

# **‘THE SMALLEST PARTY IN HISTORY’? NEW LABOUR IN HISTORICAL PERSPECTIVE<sup>1</sup>**

RICHARD TOYE

HOMERTON COLLEGE, CAMBRIDGE

**ABSTRACT:** Historians, commentators and political scientists have divided over whether New Labour marks a definitive break with the pre-1994 Labour Party, or instead represents ‘traditional values in a modern setting’. Steven Fielding has recently offered a systematic and apparently persuasive exposition of the latter argument. In his view, the Labour Party, under Tony Blair’s leadership, has been faithful to its past. This article challenges this interpretation of Labour’s history, and by extension Blair’s own ‘core values’ argument, to which (it is argued here) Fielding’s claims bear a marked resemblance. It is suggested that such interpretations create the risk of a Whig interpretation of the party’s history. Moreover, not only are some of the specific historical judgements used to back them up open to doubt, but also Fielding’s focus on the party’s parliamentary leadership inevitably brings about a misleading conclusion. Blair’s accession marked a shift in the *balance of forces* within the party, and a focus on the ideology of the leadership alone is bound to obscure this. The article will therefore conclude by exploring the merits of Tony Benn’s remark that New Labour is ‘almost certainly the smallest party in the history of British politics’. It is argued that ‘New Labour’ should be seen not as something that has superseded ‘Old Labour’, but as something that exists alongside it, providing leadership as part of a wider coalition.

Tony Benn, in a memorable and oft-repeated remark, has commented: ‘New Labour ... though almost certainly the smallest party in the history of British politics, is nevertheless a very powerful organisation, since most of its members are in the Cabinet or have supported it financially.’<sup>2</sup> 2004 marks the tenth anniversary of Tony Blair’s election as leader of the Labour Party, and provides an opportune moment for assessing such claims. Admittedly, although useful published sources are available, the historian’s task in doing so is complicated by lack of access to archives.<sup>3</sup> Nevertheless, if more definitive verdicts must await the further passage of time (and, in particular, the end of Blair’s leadership), it is by no means too soon to discuss the analytical framework within which New Labour should be studied. Throughout the

considerable volume of writing that aims to provide such a framework, one of the dominant issues is the ‘newness’ of New Labour.<sup>4</sup> Does Blair’s project mark a definitive break with the pre-1994 Labour Party, or does it rather represent ‘traditional values in a modern setting’?

It is not merely the spirit of academic enquiry that has prompted such interest in this question, for the issue of continuity versus change has itself been very much a part of post-1994 Labour’s internal ideological battleground. There are a considerable number of party members who think that, if Blair has indeed broken with the party’s past, that would in itself be evidence of reprehensible political conduct, and that, contrariwise, if it could be shown that he has remained broadly within the party’s traditions, that would be proof of his virtue. There are others who think that, if Blair has indeed made a clean break, then that is the proof of the excellence of his leadership. New Labour’s socialist opponents, therefore, try to appeal to the former category of people by accusing Blair and his acolytes of lacking a ‘sense of history’.<sup>5</sup> New Labour’s advocates – not least Blair himself – try by contrast to appeal to both categories. They square the circle by aggressively distancing themselves from certain periods and aspects of the Labour Party’s history, whilst asserting that their ‘core values’ remain those that have motivated the party throughout its life.<sup>6</sup> According to the party’s 1997 manifesto, these values are ‘the equal worth of all, with no one cast aside; fairness and justice within strong communities ... we have liberated these values from outdated dogma or doctrine, and we have applied these values to the modern world.’<sup>7</sup>

This ‘core values’ argument, as we shall see, has many compelling aspects. At the least, its detailed articulation by, amongst others, Blair, Gordon Brown, and Jack

Straw, comprehensively disproves the thesis that New Labour's leaders have no sense of history. (Whether or not they have an *accurate* sense of history is of course another matter.) Moreover, the overall thrust of the argument has recently received weighty academic endorsement. This has been provided by Steven Fielding, in his book *The Labour Party: continuity and change in the making of 'New' Labour* (2003). Fielding argues that Blair has remained 'remarkably faithful to Labour's past. The party at the start of the twenty-first century may be a highly cautious social democratic organization; but recognizably social democratic it remains. If the state has advanced modestly and in novel ways since 1997 Labour's purpose in office is the same as it ever was: to reform capitalism so that it may better serve the interests of the majority.'<sup>8</sup> In the course of advancing this argument, Fielding successfully demolishes a number of myths. He is undoubtedly right that to view New Labour as 'a betrayal', 'apostasy', or 'Thatcherism Mark II' is oversimplistic. Nevertheless, the 'core values' argument is itself open to a variety of potentially damaging criticisms.

