

## The Scargill Labour Party

This month sees the launch of a new political party, the Socialist Labour Party, the first leftwing breakaway from Labour at national level since the old ILP disaffiliated itself in 1932. Behind it is Arthur Scargill, President of the rump NUM and possibly the best known trade union leader in Britain today..

What finally led him to tear up his Labour Party membership card was Labour's decision to amend its constitution by replacing Clause 4 with a new aim which committed it to support the "enterprise of the market", "the rigour of competition" and a "thriving private sector". We can well understand his repugnance at having to walk around with a card in his pocket with such views printed on it. In a discussion paper he put out in November, after last year's Labour Conference had confirmed this change, he argued that this meant Labour had become just another pro-capitalist party that was "now constitutionally indistinguishable from the Tories and Liberal Democrats" ("Future Strategy for the Left", p. 7).

Although in a later statement of his reasons for quitting Labour he appeared to go further and accept the view put forward by people like ourselves that Labour Party never was socialist, it is clear that he thinks that Clause 4 did commit Labour to socialism at least on paper:

"New Labour's constitution has not only abandoned socialism but embraced capitalism and the free market. In other words, Labour ceased any pretence of being a socialist party. Many on the left argue that it was never socialist, that it was at best social-democratic and that people like me were deluding ourselves in thinking we could campaign for socialism effectively within it. I now accept that argument and believe that New Labour can no longer be a 'home' to socialists. The changes go beyond the constitution. On all fundamental issues that affect our lives and our society, New Labour has adopted policies that cannot be supported by those who call themselves socialists" (*Guardian*, 15 January).

Clause 4, however, was never a definition of socialism. What it was – and was meant to be by the Labour leaders of the time who drew it up – was a commitment to nationalisation, or state capitalism, to be achieved "*for the workers*" by the actions of the Parliamentary Labour Party. It was a rejection not of capitalism as such, but only of one institutional form of capitalism (private enterprise) in favour of another (state enterprise). Production was to continue to be for the market and workers were to continue to work for wages, only this was to take place under the direction of the state.

Common ownership is indeed the key defining feature of socialism but common ownership by all the people under their democratic control, with production not for the market but directly to satisfy people's needs. State ownership is something quite different. The state does not represent the people. As an instrument of political control standing above the rest of society it represents the ruling class. Under capitalism it is "a committee for managing the common affairs of the whole bourgeois class" (Marx), "the ideal collective capitalist" (Engels).

When the state takes over an industry it does so, not on behalf of the people, but on behalf of the capitalist class as a class and runs it for their collective benefit. The whole history of the nationalised industries in Britain is confirmation of this (as Scargill should know from his experience of the former Coal Board). Nationalisation is neither socialism nor a step towards it. It is state capitalism.

Scargill and the SLP have not learned this lesson, but in readopting Clause 4 repeat the mistake of confusing state capitalism with socialism. In fact, the revised version which has been incorporated into the SLP's constitution is more explicitly state-capitalist than the original version. That the wages system, which is the basis of capitalism, is not to be abolished is specifically spelt out this time, with references to "employment" and "employees". Specifically spelt out too is the fact that financial institutions such as pension funds will continue to exist, so making it clear that a money economy and the market are to continue too.

### **Chasing the impossible**

The SLP is also committed to the discredited view which Labour once held that the effects of capitalism can be overcome by state intervention, if sufficiently resolute and far-reaching. Hence Scargill's claim that a "British government" could abolish unemployment "even within a capitalist society". This is a fantastic statement from someone who has on occasions given some evidence of some knowledge of Marxian economics (after all, it was Marx who showed how an "industrial reserve army" made up of fluctuating numbers of unemployed workers was necessary, and so inevitable, under capitalism). It is, however, an accurate statement of what all those who campaign for "the right to work", "full employment", "a 4-day working week with no loss of pay" and the like implicitly believe, even if in the case of the SWP and other trotskysts they are not so honest as Scargill as to say so openly.

It's all wishful thinking. Let's suppose for a moment that a "British government" decreed a 4-day working week without loss of pay; in other words, that employers should pay people who now work five (or even six) days a week the same as for working four.

This would represent a massive increase in their labour costs. The money to pay for this would have to come out of their profits. No doubt some firms would be able to find the money on a short-term basis, but many would not and would have to declare themselves bankrupt, so increasing the number of unemployed again. And in the longer term the massively reduced profits of those firms that did survive the immediate impact would undermine their competitiveness and so their survival too.

