

## **Labour in Crisis?**

### **CONSUMER CO-OPS, PARTY, TRADE UNIONS UNITED WE STAND?**

by

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It must be a queer bird to have three wings – or three legs. When I first became perceptive in these matters I heard of the three wings of the Labour Movement: the Labour Party, the Trade Unions and the Co-operative Movement. The nineteen forties and fifties were the heyday of this phenomenon. Talk to Co-operative leaders today and they can tell you, sadly, that if it wasn't for Co-operative persistence it would be questionable whether the other two wings want to fly with them.

#### **The Beginning of the Tripartite N.C.L.**

The inter-relationships have undergone change over the years. Owing its birth to the Trade Unions, the Labour Party has never been far away from a form of partnership with the Unions. Informal and ad hoc it has undoubtedly been, but the vehicle for co-ordinating and consulting each other before the 1939-45 War was the National Council of Labour, with the Unions having a majority of the seats. The dominant personalities in "The Movement" were the Trade Union leaders, outstanding being Ernest Bevin. It was not until 1941 that the two wings became three, when the Co-operative Union joined the National Council of Labour as equal partners. However Co-operatives viewed this 'elevation', Henry Pelling was in no doubt that the injection of the Co-operative dimension resulted in a diminution of authority for the National Council of Labour. "Henceforth", he said, "it was too clumsy an institution to have any real authority". In this article we have to examine the *raison d'être* for a tri-partite relationship, the benefits to be expected by the three bodies, and the prospects for such a relationship in the future.

The war was won by a united country. The Labour victory was worked for by all three wings of the Labour Movement. Their roots were the same. There are many men and women who are active in all three wings – often at the same time. In thousands of homes the husband was a member of his Trade Union, his wife was the member of the local Co-operative Society, both were members of the Labour Party. The Board of Directors of the Co-op contained Labour and Trade Union activists. The Constituency Labour Party General Council had many delegates from Trade Unions and Co-op groups. In essence the industrial battle was fought with trades union

resources — and those of the Co-ops. Co-op societies as bankers at large to the Labour Movement often gave financial support at times of struggle. Co-op Societies provided Co-op halls for meetings, as well as cars on Election Day, poster sites, financial support. The Labour Party provided the programme, the manifesto, the appeal to the electorate. All three stimulated workers to work — and to work together.

## Post-War Successes — and Strains

Strains began to appear with the burden of office. The daunting problems facing the Labour Government of 1945-50 brought the whole of the Labour Movement up against the realities of governing, yet it did not stop 90 per cent of their manifesto being put on the statute book. Backed by a substantial majority in Parliament, the first majority Labour Government, with an extension of a short second term in 1951, in its programme of bringing into public control vast tracts of industrial Britain transferred the balance of ownership of the economy.

But it was a tired Labour Party that left office, not to return for what they chose to call “thirteen wasted years”. Although there was satisfaction, there was also disillusion. The harsh regime at home, where shortages of food and materials perpetuated wartime hardships, brought a sourness in relations. Fed on a lifetime of belief that once the working people had the instruments of power in the hands of their own Labour Government all would be well, the decisions to be taken by that post-war government shattered this illusion.

Disappointments with the performance of Labour Governments was to become a feature of post-war years. Harold Wilson left office in 1970 tarnished and bruised by battles with, amongst others, the Trade Unions. The attempts to secure agreement for forms of income policy raged throughout this administration. The Barbara Castle initiative “In Place of Strife” in 1969 led directly to a serious prospect of Government defeats on the floor of the Commons. A major revolt co-ordinated by Trade Union sponsored MPs was taken sufficiently seriously by the Cabinet to convince them that unless there was a water-tight agreement between a Labour Government and the Unions on a range of social imperatives in return for wage restraint, a Labour Government could not govern effectively.

When Harold Wilson and then James Callaghan grappled with the Unions to achieve a more lasting incomes policy between 1974-79, it led eventually to the “Winter of Discontent” of 1978/79, largely held to have played a major part in the defeat of the Callaghan Government in May 1979. When one recalls that the battles Ted Heath’s Government had with the miners in 1972 and the 1974 were damaging to the image of firm Government, leading to the first Government slogan of the 1974 Election Campaign “Who Governs Britain?”, there is no doubt that the place of Trade Unions

in the economic life of the country was seen to be central. But although there is little doubt that the Labour Party is the Party of the Trade Unions, nor that without Trade Unions' financial support the Labour Party could not survive, the post-war experience shows that neither can assume that the other will easily comply with the vested interests of the other.

