

## **The great fiasco. Contemtable "Labour" government**

We have witnessed the inglorious exit of the second "Labour" Government after more than two uneasy years of office—two years of deserted principles, political bargaining, and cowardice. During that time the cherished theories of the Labour Party have been tried, and every one found wanting, and abandoned.

The Labour Party was to be a "high-wage" party. More than four million workers have had their wages reduced since Mr. MacDonald became Prime Minister in June, 1929. The Government confessed its inability to prevent the reductions, and indeed played an active part in some of them—notably those affecting its own employees.

It was confident that unemployment could be reduced by means of its schemes of development. Yet we have seen unemployment mount to a record figure, 2,700,000; the percentage of insured workers on the unemployed register equalling the highest previous figure (23%), attained under Mr. Lloyd George's Government in 1921.

Foremost in the Labour Party's programme was the belief that workers could be protected against the worst evils of the capitalist system by means of social reforms, and further that their standard of living could be supplemented and fundamentally raised by these additions to wages. In practice social reforms which reduce the necessary expenditure requiring to be met out of wages, have the effect of permitting corresponding reductions in the workers' wages without detracting from their efficiency as profit producers for their employers. The Report of Lord MacMillan, who was appointed by the Labour Government to inquire into the wages of wool textile workers, accepted this as a matter-of-course, and recommended lower wages on this very ground, that the social services had relieved the workers of expenditure on unemployment, on medical attention, and on maintenance during old age.

The Labour Party for the whole of its existence had preached Nationalisation. Then, when they came into office on this occasion, their spokesmen calmly abandoned that doctrine and put in its place the advocacy of public utility corporations of the kind introduced by Liberals and Conservatives in the Port of London Authority, and the Central Electricity Board. Mr. Herbert Morrison frankly accepted these as the model for his proposed London Passenger Transport Board. Neither Nationalisation nor public utility corporations would solve any working class problem, but the Labour Party, until it took office, processed to believe in the former as a panacea, and rejected the latter.

One of the principal arguments put forward for nationalisation was that state employees would be better paid than the workers in private industry, and thus the standard of living as a whole would be lifted by the nationalisation of one industry after another. Yet the seven Labour Party supporters on the Civil Service Commission, three of them Labour M.P.'s, signed the report rejecting this doctrine in its entirety. They declare that Government employees must not be paid more than is being paid for comparable work by private employers. They recommend lower pay for certain Government clerks for no other reason than that private employers are getting similar types of workers for a lower wage.

The sum total of all the Labour Party schemes of reform was to be a process of conversion by the example of practical works. The Labour Government would give the workers one after another of its sheaf of beneficent reforms, rousing more and more of them to a pitch of enthusiasm, until a majority would be led to vote for Labour Government.

The events have been far different.

The enthusiasm of even the staunchest Labour voters has been undermined by instance after instance of successful attacks on their wages and working conditions, carried through without a word of protest from the Labour Ministry. How, indeed, could they protest while they were reducing the low pay of their own Post Office and other workers, and while the co-operative societies were doing the same?

The general defence of the Labour Cabinet was that they were the victims of an "economic blizzard." But it was precisely because they professed to be able to protect the workers against such blizzards that they went into office. No words can disguise their failure. "Economic blizzards" are a normal and recurrent feature of capitalism. It is an illusion to suppose that capitalism can exist without these crises of over-production.

Their promise to give the workers "something now" in the shape of reforms was not only unfulfilled, but they ended up by proposing to make a direct attack upon the existing social reforms.

The *Daily Herald* in its issue for Monday, 24th August, admitted that a majority of about 12 members of the Cabinet, out of a total of 21, were in favour of reducing unemployment pay order to meet the wishes of the Conservatives and Liberals and the banking interests. This was the cause of the final crisis. The *Herald* in its Editorial, admits that the existing scale of unemployed pay is "barely sufficient to keep them in a state that will enable them to step back into industry when the time comes."

We are told that heavy taxation and the size of the Budget have brought the country to a critical position, and that economy is the only way out. Yet we observe that taxation was heavier in 1920 and 1921, and the Budget nearly twice as large. Is it that the crisis has been exploited with the object of forcing reductions on unwilling workers?