First, it may be said that the distinction between 'values' (which are said to have remained constant) and policies (which are admitted to have changed), is left vague. This, of course, is the familiar problem of ends versus means, which can never be fully resolved. Nevertheless, this vagueness helps make the 'core values' argument potentially almost infinitely malleable, and creates the risk of a Whig interpretation of the party's history. Second, some of the specific historical judgements used to back up the 'core values' approach are open to doubt, in particular the parallels drawn between the revisionists of the 1950s and the modernisers of the 1990s. Third, the decision (explicit in Fielding's work and implicit elsewhere) to concentrate on the party's parliamentary leadership inevitably brings about a misleading conclusion.<sup>9</sup> As Fielding is easily able to show, 1994 did not mark the sudden emergence within the

Labour Party of a previously unheralded ideology. But change did nonetheless occur: there was a shift in the *balance of forces* within the party, and a focus on the ideology of the leadership alone is bound to obscure this. The article will therefore conclude by exploring the merits of Benn's remark about 'the smallest party in history'. It will be argued that 'New Labour' should be seen not as something that has superseded 'Old Labour', but as something that exists alongside it, providing leadership as part of a wider coalition.

### **The 'core values' argument**

The charge that the key figures in New Labour are ignorant of their own party's history is quite wrong. Jack Straw, in a landmark pamphlet published in March 1993, drawing on a number of well-respected secondary works, provided a short history of Clause IV of the party's constitution.<sup>10</sup> Peter Mandelson and Roger Liddle made a significant – if not necessarily satisfactory - attempt at historical analysis in their book *The Blair Revolution* (1996); likewise New Labour pollster Philip Gould in his memoir *The Unfinished Revolution* (1998).<sup>11</sup> Gordon Brown completed a Ph.D. in history at Edinburgh University, and, in 1986, published a biography of the ILP leader James Maxton. In 1995 he and fellow Labour MP Anthony Wright published an anthology of socialist writing.<sup>12</sup> Blair himself, as will be seen, has on a number of occasions discoursed extensively on how Labour's history relates to his own political goals. (In particular, he has repeatedly discussed the legacy of the Attlee governments of 1945-51.)<sup>13</sup> Moreover, Blair and/or his advisers clearly wish to present an image of someone interested in, and linked to, Labour's past. The issue of the official magazine published for the party's centenary had a picture on the cover of a benign-looking Keir Hardie standing just behind Blair, 'offering up silent adulation to the glorious

present', as one scathing commentator put it.<sup>14</sup> There are strict limits to this aspect of the image-making process, however; Blair has kept away from the annual Durham Miners' Gala, a traditional opportunity for Labour leaders to address their followers *en masse*, apparently for fear of creating negative associations in the minds of the voters.<sup>15</sup>

New Labour's attempts to demonstrate that it values its history at the same time as suggesting that major parts of the Labour heritage were profoundly flawed have naturally involved certain tensions and contradictions.<sup>16</sup> Yet although such attempts are obviously to some degree the product of political calculation, they deserve to be taken seriously on their own terms. A considerable part of the intellectual background to Blair's view of history derives from David Marquand's book *The Progressive Dilemma*, first published in 1991. (Marquand was a close colleague of Roy Jenkins in the Social Democratic Party (SDP) in the 1980s, and it seems likely that Jenkins – often described as Blair's 'history tutor'<sup>17</sup> – helped reinforce ideas similar to those of Marquand in the Labour leader's mind.) According to Marquand, the central failure of the Labour Party's history was its inability 'to construct an enduring Labour-led equivalent of the heterogeneous, ramshackle, but extraordinarily successful progressive coalition which the Liberals led before the First World War.'<sup>18</sup>

Blair provided a systematic exposition of his version of this view in a speech commemorating the fiftieth anniversary of the general election of July 1945.<sup>19</sup> Expanding on Marquand's theme, he argued that 'The Liberal-led majority of 1906 to 1914 spanned a wide divergence of political views. On the left, Labour MPs gave it their support. ... But the intellectual energy came from the New Liberals', advocates of social reform such as J.A. Hobson and L.T. Hobhouse prominent among them.

