

Britain: A revealing exchange on a national unity government

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A revealing exchange took place in the *Guardian* newspaper earlier this month.

Writing on December 8, former Labour minister Frank Field opined that the developing economic crisis meant that it may be necessary for the Conservatives and Labour to form a government of national unity.

The growing lack of confidence in the British economy, combined with rising unemployment and record government borrowing, meant this might be the only way to assuage the fears of the international markets, Field said.

As it was, debt under Labour had risen by 40 percent in the last year to £118 billion, Field complained. Even though the government had forecast "record cuts in public expenditure," some £37 billion up to 2012-13, this was still not enough to bridge the gap he said.

This was especially true because Labour was underestimating the rise in unemployment as a consequence of the financial meltdown. The government had forecast 1.41 million jobless by the end of 2009, and 1.5 million by the end of 2010, while others have predicted it will hit 2 million by Christmas and 3 million by the end of next year.

If the latter projections were correct, Field continued, "Welfare bills will soar, making new demands for yet greater borrowing." The market, already mistrustful of the government's figures, could use the mass increase in joblessness to either refuse to buy government gilts, or to do so only "at a ransom price."

If the market refused to pick up the government's IOU's, he went on, the only options "will be to print money, with all the dangers for a country of going along with such a policy; or for the political parties to come together—in a national government—to try to convince the gilt market that the country is serious about bringing under control the gap between projected government expenditure and its falling tax revenue base."

"It is crucial that we begin to plan for this scenario for, once in this totally uncharted territory, we may not then have that long to convince the markets that Britain's political class really means business in trying to get the nation's accounts into some sort of order. If we fail to convince at this point, then the

outlook for the country is truly unimaginable," he warned.

Three days later, Tony Benn, the doyen of Labour's ever dwindling left wing, responded with a denunciation of Field's call, stating that a national unity government "would be an attack on democracy and give succour to fascism."

This, Benn said, had been the result of Labour Prime Minister Ramsay MacDonald's decision in 1931 to form a coalition with the Conservatives and Liberals. The Labour Party had formed its second government in June 1929. Just four months later the Wall Street crash put paid to its pledges of reforms as unemployment almost doubled to nearly 3 million in 11 months.

Amid a growing radicalisation of the working class, with protests and strikes, by the summer of 1931 the pound had plummeted in value. Bowing to the dictates of the global bankers, the Labour government agreed to large cuts in public spending (particularly in unemployment benefit), leading to a split in the party. On August 24, 1931, MacDonald resigned and formed a national government with the Tories and Liberals, in what became known as the "great betrayal."

Benn wrote that the national government "was directly responsible for the appalling suffering during the slump that followed, with mass unemployment and destitution for the many thrown out of work." It led, he continued, to former Labour MP Oswald Mosley establishing the British Union of Fascists and to the "policy of appeasement towards Hitler" that was only ended "when Churchill came to power in 1940 and Labour entered into the wartime coalition."

The exchange is interesting on two counts.

Contrary to the soothing platitudes from Downing Street that Prime Minister Gordon Brown has "saved the banks" and set an example to "the world" with his multi-billion pound "stimulus package," Field shares the opinion of an increasing number of commentators that the UK is entering a major recession which makes the government's political survival uncertain to say the least.

More fundamentally his concern is for the very survival of capitalism. In a subsequent letter responding to Benn, he declares point blank that the issue is how to "prevent total economic disaster."

Field is insisting that the major political parties will have to

combine forces if they are to have any hope of forcing the burden of crisis onto the backs of the working class and withstanding the inevitable social explosion that will result.

What of Benn's response? He berates the 1931 national government for the "mass unemployment and destitution" that followed its establishment, leading up to the war. He even goes so far as to state that the "argument that we might have to consider a national government to deal with the economic crisis ... is the clearest indication that capitalism and democracy are incompatible."

Given that Benn has spent all his political life arguing that socialism can be achieved through parliament, this seems an extraordinary admission. So too is his assertion that "A national government in peacetime amounts to a declaration that *democracy cannot be maintained if market demands are so strong that no party can expect to challenge them and survive*" (emphasis added).

Leaving to one side the fact that a national government would be no less undemocratic at a time of war, Benn speaks so strongly because he is concerned with the further discrediting of parliament and its revolutionary implications.

His potted history of the last 60 or so years ultimately whitewashes the significance of Labour's actions in 1931. According to Benn's account, the response to 1931 and the Great Depression was almost wholly from the right. He goes on to state that "Labour did survive" the 1930s and records that "When the manifesto was drafted for the postwar election in 1945, it contained a very clear statement about the causes of that pre-war crisis: 'The sure and certain result of the concentration of too much economic power in the hands of too few men'."

In reality the 1930s witnessed a leftward shift amongst broad layers of workers that opened the way for the development of a new and genuinely socialist leadership. This found its distorted expression in the growth of centrist tendencies, such as the Independent Labour Party, which voted to disaffiliate from the Labour Party in 1932 and which became a focus for opposition to social democracy.

Several factors combined to enable the resuscitation of Labour. Firstly, the treacherous role played by the Stalinist Comintern in beheading revolutionary developments before the war and providing the political basis for the rescue of Western capitalism at its end. Secondly, the ILP's rejection of the struggle conducted by Leon Trotsky for the founding of a new, revolutionary Fourth International against Stalinism and Labourism.

What ultimately saved Labour, and British capitalism, however, was the US dollar. In Britain, as elsewhere, depression and war produced a powerful sentiment for social transformation and an end to the dictates of the market. Labour was the primary beneficiary of that mood, because it was most closely identified with proposals for a major extension of welfare (although this was supported by all the major parties as

a matter of political survival).

But British capitalism's position as the leading global economic power was finished by 1945. Deeply indebted, and faced with a combative and restive working class, it was dependent on rising US imperialism through such policies as Lend Lease and the Marshall Plan to provide both economic and political stability.

Changes of revolutionary magnitude have occurred since then. US capitalism is no longer in the ascendancy, but in severe decline. Once a force for order in Europe and the world, it is now a major factor in the spread of economic disequilibrium and social unrest.

Benn is aware of these changes. He, no less than Field, is concerned with the survival of British capitalism. But the aim of his analogy with 1931 is to paint a scenario in which "democracy" (i.e., capitalist parliamentary rule)—compromised by a coalition government and menaced by the spectre of fascism—can and must be saved by "the labour movement."

In the event of a national unity government, he states, "the labour movement will be in opposition and the various sectarian left groups that waste so much time fighting each other might realise that they have to work with that movement to provide relevant alternatives."

Benn's oppositional "labour movement" exists only in his imagination. MacDonald had to break from his party to join forces with the Conservatives, and was expelled as a result. No such scenario would develop today. Labour has spent over a decade in office working hand in glove with the city of London with barely a trace of protest in its ranks, while the trade union bureaucracy has systematically demobilised and betrayed any opposition to this course amongst working people.

Any mass movement against a possible national government committed to imposing the demands of the markets—or any other government formed for this self-same task—would have to develop in a ruthless political struggle against what now passes for the "labour movement."

Benn knows this very well. He has spent his entire life working to preserve the political stranglehold of Labour over the working class, by offering himself as the party's reformist conscience. Hence his instruction that Britain's radical groupings must end their "sectarian" pose of independence and concentrate all their efforts to working with whatever fraction of the labour and trade union bureaucracy adopts an oppositional stance.



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