Alongside its other principles the Labour Government also shed the last vestige of its boasted independence. It took office on Liberal votes, just as it did in 1924. It carried on constant discussions and negotiations with the Liberal leaders in order to keep their support. At the end the negotiations were extended to include the Conservatives also.

Now we observe that Mr. MacDonald is to be premier in a new Cabinet containing Mr. Baldwin, Mr. Snowden, Sir Herbert Samuel, and other Liberal, Labour and Tory Ministers. It is expected that Mr. Snowden will be Chancellor of the Exchequer. The reason for the inclusion of Labour Party Ministers was foreseen and disclosed by the *Western Morning News* (4th August, 1931):

*"Labour interests which are bitterly hostile to economy in any form, may be brought by a Labour Government to recognise the facts and the unpleasant consequences which will result from ignoring them. They will take from Mr. MacDonald and Mr. Snowden what they would not accept from a Conservative Premier and Chancellor of the Exchequer, and for that reason, if no other, it is desirable to keep Labour in power."*

The Labour Government failed to do this, but the Labour Ministers in the National Government will serve the same purpose. So the Labour Party's supporters are now confronted with the humiliating spectacle of their leaders being once more—as during the war—part of a great capitalist coalition to solve the problems of the capitalist industrialists and bankers.

The *Daily Express* and *Manchester Guardian*" reported (24<sup>th</sup> August) that the Labour Government's last miserable effort to cling to office was the submission of its economy proposals to the banks for their approval! The Labour Party stands now divided and discredited. Its cabinet has fought no battle for Socialism. It has lived dishonestly and dies meanly and unlamented.

### **Where we stand**

It is an opportune moment to restate the position of the Socialist Party. We contend that there is no solution for the workers' problems except Socialism.

It is not possible for the Labour Party or any other party to administer capitalism in such a way that the workers' problems can be solved within the framework of the existing system. The failure of the Labour Government is not an accident. It is not due to mistakes in tactics, or to the failure of the personal element.

When they entered office Mr. J. H. Thomas declared on their behalf that they were going to do what they could to reduce unemployment while "accepting the present order of society" (see *Daily Herald*, 6th July, 1929). That was an attempt which was bound to fail, and what is true of unemployment is equally true of the poverty problem in general.

We dealt in our issue of June, 1929, with the certain failure of the Labour Government. Our words will bear repeating. Our confident prophecy is being fulfilled.

*"We deal elsewhere in this issue with the failure of Labour Government in Queensland. We prophesied that failure and with absolute confidence we prophesy the similar failure of Labour Government here. No matter how able, how sincere, and how sympathetic the Labour men and women may be who undertake to administer capitalism, capitalism will bring their undertaking to disaster. As in Queensland, those who administer capitalism will find themselves sooner or later brought into conflict with the working class. Like their Australian colleagues, the Labour Party here will find themselves in a cleft stick. Having no mandate to replace capitalism by Socialism, they have pledged themselves to solve problems which cannot be solved except by doing the one thing for which they have no mandate."*

The reference to the Queensland State Government, although made in 1929, is relevant now because the Australian Federal Government—a "Labour" Government with a parliamentary majority, is at this moment carrying through a policy of reducing wages and of cutting social reforms exactly like the economy scheme of our own "National" Government.

Knowing that Socialism is the only solution and that it can be brought about only when the electors become Socialists, we have consistently opposed the Labour Party and its affiliated party, the I.L.P., which practise the dishonest political manoeuvre of seeking election on a programme of reforms of capitalism. It is dishonest because those who do it know that the reforms will not solve the problem. Their dishonest has on this occasion soon been exposed. The logic of events has called their bluff. They fought the last election on the promise of an improved standard of life for the workers. The end of their inglorious tenure of office finds them hand-in-hand with their erstwhile opponents chanting the slogan of "sacrifices for all."

Again we urge the workers to abandon these illusions and make their choice against capitalism, including its Labour Party supporters, and for Socialism. The Socialist Party of Great Britain is the only party in this country that has never betrayed the workers' interests by supporting reform programmes or capitalist parties.

(September, 1931)