of economic control as had come to be the common stock-in trade of belligerent governments, that was contemplated.*

Lenin himself wrote that the new Bolshevik State power attempted to "adapt itself to the conditions then prevailing as much as possible, as gradually as possible and breaking with as little of the past as possible." (*Lenin*, *Selected Works*, Vol.IX, p.284.)

The Bolshevik government nationalised the join stock banks on December 17, 1917, because, said Dobb, of the strike by employees of the State Bank and civil servants.

## To turn the tide

But the social movement did not stand still waiting for the Bolsheviks to hammer the last rivets in their dictatorship. The free socialisation movement went on sweeping Russia. There could be no political dictatorship if the peasants and workers held economic



given as examples of Socialism. To them the world teemed with examples of nationalisation and its success.

In the moment of decision, the definite opinion usually prevails against the uncertain, so the post office and public utility school prevailed against the nebulous. The speeches of propagandists were screwed into lawyers' phrases and passed the House to cheers, the singing of the "Red Flag" and even a jig or two. Coal, gas and power were nationalised. Road transport, railways and the Bank of England were state-owned. State production was to follow. Here was the heart of the matter.

## The great disappointment

The first results of nationalisation were disappointing but British workers were willing to be patient and "give Labour a chance"—a reasonable attitude for those who had voted Labour to power. But, as time went on, the first faults of the experiment appeared as permanent features. Still the Labour Government pressed on with plans for further nationalisation of industries, without considering any modification of the principle suggested by experience.

The third post-war General Election ended any further nationalisation, however, and it was the workers' disappointment with state ownership which then gave victory to the Tories. To some it seemed that a sigh of relief went up from the Labour Party ranks and it is certainly true that, since then, the party has shown no keenness for further state ownership. Plans for further blueprints and resolutions occasionally come from a section of the party, but they are not passed with any enthusiasm—rather are they repeated like an ancient creed.

On the other hand, definite opposition comes from the trade unions, who cry: "First let us find out what is happening in the nationalised industries."

It is that problem which we should now consider. Left-wing apologists of state ownership claim that the new enterprises were, from the state, handicapped by having to pay fixed rates of interest on the capital assets of the previous owners. Certainly this is a handicap to the running of any industry and we have no sympathy with any shareholder, but other industries, privately owned, suffer the same burden. Further, these payments were long foreseen and successive Labour Party Conferences had rejected the principle of confiscation and renewed their belief in "nationalisation with compensation" by huge majorities.

To be quite fair, there was one serious economic difficulty with which the newly nationalised undertakings found themselves burdened… they came into being at the beginning of a long period of inflation. The public, workers and others, are apt to judge the nationalised commodity by a comparison with its pre-war price. Considering the changed value of money, the prices of some state commodities are not high—that is, compared with the prices of private enterprise. Electricity, post and telephones and railways show price increases much smaller than those of most other services and goods. On the other hand, coal shows a huge increase in price.

## The decline of King Coal

In Labour propaganda, coal was always the first subject for state ownership. Here, indeed, was a fruitful field for the great experiment. Not only Labour Party members, but many others, even Tories, were sympathetic to the idea. Certainly, Labour was confident it could make a success of state ownership in this, Britain's most important industry.

Now, alas, after a decade, nationalisation can deliver only limited supplies of coal at a greatly increased price, with the prospect of ever-increasing prices. Coal remains the last relic of wartime rationing. The rising cost endangers other industries, particularly



## Workers' Control in Russia

At Nikolaev in the south, shipyard workers took control of the enterprise, while in the Donbas coalfield the miners controlled the mines. From there, in October 1917, General Kaledin wired to the Minister of War in Petrograd: "At the moment the entire power has been seized by various self-appointed organisations which recognise no other authority than their own." The general, of course, referred to the factory and mine committees elected by the workers.

At the same time, the peasant movement, for taking possession of the land continued to sweep over Russia, reaching almost 100 per cent. The land workers' movement was still not controlled by the Bolsheviks, who even to this day have remained at war with the peasants. The Peasants' Congress, called in the autumn, and meeting in the Petrograd Duma during November, 1917, showed that the Bolsheviks, after all their usual intrigue and gerrymandering, could muster only one-fifth of the delegates, while the Social Revolutionary Party had the vast majority.

The Peasants' Congress elected to the chair Maria Spiridonova, beloved revolutionary heroine and stalwart opponent of the Bolsheviks. The "Land to the Peasants" movement swept on to completion with the success of the Anarchist peasant movement in the Ukraine, with which history forever couples the name of Nestor Makhno.

Throughout this great movement of social revolution, Lenin's thoughts were all of "How can we, the Bolsheviks, gain the power and how can we keep it?" Little else seems to have entered his mind for several years, except as consideration of minor factors as they affected the main idea. This is clearly shown in the printed writings and speeches of the great politician during those years.

Even Dobb witnesses to this:

*In the summer (1917) reports began to multiply of arrests of engineers by workers acting in the name of local Soviets, and the forcible expulsion of unpopular foremen.*

We should recall that, at this time, the Soviets, or workers' councils, were mostly out of Communist control and the term had not then been perverted to its present meaning. Dobb further says:

*On June 1, a national resolution of the Executive Committee of the Soviets advised all industrial workers "to create councils at the enterprises, the control embracing not only the course of work at the enterprise itself, but the entire financial side of the enterprise".*

But many workers were already going far beyond these directives and were turning the factories into collectives. Kronstadt, largely Syndicalist and Left Social Revolutionary, was prominent in this movement. Dobb reports:

*In the cable works the owner had actually been deposed by the local Soviet on the charge of trying to close down the plant and sell it to a foreign bank, and the concern was being administered by its factory committee.*

In the Ukraine, where Syndicalism and Anarchism were strong, the movement developed rapidly. Dobb said that in July, 1917, a conference of factory committees threatened to remove owners and managers and elect working committees to run the factories, but at Kharkov locomotive works the workers had already arrested the owners and taken complete control. In Petrograd, where the employers threatened to close the factories, the workers replied by taking control. In Moscow, the leather workers acted in the same way.



steel (nearly three tons of coal are used in making one ton of steel), railways, gas, electricity and shipbuilding.

Coal, which had remained Britain's chief export, has ceased to be a true export and now coal is literally being carried to Newcastle from Poland and the U.S.A.

The production figures of the coal pits are inflated by millions of tons of slate, rock and earth, while much valuable farmland is laid waste to produce open-cast coal of poor quality.

With the prospect of further reductions in coal production, industry—led by the Ministry—is turning from home-produced coal to imported oil for fuel. Trolley buses are replaced by diesels; railways are struggling with problems of oil fuel; industry, blocks of flats and offices are turning to oil for work and heat. Even power stations are changing over from coal to oil.

## Oil or coal?

More and more, Britain is having to turn her back on a home-produced commodity to favour a fuel which is social dynamite, whose very name conjures up the image of colonialism, intrigue and war. Britain, under either a Labour or a Tory government, intends to live on the exploitation of colonial workers.

With this increasing dependence on oil follows a more aggressive military policy to safeguard the oilfields and the oil routes. The bloodshed in Cyprus and Suez has been shed for oil. The air and military bases stringing the Middle East are there for oil, to ensure it against foreign invasion or insurrection.

A change of party in office will make no difference. Both the major parties are pledged to the further use of oil. Indeed, it was the Labour Government which initiated the present changeover in industry. In 1946, the Labour Government formed a corps of technicians and propagandists to tour industry to persuade owners to turn from coal.

Both parties intend oil to be the life blood of industry and commerce, and both parties, should the occasion occur, will fight for oil.

Wars do not happen because politicians omit to ask one another to dinner, or because Churchill forgot to slap Stalin on the back. Wars are fought for sound economic reasons and the greatest of all these is oil.

## Peace and piety

A new foreign policy demands a new economic policy.

However pious may sound the "peace and friendship" slogans of a party's foreign affairs department, they will but act as a battle screen if behind them is the old economic policy.

The older ruling class was frank… "Trade follows the flag," they said. The armed forces and the diplomatic corps were to protect the capital investments and acquired natural resources of the British capitalists and the trade routes and stations needed fully to exploit them. The home resources of the country could be neglected for the more profitable degree of exploitation possible in a colonial country. The drive for profit became a drive to war. The "lifeline of the country" were threatened and "export or die" became "export *and* die".

The extensive economic programme of the Labour Government was founded on the same basis as the old capitalist order and even sharpened the issue "export or die!" It was to be built on the Sterling Area, the British part of which was to subsidised by Arab oil, Malayan tin and rubber, West African cocoa, South African gold and other colonially exploited commodities. Large, unprofitable areas were to be abandoned, but smaller, ore intensely valuable areas retained. The trade routes, suspended on chains of islands and rocky "protectorates" girdling the globe, were to be as jealously guarded as in the days of Victoria.



upwards of the socially-downtrodden, and not the self-styled "intellectuals".

Even in Soviet Russia, the classic land of nationalisation, this was the case.

## Revolt in Russia

The Russian Revolution overthrew Tsarism in March, 1917. It was followed, in November, 1917, by the counter-revolution when the Bolsheviks seized power. The latter event, like most counter-revolutions, acted in the name of "the revolution", but the goal of the masses in revolt was the opposite of that established by the iron rule of Bolshevism. The Revolution sought to establish freedom of assembly, of speech, of person and of organisation. But these alone were not enough—such fine principles needed a sound economic basis.

This economic urge took form in the country by the peasant seizure of large estates and their division. The peasants, mostly under the leadership of the Social Revolutionary Party, made such a complete job of this land distribution that the Communist Party decided to support their slogans—after the event, for such seizure of land by the peasants was contrary to the Bolshevik programme, which had to be revised.

In industry the workers, influenced by Syndicalist ideas and organisations, organised on a factory basis and began to pass from part to complete control of the industrial unit and its collectivisation.

Maurice Dobb, a lecturer in economics at Cambridge University and a well-known Communist, confirmed this grass-roots movement towards socialisation in a book which was published, with Communist blessing, in the mid-1920s. In this book, *Russian Economic Development Since the Revolution*, Dobb writes:

But the developing labour movement was not satisfied with collecting pennies and giving to the needy, while tolerating capitalism—the cause of the misery. It was thinking its way towards a society in which such first aid would be unnecessary. The cause of this vast social misery, it was seen, was the concentration of property in the hands of a minority. At the same time, it was clear that society could not go back to peasant and artisan production, with a widespread distribution of private property.

It was understood that a redistribution of private ownership of the means of production would result in the loss of new industrial techniques and be followed by reduced production. It was seen that there could be little hope of a shorter working week or higher income by breaking up the factories, as peasants in revolt had broken up the big estates. Some form of collectivisation or social possession was needed. To retain large-scale production of industrial goods and services, but abolish their private ownership.

Some of the early aspirants of working-class liberation left it at that, but others attempted to give form an body to the idea—some by the idea of co-operatives, others by conceiving voluntary communes. The Syndicalists, however, wished to be more definite and developed the idea of Workers' Control of Industry.

When the middle-class and those they had been able to seduce by a dream of power had gained control of the labour movement, the idea of social ownership and democratic control was quickly buried. In its stead was put state control and state ownership, "as in the Post Office".

Gradually, even in propaganda, socialisation was dropped and industrial democracy was supplanted by "the man from Whitehall knows best". Worse still, the self-appointed schoolmasters of the labour movement let it be thought that the only alternative to private capitalism, was their state capitalism and that they were the authors of all collectivism.

Today, millions of workers do not know that the parent of collectivism was the prime movement of the workers, the struggling



In office, Labour's foreign policy was: "Keep the trade routes, export more, exploit the colonies and restore the traditional balance of power." This required peace-time conscription, increased armaments (with a trimming of the social services) and alliances with powerful nations having a similar economic basis.

Out of office, it was possible for Labour to resume its old platform slogans of peace, friendship, no conscription and reduction of armaments.

A return to office would, of course, put back on the shelf the lovely old sentiments of public meetings and banner headlines like last year's Christmas cards.

## The east wind of economics

British capitalism's struggle for existence in the world's markets soon expressed itself at home in a contraction of the home market in an attempt to export more and cheaper goods. The workers in nationalised industries are not exempt from the effects of such a contradiction. No industry is an island, independent of its fellows.

On the contrary, the workers in state industries are almost the first (after certain luxury trades, such as motor cars) to feel the effects of a planned "recession" of economy.

It is now the intention of the British ruling class to cut back the post-war gains of the workers—a plan shared by the employers' organisations and the government. In this plan the state industries have early attention. Cheaper coal, electricity and transport are to be the basis of cheaper export commodities.

The new rulers, the controllers of the state enterprises at once responded by pledging no further increases ("for at least a year") in the price of their products. The railways, the Coal Board, the gas and electricity boards gave this assurance almost in union.

Plainly, this meant no further wage increases for workers in those industries. Indeed, to be successful such a plan must ensure

getting more work from the employees and real cutting down in the numbers of employed.

The rulers of the state industries joined in the general plan with enthusiasm—were, indeed, the leaders in accepting it. Later they were joined by the employers' organisations, such as the F.B.I. But, while the support of the F.B.I. and such bodies has consisted of very general statements, the state industries have given a very definite lead in "recession".

Whatever the social origin of the state executive—professors, trade-union officials or generals—they have given a public display of unanimity in the new economic policy.

So, far from being contender against capitalism, the nationalised industries are proving to be its keystone.

## 'They'

That the nationalised industries should be used as the spearhead of an attempted offensive against wages would have seemed an odd idea to millions about ten or twelve years ago. Now, certainly to the workers in those concerns, the idea seems not at all remote. The state workers soon learned to regard the rulers of these industries as a new set of masters. Anyone who has travelled in South Wales or Durham since the war and has talked with miners there, must soon have noticed how conversation is continually directed against "They", as it ever was.

Before state ownership, "They" were the coal owners and, more particularly, the owners' agents and colliery managers. Now, "They" are the National Coal Board, the mine agents and the mine managers, but the antagonistic attitude is the same—as though against a set of alien conquerors, like Anglo-Saxon peasants against Norman overlords.

Nor is the relationship of directors and managers with workers any better in the electrical power industry, gas, railways or airways.



secret police and the complete suppression of liberty as "a new civilisation."

## Paternalism

The middle-class Socialist idea of the Welfare State is based on a belief that the worker cannot be trusted to spend his own wages in a reasonable manner. Therefore, they say, an ever-increasing slice of that wage must be confiscated by income tax (P.A.Y.E. was welcomed and made permanent by the Labour Party) and by heavy indirect taxation, the sum resulting being used for the workers' benefit, after the expenses of government have been deducted.

"No need to save for a rainy day—we'll take the money and pay you sickness benefit or public assistance. No need to save for old age—we'll save your money for you and pay you a pension. Father knows best."

But the welfare state also provides jobs for an ever-increasing army of "intellectuals and professionals".

The politically-aspiring middle class were without ideals or a programme at the end of the 19th century. At the same time, the workers were developing their ideas, in an attempt to give coherence to the struggle against the misery remaining from the industrial revolution. What more natural, then, than the permeation of the labour movement by these spiritually-barren shopkeepers?

## Fraternity

The workers' social movement was not entirely starry-eyed however. It was also very practical. Trade unions, mutual aid societies and factory clubs provided for sickness benefits, deaths, food supply for strikers, widows, orphans, loss of tools, protection against landlords. They even built hospitals. The early co-operative societies also expressed this urge towards fraternity.

In the first stages of such a social movement, it often seems that a party is seeking to create a new ruling class, but, having achieved a certain measure of success, such a body usually joins forces with the old ruling class, thus gaining the experience of the old, as well as the more metallic prizes, and safeguarding itself against the subject class, who are likely to become rebellious.

The Labour Party, with its auxiliaries and the Communist Party—in short, the movement for state socialism—displays all the attributes of this counter-revolutionary social trend. The Labour Party began as a limited political expression of very orthodox trade unionism, but the middle-class careerists, with a thirst for power, were quick to see in its early small success a road to the top for themselves. The Macdonalds, the Snowdens and the Fabians were soon not only getting control of the party, but also developing their own ideal—the conquest and control of the worker.

## Red Fabians

The main theme of this power-hungry band has always been, "The workers do not understand what is good for them—they must be controlled and guided by us, for we alone understand their good". The rise of dictatorship fascinated the middle class politicials. The British Fascist movement of Mosley began in the Midlands Labour Party, Mosley himself being a Labour Government minister, and Bolshevism has always fascinated them. Time and again they have opened their arms to the Communists—at least, to those who held power—only to be slapped in the eye by their arrogant Bolshevik comrades.