After Labour displaced the Liberals in the wake of WWI, ‘the ideas of the pre-war reformers lived on: sometimes in the Labour Party, sometimes in the Liberal Party, sometimes beyond party.’ However, ‘Labour never fully absorbed the whole tradition’; the party was sidetracked by the commitment in Clause IV of the party’s 1918 constitution to the common ownership of the means of production. This involved a ‘confusion of means and ends’; hence the necessity for its replacement (which, by the time this speech was made, had already happened). Blair then justified his programme of renewal: ‘our values do not change. Our commitment to a different vision of society stands intact. But the ways of achieving that vision must change.’ Thus, Labour’s objectives remained constant; only the means of achieving them had altered.<sup>20</sup>

Blair has expressed these opinions again since, notably in his 1999 party conference speech:

100 years ago, the circumstances of our birth and our political childhood was such we never realised our potential. Born in separation from other progressive forces in British politics, out of the visceral need to represent the interests of an exploited workforce, our base, our appeal, our ideology was too narrow. ... We were chained by our ideology. We thought we had eternal doctrines. When they are in truth eternal values.<sup>21</sup>

These views are shared, in broad outline, by other New Labour figures.<sup>22</sup> Moreover, although the main purpose of Fielding’s critique is to challenge New Labour’s pretensions to novelty, he too in effect lends support to the Blair view of party history. His arguments in support of the ‘core values’ interpretation match quite closely those put forward by its various political exponents. This, of course, is no reason in itself to reject the powerful claims put forward on its behalf. The most significant of these are as follows.

First, it is argued, Clause 4 was never fully implemented. As Mandelson and Liddle put it, ‘The all-embracing commitment to nationalisation in the infamous Clause IV of Labour’s 1918 constitution gave the unfortunate impression that Labour favoured public ownership on principle. The truth is that old Labour’s approach to nationalisation was always pragmatic and considered case by case.’<sup>23</sup> Or as Fielding puts it, ‘the party won the 1945 General Election by proposing to nationalize industries that had “failed the nation” on the basis that state intervention was more equitable and efficient than private control. Significantly, however, the party made its case without reference to clause four but instead to the belief that such policies were the only “practical” ones available’; hence ‘Labour’s enthusiasm for common ownership, notwithstanding the 1918 version of clause four, was less than it seemed.’<sup>24</sup>

Next, it is suggested, Labour had a long-standing modernising tradition. According to Gould, ‘The language used by [Hugh] Gaitskell [Labour Party leader 1955-63] in public and others in private is uncannily similar to that used by Tony Blair and other modernisers a generation later.’<sup>25</sup> According to Fielding, ‘instead of thinking of “New” Labour as a deviation from the party’s past it is better understood to be a reworking of Labour’s dominant “revisionist” tradition.’<sup>26</sup>

Furthermore, it is argued, Labour always drew on Liberal ideas. Blair’s views on the influence of the New Liberals have already been referred to. In addition, he has argued that the ideas of John Maynard Keynes and William Beveridge – both of whom were Liberals – ‘were the cornerstone’ of the Attlee government’s reforms.<sup>27</sup> According to Fielding, ‘Blair was right to suggest that his party owed much to the

thoughts and actions of earlier Liberals.’ He also endorses Blair’s view of Keynes and Beveridge.<sup>28</sup>

Finally, it is claimed that Labour’s commitment to social justice remained unchanged under Blair. Gordon Brown has praised ‘the scale of the ambitions of the 1945 government, whose determination not just to change policies but to change life chances, transformed our shared sense of what it meant to be a citizen of Britain’; and he clearly wishes his own policies to be seen as falling within that tradition.<sup>29</sup>

According to Fielding, ‘Having moved from the early desire to be seen as more Thatcherite than it actually was, “New” Labour became more aggressive about the virtues of public spending and the need for better-funded public services to reduce poverty and increase equality ... it should be concluded that “New” Labour’s approach to poverty and equality remains comparable with that of both its predecessors and its counterparts in contemporary European social democracy.’<sup>30</sup>

There are, however, a variety of possible ripostes to the ‘core values’ argument. To begin with, it could be argued that many elements of New Labour are indeed drawn from party traditions, but that proponents of the ