

**The New Party and
the I.L.P.**

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By

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It was Keir Hardie and the I.L.P. who first made unemployment a political issue in this country. During recent years it has become the political issue and the last General Election was fought on it.

"The first point in our programme," said Mr. Ramsay MacDonald in his speech at the Albert Hall on April 27th, 1929, "is Unemployment. That is the thing that bulks largest in the mind of the Labour Party, and will receive the first attention of the Labour Government."

The numbers of the unemployed were then about one million. To-day they are over two millions and a half. Soon they may be three millions. Yet Mr. MacDonald spoke, in the peroration of the same speech, of making "this land and the people of this land an inspiration, a guide and the envy of the whole world."

Unemployment will again be the issue at the next General Election. What is to be the attitude of the I.L.P. and of its individual members? What is to be the attitude of those who, while they have left the I.L.P., are still influenced by its philosophy and traditions?

They all believe that Socialism is the ultimate goal. But they also believe, unless they have accepted the Communist viewpoint, that the way to Socialism is not through catastrophe.

"We advance our policy as the alternative and antithesis to a catastrophic strategy," say the authors of "The Living Wage," the official pamphlet on I.L.P. policy. "It aims at creating general prosperity, and only in this atmosphere of well-being

would a party which embraced it attempt large constructive changes. Taking care before it joined the main battle over the hotly contested issues of nationalisation, to stimulate the nation's trade, it would then approach its more contentious work with the public in a mood of optimism and good temper."

The I.L.P. thus recognises that the advance to Socialism is possible only in conditions of national prosperity. It has its own policy for bringing about these conditions, a policy originally put forward for acceptance by the Labour Party. But the Labour Party has rejected this policy and is now increasingly hostile to the I.L.P. Even if this hostility on the part of the political movement were overcome, there is the still bigger barrier of Trade Union suspicion of the I.L.P. and antagonism to its proposals.

I.L.P.ers must thus face the fact that their own policy cannot be brought before the electorate at the next election, so long as the I.L.P. remains part of the Labour Party. If it breaks away from the Labour Party, it may fight on its own distinctive programme, but it knows that it cannot possibly obtain a majority for that programme. For its policy is put forward as a "Socialist" policy and the bulk even of Labour Party voters are not Socialists. Moreover, many people who are Socialists doubt the wisdom of certain of the I.L.P. proposals.

Thus it is only to a very small section of the electorate that an independent I.L.P. can hope to appeal. This means that, whether within the Labour Party or outside it, the I.L.P. function must for the time being be one of propaganda. It may perform a useful purpose by criticism from the Left of successive Governments, but it is not itself an alternative Government, nor can it hope to give effect to its own policy.

Is this good enough for the I.L.P.er who really wants to get things done? Is he content that the workers should have to wait for any amelioration of their lot, until I.L.P. propagandists create a majority of class-conscious Socialists among the people of Britain? Is he meanwhile prepared to see present working-class standards of life forced progressively down and down and the volume of unemployment mount steadily higher

and higher?

For this in present circumstances is precisely what is going to occur. Manufacturing industry is developing in countries that formerly produced little but foodstuffs and raw materials. The low-paid labour of the East has been organised and regimented for mass production. The competition for what export markets remain grows steadily more intense. Former customers have become our rivals in this struggle for overseas trade and their products undersell British goods in our own home market as well.

Free Trade, to which the Labour and Liberal Parties are alike committed, offers us no hope. Even suppose that, by some miracle of persuasiveness, Mr. William Graham induced all the nations of the World to abandon their tariffs, what would be the result? The general level of wages in a Free Trade world would be determined very largely by the cost of production in those countries where wages are lowest. For the low-paid labour of the East is likely to prove more efficient in the use of modern mass production methods than the more highly developed men and women of the West.

The crude Protection of the Conservative Party will serve us no better. A tariff, imposed without conditions as to wages, prices or efficiency, will do nothing to help the nation as a whole. A temporary advantage may be secured in this way, but the growing industrialisation of the world makes the hope of permanent results illusory. And meantime our own home market will have been reduced owing to the operation of the higher price level.