The respectable Fabians, persons like Shaw and the Webbs, loved the Russian dictatorship, seeing in it a sort of Fabianism, without the drawing-room tea parties. Sidney Webb even saw the concentration camps, the torture and execution of political opponents, the



"They" are always the bosses, who must be watched, who must not know, who are opponents and must be fought—not merely to improve conditions a little, but even to retain what has already been won.

The one outstanding feature of the nationalised industries, from the day of their taking over, has been the complete lack of confidence between the boards and the workers and between managers and men.

It is important to realise that this is not something which has developed during the later years of state control, nor is one or another government responsible for it as an innovation. It was there from the day of birth.

## The new bosses

In the first years of the experiment, socialist workers in the State industries apologised for this relationship of enemies by saying it was teething trouble which would soon pass away. Alas!—even they were soon to admit that something was "wrong with the set-up" and that "we have started off wrong." And that is where we must look—where we started off.

The composition of the Boards, the prescribed social relationship of management and workers, the economic philosophy whose fruit we now see... all were there in the beginning, conceived by the Labour Government and cheered by the huge Labour majority in the House of Commons. It was no accident—right or wrong, the intention was there, the practical application of a social and economic school of thought.

The boards of the nationalised industries were all chosen by the one formula—a principle that ensured the continuance in power of the old ruling class and its continued prosperity, even under what might seem to be new conditions.

The new governors were wealthy business men, the kind the Labour Party in *Tribune* and *Forward* denounces as "hard-faced capitalists", and Army generals of the type denounced by the *Daily Herald* as "Colonel Blimps". To these was added a good sprinkling of trade-union leaders.

This applied not only to the boards of directors; the heads of departments were chosen on the same principle. In the case of railways, particularly, a passing downstairs of a directive or enquiry from a general to another army officer, of lesser rank, looks little like a transport undertaking, but very much like a red-coated army on manoeuvres.

## Old bosses—new powers

Below Board level, below the "heads of departments", the old managers remained, reinforced at various higher levels by the inevitable "Colonel Blimps" and numerous civilian heirs of the Old Pals' Act. No attempt was ever made—or intended—to draw a flood of managers from the "ranks of the people", as had so often been boasted from Labour platforms. Nor was any attempt made to introduce "a measure of industrial democracy" as the beginning of a new social order in industry—another pompous boast of Labour speakers and writers.

Instead, while we see the old faces in power at the lower levels, backed by toadying foremen and workshop spies, the powers of the managers over labour have been greatly increased and reinforced by fear of the state's blown-up majesty.

Some poor folk may see in this a contradiction of Labour's policy. Not at all! All this is exactly in line with Labour's true policy. Every party, almost every sect and organisation, has two policies—one open and public, the other secret. The overt doctrine is usually vague and general, too frothy to be applied to life's problems. The secret doctrine is exact, worldly and very practical.



The non-public doctrine is not always written, or discussed in formal congresses, but has its greatest strength in the quiet places of the minds, and in the urgent desires of the controllers of organisations holding the double-doctrine principle. Thus, a religious body may preach voluntary poverty, humility, brotherhood and spiritual values, and condemn the use of force, yet its technicians may be devoted to the acquisition of wealth and social influence, be consumed by worldly pride and rely on a police force, and even an army, to maintain their wealth and power.

And it is always the secret, or non-propaganda, doctrine which is the more powerful, for it is the one men live by. How men act, what they do, is what they really believe.

Behind the platform and radio front of the Labour leaders is a wholly cynical attitude to life. While the most Left of its spokesmen condemn landlordism with the fervour of mediaeval peasants, they buy farms and landed property by outbidding the real farmer. With straight faces, they condemn business and the profit motive, while most of them are capitalists and in profit-grasping businesses, either on their own or as executives of big companies.

Their values are capitalist. As Sir Hartley Shawcross, Labour's leading lawyer, has recently said, no Labour Party member who *could* do so, would decline to send his sons to snob public schools such as Eton and Harrow, where a thorough training in capitalist values is assured.

As the leaders become more successful, their respect for the workers, the infantry of the Labour movement, becomes less, so that they no longer take great care to conceal their capitalist living from the members.

In truth, the object of the Labour Party has never been a classless, Socialist society. Its aim has always been to modify the ruling class. Now we see it controlled by capitalists (some of them big ones), peers of the realm, lawyers and other middle-class persons, together with aspiring politicians and trade-union leaders.