

# **An Abridged History of the Trades and Labour Movement**

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## Introduction

**T**he industrial revolution did not happen in a vacuum. We must go back in history to understand the conditions that led to the development of trade and industrialisation in Britain.

The Reformation broke the dominance of wealth through land ownership value; the new ideology made it easier for merchants to develop trade. Expansion of empire in the Elizabethan period, especially the slave trade, brought great wealth to the British nation-state. New ideas on trade and investment implemented by Oliver Cromwell's government allowed free trade in money and goods and allowed foreign merchants and others to trade and reside in Britain.

By the 17<sup>th</sup>-century the merchant class gained the ascendancy - this was demonstrated fully by the so-called bourgeois revolution of 1688 when the merchants replaced the monarch with one who would support their financial ambitions.

In 1694 a private company, the Bank of England, was underwritten by the British state. Previously, the Dutch had tried to launch a similar usury note but did not have the military power to enforce their financial mandates. Britain became the first modern nation-state to have a usury or banknote acceptable to merchants and other nation-states.

To maximise its power the new order in England offered a financial package to the Scottish aristocrats to join in a union with England which was accepted, leading to the Act of Union in 1707. Britain soon became the centre for the world of banking, insurance and financial services. In a sense Britain became a monetarist nation before it became an industrial one. This new wealth, coupled with slavery, exploitation of empire, and, at a later stage, the dominance of the drugs trade, made Britain the world's wealthiest nation.

With the expansion of empire, Britain imposed imperial preference - that is, Britain determined the price of raw materials from the empire and set the price to be paid for finished goods manufactured in the United Kingdom: no other nation-state could trade with the empire.

## Industrialisation

It also determined what crops were to be grown, in many instances forcing cash-crops such as opium to be harvested in place of staple-crops and closing any embryonic manufacturing, notably in cotton.

We had a situation where a small nation-state had the monopoly on trade and commerce and the largest empire the world had ever seen. The problem was that there were no major manufacturing centres in Britain that had the technology to meet growing demand. The downside of imperial preference was that once you could meet the demand of your market in terms of manufacture, there was no need for research and development. To beat the tariffs, foreign competition had to produce better machine tools and manufactured goods.

From 1850 onwards America and Germany became home to modern inventions, but the British manufacturing class saw no need to educate the workforce, especially in technical education.

Ironically, the British moneys that should have gone on British research and development went instead into investing in the industrialisation of America, Germany, France and all other potential competitors. Foreign Investment in the years 1815 to 1880 was £100,000,000. Between 1815 and 1900 about 600,000 skilled workers emigrated to industrialising nations. With the loss of the American colonies, the ruling merchant class developed a new strategy in relation to imperialism: private companies, such as the East India Company, with their own armies would now undertake colonisation in India and other parts of the new empire. These multinationals were successful until the 1840s when national uprisings were so vast that the British nation-state had to intervene to save the lucrative markets. The nation-state also had to intervene during the opium wars in China and these events were mirrored in South Africa in the 19<sup>th</sup>-century.

## Industrialisation

**M**anufacturing in the 17<sup>th</sup>-century had hardly changed over the last hundred years. The 18<sup>th</sup>-century however saw the greatest development of machine and fishing tools. Manufacturers could clearly see that investment in research and development could be recouped a thousand times, so we see the development of the infrastructure through roads, railways and canals.

## Industrialisation

The one commodity that was missing was large numbers of skilled workers to operate the new machines. Britain was still an agricultural nation - manufacturers and bankers may have had a great deal of wealth but political power was still based on land wealth.

A struggle now emerges between those that own the land and those whose wealth comes from manufacturing or banking. Manufacturers wanted the free movement of labour so they could recruit people to work in factories whereas landowners wanted their workers to be tied to the land.

Due to increased demand, the value of land rose. The answer from the state to this was to privatise common land through the Enclosures Act 1770-1820.

Market forces determined that those few workers from the old guilds who were numerate and literate were in a very strong bargaining situation when it came to terms and conditions. The tradition of the old guilds to meet and combine their ideas and experiences to improve their condition worried the authorities. The British state became paranoid following the American Revolution (1776) and the French Revolution (1789) and the idea that all men were equal was an anathema to them. Unfortunately for them skilled workers could read and write and were increasingly keen followers of radicals such as Tom Paine, whose book *the Rights of Man* (1791) was thought to be seditious. Radical organisations such as The London Corresponding Society (formed in 1792) ensured Paine's radical ideas were spread.

Such was the concern of the authorities that the Combination Acts were passed in 1799 and 1800 with the maximum sentences of death or deportation. It became increasingly obvious to those involved in manufacturing and commerce that there had to be radical changes in society to meet their needs for markets and political power.

As machines took over from unskilled labour unemployment became rife. Workers began to smash machines and burn down factories - they were known as the Luddites. The Speenhamland system of payments, both to the unemployed and those on very low income, was introduced by the state in an attempt to quell unrest.

Although a major city in terms of manufacturing, mining and banking, Manchester had no parliamentary representation. An unlikely alliance was formed between the radicals of the labour and political movement and those from the manufacturing sector that embraced the ideas of American-style democracy. The local militia under the control of the landowner

## Industrialisation

magistrates over-reacted and attacked the demonstration, killing one demonstrator and maiming many others.