The case against Tory Protection can, however, only be put effectively by those who realise that Free Trade is equally a delusion. It is not enough to say that Protection is no remedy—you must, if you reject it, be prepared to suggest an alternative. It is useless to argue, as does the Labour Party, that Protection means a concealed wage-cut, when the Labour Government has shown itself quite powerless to prevent open reductions of earnings and has, indeed, set the example to employers by forcing down the remuneration of Civil Servants.

What we require is a method of controlling imports which will safeguard the present standard of life of the working-class and enable us gradually to raise it, which will protect the consumer from exploitation and compel industrial efficiency while it restores confidence to the business community. We believe that such a method has been worked out in "A National Policy," the sixpenny pamphlet which summarises and explains the programme of the New Party. It is the scientific, twentieth-century remedy for the evils of Free Trade. Compared with it, the nineteenth-century Protection which Toryism continues to prescribe is merely a quack nostrum—at once ineffective and dangerous.

Briefly, this scientific import policy, to which the name of "Insulation" has been given, falls into two main parts. In the case of basic commodities such as foodstuffs and raw materials, control will be obtained by means of bulk purchase, varied, where circumstances make the alternative method preferable, by a system of licences or quotas issued by an Import Board. In the case of other classes of imports, an entirely new type of machinery will require to be set up.

The machinery proposed by The New Party is called a Commodity Board. Each Commodity Board will deal with an important commodity or group of commodities—e.g., steel, electrical goods, non-ferrous metals, etc. It will consist of representatives both of producers and of consumers, that is to say not only the employers in the producing and consuming industries, but the Trade Unions as well. It will be the duty of these Commodity Boards to determine whether, in the case of the goods with which they deal, control of imports is necessary, what form that control will take, and on what conditions it will be granted.

Wages will be one of the supreme concerns of the Commodity Boards. In no case will the State grant or maintain any measure of protection to an industry, whether by means of tariffs and licences, or by means of prohibitions and licences, unless the workers in that industry are paid a just and reasonable wage. Nor will this wage be fixed once for all when a Commodity Board begins its operations. It must increase progressively as

productive power increases, so that the greater output may be consumed by the higher purchasing power of increased wages.

The Commodity Boards will also see that the consumer is not exploited by unwarranted price-raising and that, where the re-organisation of an industry is necessary, that re-organisation is carried out.

We have been told that this Insulation policy is simply Protection under another name, and that true Socialists will refuse to be taken in by it. But, while Protectionists have sometimes claimed that Protection means high wages and does not necessarily mean high prices, and that it encourages efficiency, they have never so far made any proposal for ensuring that those results will be secured or provision for ensuring that, unless they were in fact secured, the protection granted would be withdrawn. That is a vital difference between Protection and Insulation.

Can it be made good in actual practice? Some of our I.L.P. critics profess to doubt it, but Mr. H. N. Brailsford, in one of the articles in which, according to the Editor of *The New Leader*, he was to "restate the I.L.P. Living Income proposals and relate them to the present world economic problems," refuses to share their scepticism. He says:

"With an adequate mechanism of control, any measure of Protection which we may accord can be subjected to stipulations, which will ensure satisfactory quality, adequate volume of supply, good conditions, and a living wage for the workers." (*The New Leader*, December 5th, 1930.)

But the insulation of the home market is not enough, though it is a very big and a very important step towards the raising of our standards of life. **We must maintain wages and increase them—in the industries that produce for export as well as in those that cater for home consumption.**

To do this in a world where the markets for our exports are shrinking and the competition for them grows steadily more intense is difficult. But there is one way in which it can be done. We can use our bargaining power as buyers of foodstuffs and raw materials to obtain adequate markets on favourable terms

for at least a considerable portion of our exports. Arrangements of this kind could be concluded with the Dominions and also with the Colonies and Dependencies of the British Empire. There is, however, no question of confining them to territories within the Empire Commonwealth; we would seek to make arrangements of a similar kind with the Argentine and with Russia.

It is probable, however, that our trade with certain other foreign countries will diminish, as our trade with the Empire grows. This, however, is likely to happen in any case. The Empire markets, which even now absorb forty per cent. of our exports, are expanding rapidly while other overseas markets are contracting.