## **Measurement of the Movement Generally**

Judging the health of a movement and its parts over the period since the War gives a part of the picture, if one looks at such phenomena as membership, finance, public standing. If one measures the decline and rise and then further fall during the period one can see that all three wings — Labour, Co-operative and Trade Unions broadly suffer the same fate, rising and falling in unison.

From 1945 on there has always been a substantial proportion of the Labour MPs sponsored by Trade Unions. In 1945 there were 120 sponsored Labour MPs, almost one third of the PLP. Incidentally, Trade Unions, bringing with them their financial support had fought only an additional four seats which they failed to win. Over the years the whole question of Trade Unions making constituencies "fiefdoms" (in their own gift) has undergone a radical change. The rise of a more active membership at constituency level, and the direct assault on the internal democracy of Trade Unions by those same activists has transformed the face of the Labour Movement. With a declining membership over the last 20 years as a result of amalgamation, recessions, and plain disenchantment, many Unions have fallen victim to being captured by a handful of activists. Often in the earlier post-war years Union branches were captured by members of the Communist Party — the broad left of 1984 embraces many others, some to the left of the CP!

## **Co-operative Decline in Member Participation —**

The Co-operative Movement did not escape this collapse of participation by membership which was never high. However, in the early years of the period at least most statutory committees of Co-operative Societies had competition for places, with large number of candidates, often fielded by rival groups. Strong support for events and members' Meetings were the order of the post-war day.

Co-operative democracy is today but a pale shadow of what it has been. The questions to be answered is whether the current democratic structure is adequate to serve the spirit of co-operation in 1984. It is a moot question.

The desire for control of societies has stimulated factions to emerge over the years. In many, tacit working arrangements evolving in Labour Party circles has ensured a steadying, continuing influence, often of benefit to the Society when its interests in planning, housing development and contracts have been involved.

The Conservative party, from time to time has taken an interest in controlling societies, Plymouth and Leeds coming readily to mind. The SDP, heavily influenced by ex-Co-op MP defectors has indicated an intention to infiltrate Co-op Societies for political purposes. Employee groups in many Societies have gained many places on Co-op Boards.

Like constituency Labour Parties and Trade Union branches, all Co-operative Societies are ripe for take-over by a determined, well-organised group. In London, Co-operative Party Branch Meetings have suddenly been faced with applications for membership from more than 100. Recently a Member's Meeting in a Society not 50 miles from London found its normal attendance of less than 100 inflated to almost 500. "The Progressives", an organisation emerging in some large regional societies, in particular within Co-operative Retail Services, is seeking to establish a national network of activists, one objective being to secure the election to local Boards and national committees of those who share a common view of what requires to be done for the advance of Co-operative interests.

The enormity of what can be lost by default (control of the Co-operative Empire) should stir not only those within the "empire", but those without — especially the Trade Unions and the Labour Party. There are few signs of a concerted approach to save either Co-operative Democracy or the Co-operative Movement itself.

### **— And in Economic Performance**

Undoubtedly the nineteen fifties brought the beginning of the decline in Co-operative economic performance. The 1951 share in national retail trade of 12 per cent had declined to 6.19 per cent in 1981, in Food, from 17.1 per cent to 9.2 per cent and in Non-Food, worst of all, from 6.5 per cent to 2.5 per cent. There are many signs of Co-operative perception of the problem, and the solution. The Gaitskill Independent Commission of 1958, when there were more than 1000 independent Co-op Societies, put forward a blue-print encompassing rationalisation (down to 200 Societies within 10 years) and integration and streamlining of the National Federations. Ten years later the Movement evolved a plan for regional societies, aimed to compress us into 25 societies, although we still are some way off in 1984 with more than 120. Current horizons now seriously contemplate the possibility of either a national society or, by the amalgamation of the CWS and CRS, the creation of a dominant integrated Co-operative response to our competitors.

Will we be in time? The portents are not good. Having closed more than 18,000 Co-op shops over the last 16 years, we still have, at 8,000, 6 times as many shops as our main competitors (Marks and Spencer, Sainsbury, Tesco and Asda) put together!

Can we expect greater support from our two allies? I have listened to fraternal delegates from the TUC and the Labour Party to Co-operative

Congress appeal for unity. When Co-operative greetings are taken to the TUC and the Labour Party delegates cheer loudly all references to the inter-dependence of the trinity, and to appeals to "shop at the Co-op". As each partner fought its own battles over the past thirty years some comparisons can be made. All three have suffered a severe decline in popular appeal. Trade Union membership is in a state of sharp decline after exceeding ten millions in 1971. Labour's proportion of the General Election vote has consistently declined from 48 per cent in 1945 to 28 per cent in 1983, the greatest decline between elections coming between 1979-83. Co-operative decline has been referred to.

## **Recent Relations**

What of the National Council of Labour? During the sixties and seventies there is little doubt that it fell into disuse and the reason is brutally clear. The clout which could be wielded by the Co-operative Movement diminished. Its inability to produce respected leaders of communities and in national Labour forums, allied to increasing trading difficulties presented a sad Co-operative image. The Co-operative contribution was taken for granted by its partners and its ability to prosper let alone survive was not seen as a responsibility for anyone other than themselves. At the same time the Unions saw the return of Labour Governments as crucial to their task of securing favourable employment legislation, social provisions and a wages framework, all of benefit to their members. Thus, across the broad swathe of economic policy the Trade Unions and the Labour Party found a mutuality of interest which did not need a Co-operative input.

As we turned into the eighties there appears to be a more constructive atmosphere, at least between the Labour Party and the Co-operative Union. Whilst it is still more likely that meetings of the National Council of Labour will be stimulated by the Co-ops, increasingly the Labour Party has welcomed Co-operative views when formulating policy, especially Election Manifestos.

During the Labour Governments of 1974-79 Labour Ministers often consulted Co-operative managers when faced with problems requiring practical experience. This collaboration is continuing today.

I have little doubt that the standing of one wing rubs off on the other two. Because of the public controversy aroused by the actions of Trade Unions over the years — strikes, disruptions, democratic exposures — Unions are less respected in the eyes of the British public. They are not popular. As the party of the Unions, the Labour Party has suffered in electoral terms. As an ally of the Labour Party, Co-operative Societies feel this 'guilt by association' syndrome.

## **And the Future?**

United we stand? It is difficult to envisage any of the wings disappearing

completely. I can readily anticipate a Labour Government being returned to power at the next election. Success for one can improve the prospects for the others. All three enjoy a degree of detachment from the others, while there are those who are activists in more than one, often in all three wings.

The dilemma for the Co-operative Movement is acute. There is urgency in shoring up the present 'empire'. It is in its original role, as shopkeepers, that the greatest concentration of expertise is required. Whether we can arrest the expansion of other trade competitors at the expense of what we now hold must remain in the balance over the next few years. Other than goodwill, there is little help we can get. Yet if Co-ops could enjoy greater patronage across its counters, for its Bank, Insurance and other services from those who vote Labour and join Trade Unions, its task of survival would be enormously brighter.

So, I see hope in gritting of teeth and recognising that the welfare of one is the concern of all three. The National Council of Labour **must** be made to work. Co-operators should ensure that our best top officials — and lay figures — are used in joint forums to impress our colleagues with our expertise and to parade our resources. As Co-operators we must work, hard, at the job of making the partnership a thing of pride. It was once. It can be again.

### **Note of the Author**

LORD GRAHAM was made a peer in 1983, following service as Labour/Co-op MP for Edmonton 1974-83 and is Opposition Spokesman in the Lords on Environment and Defence. His Co-operative record started in Newcastle-upon-Tyne Society and has included studies at the Co-operative College, service (as an official and director) in the Enfield and Enfield and St. Albans Societies with the Co-operative Union and a period as National Secretary of the Co-operative Party. He was also leader of Enfield Council 1962-68 and after his B.A. from the Open University has been serving on the O.U. Council.