This acted as a catalyst for change. 1819 saw the first Factory Act and in 1824 the Combination Acts were repealed. Throughout this period the embryonic trade union movement became stronger. Still working outside the law, they began to recruit semi-skilled workers. Many of them went under the banner of the Grand Consolidation of trade unions, but an employer's offensive, with help from the state, helped to smash this initiative.

# Reform

In 1834 Britain began to develop its own embryonic socialist theory through people like Robert Owen who believed in total social cooperation.

Agricultural workers also began to organise, much to the anger of landowners who were quick to seize on a group of agricultural labourers in Tolpuddle, Dorchester and charge them with sedition. They sentenced them to transportation. The movement was galvanised into action and in a few years their sentences were quashed.

The merchants and manufacturers class now gained ascendancy in parliament, and the parliamentary reform acts of the 1830-40s were implemented. Between 1832 to 1834 major transformations were made in civil and political law. The reform acts of this period transformed the way that society looked on poverty, women, sex and wealth. Under the acts there was no longer any outdoor relief for those who were unemployed, incapacitated or in some way not available to work.

Poverty itself became a social crime and outdoor relief lost favour to the new workhouse system. Workhouses were built on the highest point of land so they were visible to those who might succumb to idleness. The workhouse system was a punishment. Families were split up: husbands from wives, mothers from children. Using this logic, if the poor were intrinsically bad, it must mean that the wealthy were morally superior.

A much stricter attitude was also taken on so-called fallen women. Now they were to be punished: those who indulged in sex outside of marriage could be deemed to be morally insane and committed for the rest of their lives. The law interpreted any sexually transmitted disease to be the fault of the woman. Women who had such diseases could be imprisoned or committed under moral insanity. Soliciting for prostitution was an offence but the client was free from any prosecution. The early Victorians began then to rewrite labour's history in relation to women. Women had always worked, from feudal times, on the land and had worked alongside men in the mines and elsewhere (the reason why women there were banned from working in the coal mines was not because of the appalling conditions but the fact that they were semi-naked). If this group of people could treat their own indigenous population so harshly what chance did workers in the empire have?

## Reform

One cannot talk about the development of the trades and labour movement in Britain without looking at what happened during the so-called Irish famine of the 1840's. There was no famine; in fact there was a failure of one crop – potatoes. Throughout Europe this drove the price of corn and livestock up, far beyond the means of the indigenous population. A political decision was made not to give relief to Irish farm workers and that the export of corn and livestock should be increased to meet the demand in the rest of the United Kingdom. Ireland depopulated from nine to four million in less than a decade. Millions came to Britain and they had a profound effect on the development of organised labour from then on.

With this harsh attitude to working people, the hope that the manufacturing class would see the error of their ways of dealing with the appalling conditions suffered by women and children in the factories and cotton mills was not realised. Indeed, their attitudes towards slums and social conditions became even worse. Many in the movement understood then that only they themselves could bring about radical change in society.

## Challenge

A combination of political radicals and trade unionists formed the Chartist movement of the 1840s. Chartism was to lay down the foundations of the modern Labour Movement. There were two distinct schools of thought that came out of Chartism: moral and physical.

- Moral. To work for reform through peaceful campaigning, demonstration and education; they rejected physical violence.
- Physical. They believed that the state had to be smashed and rebuilt to serve the working class.

Chartism should not be dismissed because its call for a general strike and a revolution got little response. The Chartist campaign did much in organising those workers who were not unionised. Their demonstrations were massive and as many of the working class were illiterate this was a visible sign of the strength of the emerging organised labour movement. Chartism was a good recruiting sergeant, instructing uneducated people in how to campaign, organise, run meetings and all of those mundane things that need to be done before movements and parties can be formed.

One of the things often overlooked in relation to the Chartist movement is that both wings of Chartism were led by Irishmen: O'Connor and O'Brien.

The repeal of the Corn Laws in 1846 signalled the final victory of the manufacturers and merchants over the landowners, and this group then felt secure enough to grant reforms such as the Ten-hours Act in 1847 which the emerging Labour Movement had been campaigning and demonstrating for.



## Trade Unions

**A**ldgate, East London in 1851 saw the formation of the Amalgamated Society of Engineers: giving birth to the modern trade union movement.

1852 the London Trades Council was formed, followed by the Carpenters and then in 1863 the founding of the Co-operative Wholesale Society.

The 1867 Reform Act for the first time allowed working-class men, mainly the skilled, to have a vote and a voice in politics.

In 1868 the TUC was formed in Princes Street, Manchester. It called for the Eight-hour day and the repeal of anti Trade-union legislation and an extension of the franchise. The movement had campaigned for some time for universal primary education. This was granted in 1870 but fell well short of the education being offered to children in France, Germany and America. This failure to understand the importance of education would come back to haunt the ruling class. The movement also had victories in the 1870s with reforms as diverse as the Plimsoll line, the Coalmines Act and permitted hours of work. This period also saw the unionisation of the railways and elements of the white collar sector.

Joseph Arch established the Agricultural Workers Union in 1872 with the help Cardinal Manning who was the Catholic primate in the United Kingdom. Manning was a true friend of Labour and helped greatly in the new union movement of the 1880's.