With the rate of profit so low capitalists wouldn't invest in them. Nor would enough profits be made to invest in up-to-date machinery and productive methods, so that British-made goods would lose out both on export markets and in the home market. The result would sooner or later be – sooner rather than later, in fact – a massive economic slump. Scargill's recipe for reducing unemployment would have failed and have led to the opposite: a massive increase in unemployment.

Unemployment is not the only problem that Scargill and the SLP believe can be solved “even within a capitalist society”. Although the SLP is not to be officially launched till May it put up a candidate in the by-election in February in the South Yorkshire constituency of Hemsworth. In getting 5.4 percent of the vote and saving its deposit and finishing ahead of the Green Party they didn’t do too badly for a new party. However, the programme on which they contested the election was pathetic, consisting of a list of attractive but quite unrealistic demands to be implemented within a capitalist society.

Higher pensions, a free health service, a massive house-building programme, more spending on education and social services, these would be very costly. Although unlike a 4-day week without loss of pay this burden would not fall so obviously and so directly on profits, it would do so indirectly via taxes. To pay for them Scargill’s “British government” would have to raise taxes, which would ultimately fall on property and profits. So the result would be the same as with his recipe to abolish unemployment: a fall in profits retained by businesses resulting in bankruptcies for some and a wounding loss of competitiveness of others – and ending in a slump.

The fact is that you can’t buck the capitalist system. If you choose to work within it – as the Labour Party has always done and as Scargill wants his new SLP will be doing – then you have to accept that profits have to be made and that profit-making has to be given priority over meeting people’s needs. Unemployment, poverty in old age, bad housing, inadequate health care, etc, etc, etc cannot be solved within the capitalist system, not even by the most ruthless of leftwing governments. Only the establishment of a socialist society of common ownership and democratic control with production solely for use can provide the framework for solving these problems.

### **No alternative under capitalism**

At the moment capitalism cannot even sustain the reforms it was able to afford at an earlier period. Since the post-war boom came to an end in the early 1970s, there have been no reforms – no improvements in housing, pensions, health care, social services or state benefits. Quite the reverse. Pre-existing reforms have been whittled away and things have got worse in all these fields. Nor is there any prospect of them getting any better; all the signs are that they will continue to get worse.

The reason for this is the world economic crisis that capitalism entered into after the long post-war boom came to an end and which it has still not escaped from. This has meant increased competition on world markets, which has forced all governments whatever their political complexion – the Labour governments in Australia and New Zealand were just as “Thatcherite” as the mad woman herself in Britain – to give priority to trying to ensure the competitiveness of businesses operating from within their frontiers. To do this they have had to reduce the amount of money they tax away from profits to finance their spending including on reforms.

When Thatcher kept shouting “TINA” – “There Is No Alternative” – to cutting back on spending on reforms, she was right (though to be accurate she should have said “TINAUC” – “There Is No Alternative Under Capitalism”). There was, and there still is, no alternative to doing this within the present context of capitalism.

The Labour Party, under Blair and Smith before him, now fully accepts this and has reshaped its policies accordingly. Leftwing Labourites refuse to face this reality but still imagine that capitalism can offer social reforms. The only difference between them and Scargill is that they believe in staying in the Labour Party as an irrelevant minority while he believes in setting up a new party to campaign for the sort of reforms the Labour Party used to specialise in.

We in the Socialist Party draw a different conclusion. The fact that capitalism at the present time is unable to offer any reforms, and is unlikely to be able to in the foreseeable future just as it hasn't been for the last twenty or so years, reinforces our view that what Socialists should be campaigning for is socialism and nothing but. Quite apart from the fact that support on the basis of reforms to capitalism is not a solid basis on which to build up a socialist party, what's the point of campaigning for reforms if there's no chance of getting them?

The widespread rejection of the Labour Party by radically-minded people does provide the basis for the growth of a genuine socialist party on sound principles, but Scargill's SLP does not fill the bill. It has nothing to offer except the failed old policy of state intervention and state control to try to make things better for people. Despite the repeated demonstrations this century that this reformist policy does not work, the new SLP wants to have another go, flying in the face of the inescapable conclusion that capitalism just cannot be made to work in the interests of the majority.

Certainly, the SLP says it wants to replace capitalism with a socialist society but this turns out to be, not real socialism, but the state capitalism that nationalisation represents. This is the past. We've seen it and it doesn't work.

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