A further point of importance is that we can assist in building up these Empire markets. There are immense untapped reserves of wealth in the Empire territories and the development of these great resources for the benefit of all, of whatever race, or class, or colour, who are partners in this great Commonwealth, should be undertaken as a co-operative enterprise in which all would have a share and from which all would reap their due reward.

This, according to some critics, is "economic imperialism." Is it not rather a first step towards international planning and international unity? There would certainly be no attempt at exploitation of either Dominions or Colonies on our part. For it is obvious that Co-operation of this kind could only be maintained, if it were productive of mutual benefit.

While we hope that this Empire planning may be possible, we are convinced of the need for a national plan to guide and determine the economic and industrial development of this country. Much of the waste and squalor and suffering which Socialists condemn in capitalist society has not been inevitable, but accidental. It has arisen because of the haphazard way in which, in the past, our industries have developed and our towns and cities have extended their borders.

To-day we find new industries springing up, new works and factories being built. But development is still haphazard. So

long as there is no central, directing authority this is inevitable, but it is creating a whole host of new and complicated problems, some of which are already engaging the attention of national and local authorities, while others will become acute in a few years time.

National planning would ensure rapid, yet ordered development, and would go far to create the prosperity we all desire. It would also direct new capital to useful and fruitful purposes, and ensure that old capital was used to the best advantage.

To take one example: a great deal of capital is sunk in the British mining industry which to-day is useless because the world's coalfields have increased more rapidly than the demand for coal. For the same reason, the capital of large numbers of miners—which consists of their strength, skill and experience—has become valueless to themselves and to the community.

By establishing a large-scale coal carbonisation industry national planning would go far to salvage both. Faced with vested interests in foreign oil and with unrestricted imports private enterprise will not do it—and cannot do it. But the National Planning Council would probably be justified in undertaking this work—and would do so—because of its value to the nation as a whole.

Similarly, national considerations demand that a healthier balance between agricultural and manufacturing industry should be secured. The feeble attempts of the Labour Government in this direction are doomed to failure. **The dead hand of Cobden is upon the Labour Party; not only is it proving inimical to industrial development but it is stifling all hope of agricultural revival under the present administration. Land development is futile without control of imports.**

Here, then, in brief, is a programme of national effort to cope with the present crisis in our affairs. Many points have been omitted which are dealt with in "A National Policy," notably the short-term programme of immediate work schemes in connection with housing and the development of electricity and transport. But the broad outlines are before you.

The choice is also before you. Utopian Socialist propaganda,

in the circumstances of to-day, is very largely beating the air. The Labour Government apparently has little further use for Socialism—even in perorations. And the ordinary elector is more than ever distrustful of it. To him, the Labour Party and Socialism were one and the same, and he regards the failure of the Labour Government as the failure of Socialism.

Are you then prepared to continue making Socialist speeches with no hope of obtaining Socialist action, while the wages of millions of your fellow-countrymen and women are driven down to starvation level? Or will you co-operate in a practical policy for restoring prosperity, getting the unemployed back to work, in raising the general standard of life and securing the planned and ordered development of our national economy?

Many Socialists have already decided that, in the present crisis, when the whole standard of life of the British worker is at stake, it is our duty to support the only policy that can save them. To do that, they are prepared to work with all who accept the programme we have outlined.

So The New Party has come into existence with an immediate, practical policy to deal with a crisis. When that crisis has been surmounted, when national planning has been firmly established, when our standards of life are safe from the assaults of low-paid labour, we can resume our discussions as to the ultimate form of economic organisation and the ownership of industry with some hope of translating our ideas into action.

Members of the I.L.P. and Socialists generally can join us in this national effort without any sacrifice of their principles. The I.L.P. has, indeed, already laid it down that prosperity must be established before Socialism becomes possible. Hence, the tasks we have set before us may justly be regarded as the first duty of Socialists in the present emergency.

We invite their co-operation. We invite the co-operation of all men and women who believe that planning and intelligent organisation are necessary to build the economic life of the future, and that no lasting and worth-while civilisation can be based on poverty and the starvation and misery of millions of our countrymen.

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