By the 1870's immigrant workers began to organise. The Irish Land and Labour League had offshoot unions both in East London and Liverpool. The stevedores union was formed in East London in 1871 and was active both in east and south-east London. Exclusively Catholic, it was the first Dockers union to be formed in the United Kingdom. The Miners' Federation was formed in 1880. Jewish immigrants, mainly from Eastern Europe, also formed their own unions in the bakery and clothing trades. They brought with them an understanding of modern European Socialism, both anarchic and Marxist. In fact the first Marxist papers were published in the 1870s in Yiddish.

## Socialism

**S**ocialist parties were established in Scotland a decade before the rest of the United Kingdom. 1889 saw the Foundation of the Scottish Labour Party.

1881 saw the foundation of the Social Democratic Federation, a small Marxist party with its own paper, Justice.

The Fabian Society was formed in 1883 and there were other organisations such as the socialist League run by William Morris.

In 1893 the Independent Labour Party was founded.

Newspapers such as the Pall Mall Gazette under WT Stead, and the Clarion newspaper had a profound effect, especially in the propaganda war that was going on between the employers and the unions. It would be wrong to say that there was any great mass movement of socialists or Marxists during this period, despite the fact both Marx and Engels lived in Britain. Engels said that the trouble with the establishment in the British trade union movement is they would rather be in the Mansion House dining with the Lord Mayor than outside demonstrating against it.

One should never underestimate the time, effort and money that was used to ensure a movement on the European scale, but it never appeared in Britain. The authorities were so secure in their belief that Marxism hadn't a cohesive base in the country they allowed Lenin to live and work here. Before the First World War only two great thinkers and Marxist activists came from these shores, namely Tom Mann and James Connolly. It was not until 1921 that conditions were right to form a British Communist party.

## New Union Movement

The importance of the new union movement cannot be underestimated. It wasn't just a reaction to bad employers but also to the conservatism of the skilled workers who had dominated the trade union movement through the ineffective TUC. New unionism gave a voice to those that had no say in society. The so-called unskilled workers had been kept at arm's-length by the TUC, and if ever there was a movement that sprang from the rank-and-file this was it.

There had been talk throughout the decade about organisation both in east and south-east London but it was left to the match workers of Bryant and Mays in 1888 to fire the first shots against unscrupulous employers and the conservatism of the Labour Movement. The match workers were predominantly female and there was a large army of outworkers employed through unscrupulous sub-contractors. It was thought that the workers were impossible to organise, especially the females (although there had been disputes in the past). This was a view shared not only by the employers but the Labour Movement generally so it came as a great surprise when the strike took place.

To work in the match factory was not anyone's first choice. All workers: men, women and boys and girls were aware of Industrial diseases such as fosse jaw and other dangers including explosions and toxic fumes. Indeed, the match girls were considered to be at the bottom of the heap in terms of employment even amongst the unskilled.

The match girls got maximum publicity, enjoying the support of papers like the Times. What counted even more was the fact that most of the strikers were Catholics so when Cardinal Manning gave them his support they considered themselves morally right in their actions. Sadly many could not conceive that a great victory could be won by the match girls and have suggested absurdly that the strike was won by a middle-class supporter: Fabian, Annie Bassant. There were other women who were part of the new union movement such as the Scottish Christian Socialist sisters Margaret and Rachel McMillan who ran evening classes to working girls in the Docklands and assisted with welfare during the great unrest of 1888-89

Following on the heels of the match girls, the gas workers lead by Will Thorne came out on successful strike and in turn all of the new unions were in dispute with their employers.

In 1889 the Dock workers came out. The stevedores union, which was predominantly Catholic and had been formed in 1871 helped by the Irish Land and Labour League movement, Lightermen and other skilled workers on both sides of the river joined forces with the unskilled,

What a Compulsory 8 Hour Working Day Means to the Workers' unrecognised Dock workers. The dock strike, involving thousands, caught the imagination of the country.

The nation was divided down the middle. The strike leaders used the most modern techniques of public relations and propaganda to win over the public: no violence; rule Britannia not the red flag; used no slogans to overthrow the state. Cardinal Manning acted as arbitrator, and after six weeks of strike the Dockers won recognition and a rise in the hourly rate (the strike was greatly helped by the financial contribution of Australian workers - the small workforce contributed over 2 million pounds in today's currency). The new union movement swept through the whole of Britain. Gas workers, dock workers, match workers, electricians, builders, printers, paper hangs, box makers, carters construction workers, and many more, organised themselves into unions.

The new union movement not only posed a problem for the employers. The make-up of the TUC, which had been predominantly skilled workers, was drastically changed with the rise in unskilled members, as was its policy in relation to industrial action and its relationship with the state (especially the Liberal Party) and for the first time socialism had a national platform. There were now calls for a political party to represent organised labour. This led to the formation of the Labour Representation Committee in 1900 which in turn led to the formation of the Labour Party. The employers did not take the unionisation of the unskilled lying down. From the 1890's onwards, with help from the state, their aim was to break the power of organised labour. Many of the gains of 'new unionism' were reversed by 1891, as in the case of Lyons vs. Wilkins in 1896, outlawing even peaceful picketing.

## **Labour in Parliament**

In 1900 the Independent Labour Party, the Fabians and the Social Democratic Federation met with the trade unionists in London to form the Labour Representation Committee with the aim of electing working-class men to parliament to represent the trade unions and the working-class and to establish "a distinct Labour group in Parliament, who shall have their own whips, and agree upon their policy, which must embrace a readiness to cooperate with any party which for the time being may be engaged in promoting legislation in the direct interests of labour".

## What a Compulsory 8 Hour Working Day Means to the Workers'

One member from the Fabians, two from the parties and seven members from the trade union movement were elected to run the LRC. In the 1900 General Election the LRC won 62,698 votes. Two of the candidates, Keir Hardie and Richard Bell, won seats in the House of Commons. In 1906 the LRC decided to change its name to the Labour Party, and won 29 seats in the General Election of that year. The 1910 General Election saw 40 Labour MPs elected.

In 1900 the employers, with help from their allies in parliament and the courts, saw the passing of the Taff Vale judgment. The Taff Vale Railway Company sued the Amalgamated Society of Railway Servants for losses during a strike 1901 when the railway union was deemed to be liable for damages and losses incurred by the employer - the union was fined £23,000. This action was clearly made to destroy the trade union movement. The trade unions responded by lobbying for Representation in the House of Commons.

After the 1906 General Election, because of the Lib Lab pact, the Liberal Government passed the 1906 Trades Disputes Act which removed trade union liability for damage by strike action.

The establishment was not going to sit idly by and watch trade union sponsored MPs filling the benches of Westminster. In 1908, Mr W.V. Osborne, secretary of the Walthamstow Branch of the Amalgamated Society of Railway Servants claimed that it was illegal for the ASRS to impose a 'political' levy on its members for the support of its sponsored candidates who were elected to Parliament. Osborne initially lost his action but Mr. Justice Neville's decision was later reversed by the House of Lords, effectively forming a piece of anti-Trade union legislation which was not repealed until 1913. The Daily Herald came into being in 1912 - Labour now had a popular daily paper.

## Rebellion and Reaction

The period before the 1914-18 war is sometimes referred to as the syndicalist<sup>1</sup> period. Apart from Tom Mann of the engineers, there seems to be little ideology but much action. The Transport Strike of 1911 saw Dockers and Transport Workers involved in violent conflict across the country. Police and army retaliation was harsh, especially in Liverpool and Clydeside, and the numbers of trades disputes from miners to engineers equalled

## What a Compulsory 8 Hour Working Day Means to the Workers'

that of the new union movement. Perhaps the most important of these was the Dublin transport strike which lasted for many months. The defeat of the strike not only set back the Irish Labour movement decades but it also enabled Sinn Fein to fill the vacuum. Sinn Fein exploited the fact that the TUC turned on James Larkin and the Irish Transport and General Workers' Union denying them secondary action and financial aid.

The First World War totally split the labour movement. Many on the left saw it as an imperialist war, but they were in the minority. The labour movement made gains on the home front in the coal mines and engineering. In Clydeside, the newly-formed Shop Stewards movement were involved in industrial action.

Following the First World War all men over the age of 21 were given the vote, women at 31. Some privileged members of society still had two votes.

With the end of the First World War the boom which occurred because of war economics soon evaporated. The employers answer to this was to revert to 1913-14 terms and conditions and wage rates, and when the trade unions resisted the employers resorted to major lockout - in mining, engineering, printing and indeed any trade that fought against 1914 parity.

By 1916 the right wing of the trade union movement had consolidated their powerbase. Paradoxically this group was made up by many of the pioneers of the new union movement, including Ben Tillet. Only Tom Mann really stayed loyal to the principles of the new union movement.

Syndicalism, as a term, has meaning in France in two ways: one, as simple "unionism" and the other, as the revolutionary program of Anarcho-Syndicalism

The Labour Party adopts Clause IV in 1918.

'To secure for the workers 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, and the best obtainable system of popular administration and control of each industry of service." Clause IV, part 4

In 1920 Tom Mann founds the Minority Movement which was made up of shop stewards, rank-and-file activists and radical socialists. This organisation laid the ground for the formation of the Communist Party of Great Britain which was formed in 1921.

## Labour Government

In the 1922 General Election the Labour Party won 142 seats, making it the second largest political group. In the 1923 General Election, the Labour Party won 191 seats.

In 1923 the Wheatley Housing Act was passed which began a building programme of 500,000 homes for rent to working-class families.

Following the late 1923 election, in early 1924 Ramsay MacDonald formed the first Labour government: a minority government, reliant on the support of the liberals. It was to last less than 1 year.

Such was the paranoia about the gains made the Daily Mail published a letter claiming to come from MI5 who had intercepted a letter written by Zinovieff, head of the Communist International, urging British communists to promote revolution. Yet Herbert Morrison had rejected, from the very conception of the Communist party, any merger or dual membership. Morrison saw the Communist Party as a prescribed organisation and was opposed to any cooperation, no matter what the issue. The Zinovieff letter was published in the newspapers four days before the 1924 General Election and contributed to the defeat of Labour. The Conservatives won 412 seats and formed the next government. With his 151 Labour MPs, MacDonald became leader of the opposition.

## Establishment Offensive

Since the end of the First World War the mine owners had imposed wage cuts, worsening conditions and exacerbating the problem of non recognition of unions. In 1925 the mine owners demanded more cuts in wages and a longer working week. Negotiations lasted until 1926 when, because of the attitude of the employers, the miners were forced into industrial action under the slogan 'not a penny of the pay or an hour on the day'. Workers the length and breadth of the country came out in solidarity and a general strike was called by the TUC, on the condition that they controlled the strike.

The employers and government recruited strike-breakers including the armed forces. Confrontation seemed inevitable. The TUC weighed up the situation, lost its nerve and called the strike off on its 9<sup>th</sup> day, despite the fact that the numbers of workers on strike on the 9<sup>th</sup> day were greater than the numbers on the 1<sup>st</sup>. The miners rejected the capitulation of the TUC, fighting on for almost a year. They were forced into defeat through starvation. They, and other members of the trade union movement, would never forgive or trust the TUC again.

The establishment neither forgot nor forgave the general strike. By 1927 draconian laws were passed taking away all the hard won gains of the past 30 years.

In the 1929 General Election the Labour Party won 288 seats, making it the largest party in the House of Commons. Ramsay MacDonald became Prime Minister again, but, as before, he had to rely on the support of the Liberals.

The election of the Labour government coincided with an economic depression. MacDonald rejected the economic advice of Keynes. Instead he put forward the idea that there should be cuts in all public expenditure, especially unemployment and other social benefits. His policy was rejected by the majority of his cabinet and party. MacDonald would not accept this and had talks with the Conservatives and Liberals to form a national government, which he did in 1931. MacDonald was expelled from the Labour Party.

Following the crash of 1929 on Wall Street (since the end of the First World War America had been far and away the richest nation in the world, holding most of the worlds gold reserves), Britain, like the rest of Europe, was plunged into recession and mass unemployment followed. On January 1, 1930, the Daily Worker was first published.



### Establishment Offensive

In the 1930s, trade union membership fell. The fear of unemployment and the draconian laws passed after the general strike deterred workers from trade union membership. The 1930s also witnessed the rise in fascism, both in Britain and the rest of Europe. Oswald Mosley broke away from the Labour Party: first forming the New Party then the National Union of Fascists. The Trade Union and Labour Movement organised itself to defeat Mosley and his Blackshirts, culminating in the Battle of Cable Street in 1936.

Many members of the Labour Movement also joined the International Brigade and fought on the side of the Republicans against Franco's fascists.

George Lansbury became leader of the Labour party. Lansbury hated fascism but as a pacifist he was opposed to using violence against it. When Italy invaded Abyssinia he refused to support the view that the League of Nations should use military force against Mussolini's army. After being criticised by several leading members of the party, Lansbury resigned and was replaced by Clement Attlee.

The trade union movement had to consolidate its losses, and a series of conferences and meetings resulted in the so called Bridlington agreement, whereby unions would no longer poach each others members and disputes would be settled by the General Council of the TUC. Resolutions were passed at the Labour Party conference stating that once Labour was back in power there would be reforms in relation to trade union law.

# War

With the outbreak of war in 1939 splits emerged on the left in the Trade Union and Labour Movement. The Communist party deemed the war to be imperialist and it stated that workers should not support the war effort. The ruling class was also split between those who supported Lord Halifax, who wished to appease Hitler and make a settlement, and Winston Churchill, who was implacably opposed to Hitler and wanted to continue despite losses.

One of the main reasons leading members of the Labour Movement supported Churchill in the National wartime government is because they realised that if Halifax had become prime minister he would have made a deal with Hitler and the Nazis to the detriment of the Labour Movement. Attlee was made Deputy Prime Minister and other prominent Labour figures like Bevin and Morrison were given leading roles in the government.

The Communist party and its allies came fully on board when the Soviet Union was invaded in 1941. The Communist party was very influential in the Shop Stewards Movement during this period and used its influence to ensure that war production was at its highest level.

The Labour Movement accepted the imposition of statute 1305, which outlawed industrial action (although there were some famous exceptions to this, especially in the coal-mining industry in Kent - miners went on strike and were arrested but soon released). Despite harsh rationing, the Blitz and long hours, production reached an all-time high. Trade union membership and influence began to rise, and by 1943 the Trade union and Labour Movement had detailed plans for what sort of society they wanted when war ended.

Women had played a vital role during the war - without them the production targets would never have been met, and without the land army the people would not have been fed. Women also played a major contribution in the armed services - this did not go unnoticed by women in the Trades and Labour Movement.

## US Domination

Labour won a landslide victory in 1945 and immediately transformed British society by nationalising all major industries, giving independence to India and Burma and bringing about major social reforms in housing, education and the formation of the National Health Service. They also repealed the legislation on 'moral-insanity'. Labour repealed all of the anti-trade union legislation that had followed the general strike. More than that, unions now had the privilege of a pre-entry closed shop. The trade union movement grew in membership and influence. One downside however was that many of the women who had contributed to the war effort lost their jobs when the troops were demobilised.

One of the reasons why the Labour government was defeated in 1951 was because of the economic burden that they carried following the World War II. America demanded payments on the war debt to begin immediately at the end of hostilities, and the terms that were imposed on the loan were harsh. In addition to loan repayments America demanded access to our markets in the Commonwealth and old empire and an end to imperial preference where America and its interests were concerned.

The United Kingdom still had a war economy and it was recognised it would take some time to retool and retrain its workforce. America on the other hand had begun to move away from war economy as early as 1944 and was producing more manufactured goods and white goods than arms by 1945. Coupled with this was the fact that America had demanded that after the war the dollar would be the supreme currency, and that commodities such as gold, silver and oil would have to be paid for in dollars and that all other currencies would have to relate to the value of the dollar. Congress also demanded Britain gave up its portfolio of American shares.

Britain therefore had to export or die. Rationing became worse after the war than during it. There were not the resources to research and develop machine tools and we had a decline in market share simply because we could not produce the quality or quantity of goods that America did. America also initiated the International Monetary Fund (IMF) which also allowed it to open up markets for its manufacturing base.

## US Domination

As the Cold War began America was concerned that Europe might go communist. A plan, known as the Marshall Plan, was devised to give aid and loans to Europe to minimise the chance of this happening. The Marshall Plan did give us breathing space, but the downside was that Germany and Japan were totally retooled and their currency kept artificially low against the dollar, giving them a totally unfair manufacturing advantage as far as exported goods were concerned. America also opened up its markets to Germany and Japan with generous quotas. Britain on the other hand was left to fend for itself. This had the effect of that within a decade of the ending of World War II West Germany's population enjoyed a higher living standard than that of Britain. Japan soon followed suit ending up as the world's second richest nation with Germany third. They in turn became America's greatest competitors.

The Conservative Party had much closer links ideologically with the American administration than did Labour. America viewed the Attlee government as too left-wing and it was made clear to the Conservatives that if they did get back into office the terms of the debts would be eased and soft loans would be made available.

The Conservatives could then offer the British electorate more consumer goods and an end to rationing but still maintain the health service and all the other popular reforms that the Labour government had put in place. However this was done on borrowed money for consumer goods, not on any long-term plan of research and development or technical education to win back our position as one of the world's innovators of manufactured goods and machine tools. The 13 years the Conservatives were in power were rightly labelled as '13 wasted years' as far as our manufacturing base was concerned.

Even after the narrow defeat of Labour in 1951 the trade unions still enjoyed industrial power. The Conservative government had accepted Keynesian economics, full employment and one-nation Toryism.

Trade union membership grew until it reached a peak - in the Seventies over 13 million were members, which was nearly 49 per cent of the workforce.

## A House Divided

**T**he Labour government was returned in 1964 under the leadership of Harold Wilson. Its intention was to radically change and modernise British society and from 1964-1970 governments achieved much of what they set out to do. However the underlying economic situation remained the same.

Britain was trying to compete in the world manufacturing markets with Germany and Japan and the emerging Asian nations such as South Korea, all of whom had an unfair advantage in terms of the value of their currency. The Cold War was at its height and America was determined that other nation-states should see the value of American Capitalism demonstrated by the wealth of their friends and allies.

There was much anger in the American administration over the fact that Harold Wilson would not involve British troops in Vietnam, indeed Wilson's foreign and national policy was an incentive for the Federal Bank of America not to help the pound, which Wilson was forced to devalue. Wilson had a very close relationship with the trade union movement - some would say it got too close when Frank Cousins, the general secretary of the Transport and General Workers' Union, was given a parliamentary seat and was made a Cabinet member. Barbara Castle introduced a White Paper 'In Place of Strife' in 1966 which called for reform in the trade union movement. The unions successfully demanded that there should be no discussion on the issue, and that 'In Place of Strife' should be abandoned. The Labour government tried to impose wage freezes and prices and incomes policies on the Labour movement. Divisions were caused when the leadership of the unions accepted terms and conditions which seemed unacceptable as far as the rank-and-file were concerned. Although in the end the policies were abandoned, they were an opportunity to move to a planned economy. The Wilson governments were limited in terms of finance although wages and living conditions improved year-on-year. What they did do, in spite of the lack of financial resources, was to totally change the British social landscape. They abolished capital hanging and flogging, passed equal rights legislation for women in terms of equal pay, abortion, the Pill, education and they introduced the red-brick universities, the Open University and the comprehensive system (ending the compulsory 11 plus exam). They brought in the Race Relations Act, the Gaming Act, ended censorship in the arts, literature and theatre, and also decriminalised homosexuality.

## Fight Back

The Conservatives won a narrow General Election victory in 1970.

Edward Heath introduced the Industrial Relations Act whose purpose was to reduce the power of the trade unions. The labour movement responded with massive demonstrations against the Act and there were strikes. These were deemed to be secondary and illegal. The Engineers Union was fined and warned that all of its funds would be seized and frozen if the strikes continued. The strikes were in fact unofficial and the leadership had little or no control over them. Five east London Dockers were imprisoned - this led to mass demonstrations and walk outs. An unofficial general strike seemed to be on the cards but Edward Heath relented and the Dockers were released. Joe Gormley, leader of the National Union of Mineworkers, won a successful strike against Edward Heath's government by using modern public relations and insisting that the strike was not about politics or removing governments, and when Edward Heath went to the country on the basis of 'who runs the country, us or the unions?' the public didn't respond as he hoped.

In February 1974, Wilson formed a minority government but as there was no conclusive majority, another election was inevitable, and the October poll strengthened Labour's control only slightly – a five-seat majority. Despite the difficult political circumstances, the Labour government lasted for five years and managed to pass significant pieces of legislation on health and safety, trade union legislation, and rents.

The issue of Europe was resolved with a national referendum in 1975, which supported Common Market membership (now the European Union) by two to one.

Wilson was replaced in 1976 by James Callaghan but mounting international economic difficulties left the new Prime Minister with little room to move.

The Shop Stewards movement had grown in strength throughout the 1960s and 1970s. Often the leadership seemed remote and as there was no voting in relation to General Secretaries there was a feeling that the leadership didn't represent the rank-and-file membership. The ballot rigging in the Electricians unions did very little to help the reputation of the trade union movement.

## Fight Back

The Communist Party Liaison Committee had a disproportionate strength in the trade union movement relative to its size. There was also great concern in the dock industry. Many were distressed and disillusioned by the Jones Aldington agreement which had ended the jobs-for-life agreement and this was negotiated away to be replaced by permanent work status within the docks industry. Many rank-and-file members felt that they had not been consulted fully. The stevedores, who had no full-time officials, were totally opposed to the agreement. The view that the rank-and-file shop stewards ran the day-to-day working in the docks was vindicated by the Donovan report.

A sympathetic leadership had failed to take note of the new dynamic in Capitalism (neo-liberalism economics). Sympathetic economists predictions that the land values in the dock area because of the potential for development for commercial gain were ignored and even ridiculed. Sadly their predictions came true: the London docks with all their history of militancy are now a memory and in their place the money merchants built cathedrals to monetarism.

By the end of the summer of 1976, there had been a run on the pound. The American administration refused to intervene. The British economy had become so weakened that the Labour government had to seek a loan from the International Monetary Fund. This was accompanied by harsh conditions which included deep cuts in public spending. By August 1977 unemployment levels had surpassed 1,600,000. Labour unrest reached a peak in the 'Winter of Discontent' in 1978/9 when a number of major trade unions went on strike, and devolution was rejected in referendums in Scotland and Wales. The media had a field day. Every opportunity was made to discredit the trade union movement. Unfortunately the movement had not come to terms with the modern media, especially the new ownership of papers like the Sun.

The Labour government ended in crisis.

## Neo-liberalism

The Conservatives came back into power in 1979 with a new leader, Margaret Thatcher. Thatcher totally rejected the post-war Conservative ideology of the one-nation state. She also rejected Keynesian economics. Thatcher had a new ideology: monetarism<sup>2</sup>.

Monetarism was acceptable to the establishment because they believed that the end of the Cold War would mean an end to major manufacturing production fuelled by the arms industry. Therefore an alternative source for wealth-making was to make money out of money itself. Monetarists also believed that trade unions were the enemy of economic stability and their powers had to be curbed at any cost. The power of trade unions was certainly diminished. The Miner's strike, Wapping and all the other disputes seemed to indicate that the trade unions were out-of-date and out-of-tune with modern society. Once organised labour was defeated the state felt safe enough to switch from Keynesian economics to that of Friedrich Hayek and Milton Friedman.

Neo-liberal philosophy saw socialist education, history, and culture as propaganda tools for Marxist and left-socialists. There was a concerted effort to radically change or destroy these working-class institutions.

Under monetarism there was little or no place for manufacturing. The property market, as with unemployment, was subject to the vagaries of the market. Following the major cuts in public services, health, education and social services the people's anger could no longer be channelled through the trade union movement which seemed to be powerless to bring about change. Unrest was inevitable.

The trade union movement itself had to go through a profound change.

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<sup>2</sup> Monetarism Chicago School: a free-market economic philosophy. The foundation stone of monetarism is control of the money supply. The theory says that: the quantity of money available in an economy determines the value of money; increases in the money supply are the main cause of inflation. This means they advocate: attacking legal and other impediments to labour market flexibility; reservation wages (the lowest wage for which a person will work).



## New Labour

The Labour Party was transformed in the 1990s by a small but influential group. They were working under the banner 'New Labour, New Party'. They believed that Labour's traditional values of nationalisation, Keynesian economics and an ever closer relationship with the trade unions were the very values that stopped Labour coming into power in a modern age. In addition they felt that Clause IV was now an anachronism. The Labour Party, having gone through a traumatic period which culminated in the expulsion of the Militant tendency following the expulsion of five leading members in 1983, was at its lowest ebb. Having endured 18 years of Conservative government, Labour Party members voted through the changes - including the removal of Clause IV.

Tony Blair was elected Prime Minister in 1997 with a landslide victory. Hopes for reform following the Thatcher years had never been higher. Blair and his Chancellor Gordon Brown were firm believers in monetarism: both in its economic and philosophical dogma. New Labour did however bring in the long-awaited minimum wage and restored Trade-union rights at GCHQ but it reneged on its promises to repeal the anti-trade union legislation brought in by the Thatcher government. The trade unions were promised major reforms at the so called Warwick meetings: the majority of these were left unfulfilled to the disillusionment of many Labour Party supporters, culminating with Britain's involvement in the invasion of Iraq. A demonstration of over 2 million people, many of whom were Labour Party supporters, was ignored. Yet there were no political alternatives when it came to parliamentary elections and New Labour was returned for second term in 2001, followed by a third term in May 2005, albeit with a reduced majority. Labour politicians boasted that Britain was the 4<sup>th</sup> largest economy in the world, while ignoring the fact that disposable income had decreased and the promise to eradicate child poverty had become only an aspiration. Britain became a divided society: the gulf between the rich and the poor was greater than at any time since the World War II.

Gordon Brown became New Labour Prime Minister in 2007. 2009 witnesses the collapses of Freemanite monetarism leading to recession. The New Labour government returns to

## The Course of Events

Keynesian economics, and part nationalises the collapsed banking system. Unemployment rises: reaching 3 million.

In the 1970s Trade-union membership reached 13 million. In 2009 the figure is less than 6.5 million. As class consciousness in the Labour and trade union movement rises anew (as it will) we must learn from our mistakes as well as our victories.

## **The Course of Events**

## The Course of Events

1688	Glorious revolution (bourgeois)
1694	Formation of the Bank of England
1766	American declaration of independence
1789	French revolution begins
1791	Paine's Rights of Man published
1792	London Corresponding Society formed
1795	Speenhamland scale of relief adopted
1799	First Combination Act; suppression of corresponding societies
1800	Second Combination Act
1801	General Enclosure Act
1811/12	Luddite riots
1819	Peterloo massacre. First factory Act
1824	Combination Acts repealed
1825	Combination laws reintroduced
1829	Owenite cooperative societies founded
1830	Agricultural labourers' riots
1832	Reform Act
1833	Grand National Consolidated Trades Union
1834	New poor law. Trial of Tolpuddle Martyrs. Break up of the unions
1838	The Charter issued
1839	Chartist convention and petition. Newport uprising
1842	Second chartist petition. General strike

## The Course of Events

1844	Rochdale pioneers start co-operative store
1845	National Association of United Trades formed
1846	Combination laws repealed
1847	Ten hours Act
1848	Third chartist's petition
1851	Amalgamated society of Engineers formed
1860	London trades council formed
1861	Amalgamated society of Carpenters and Joiners formed
1863	Co-operative wholesale society formed
1864	First Trades Union Congress
1867	Reform Act
1870	Education Act
1871	Formation of the Stevedores and Dockers union. Trade union Act. Criminal Law amendment Act
1872	National agricultural labourers union formed. Trade union amendment Act Major changes in company law
1881	Social Democratic Federation formed
1883	Fabians society formed
1884	Reform Act
1888	New union movement. Miners federation formed. Match girls strike Gasworkers strike
1889	Formation of unskilled workers into unions resulting in major labour unrest including the London docks strike
	Scottish Labour Party formed
1892	3 Independent Labour MPs elected

## The Course of Events

1893	Independent Labour Party formed
1900	Labour Representation Committee formed
1901	Taff vale judgment
1906	Labour Representation Committee becomes the Parliamentary Labour Party
1908	Plebs League - movement for independent working-class education
1909	Osborne judgement
1911	Transport strikes
1912	Miners' strike. Daily Herald published
1913	National Union of Railwaymen formed
1914	World War I begins
1915	Clyde strikes. Shop Stewards movement
1917	Russian revolution
1918	World War I ends
1919	Versailles treaty. Boom begins. League of Nations begins
1921	Boom ended. Miners lockout. Black Friday. Communist Party founded
1922	Engineering lockout. Fascist coup in Italy
1924	First Labour government.
1926	General strike.
1927	Trades Disputes Act.
1929	Second Labour government.
1930	Daily Worker published
1931	'National' government formed
1932	Japan invades Manchuria

## The Course of Events

1933	Nazi party comes to power
1935	Abyssinian crisis. Mass unemployment. Government rejects Keynesian economics. Roosevelt brings in the Keynesian New deal
1937	Japan invades China
1938	Nazis invade Austria. Munich settlement
1939	Nazis invade Czechoslovakia. Nazi-Soviet pact. World War II begins
1940	Chamberlain government overturned. Fall of France
1941	Nazis invade Russia. Japan attacks US
1945	Victory over Germany and Japan. Labour government elected leading to National Health Service, education reform, trade union reform, nationalisation of major industries
1951	Labour government defeated. Conservative government elected. Adopts one-nation policy (accepts labour reforms)
1964	Labour government elected. Major social reforms
1970	Conservative government elected
1974	Labour government elected
1979	Conservative government elected. Margaret Thatcher becomes leader rejects one-nation Toryism and Keynesian economics in favour of monetarism. Confrontation with trade union movement
1990	The Soviet Union collapses
1994	New Labour dumps Clause IV
1997	Tony Blair elected Prime Minister in landslide victory. Blair and Chancellor Gordon Brown believe in monetarism. Minimum wage introduced and Trade union rights at GCHQ restored
2001	Labour returned for second term

## The Course of Events

2003	Anti Iraq war demonstration of 2 million people. Blair joins Bush in invasion of Iraq
2005	The Labour Party win a third term for Blair with reduced majority Four terror attacks on London's transport network directly linked to the Iraq invasion. 37 people dead and 700 injured
2007	Gordon Brown New Labour Prime Minister after Blair steps down
2008	Britain intensifies military role in Afghanistan
2009	Collapse of Freemanite monetarism. Recession. New Labour Government returns to Keynesian economics. Part nationalises banking system. Unemployment rises
2010	The United Kingdom general election result was inconclusive. Conservatives form a coalition government with the Liberals, and set about rolling back the state
2011	Over 700,000 demonstrators march through London to protest about government cuts, meanwhile the coalition government spends millions enforcing a no fly zone over Libya

## The Course of Events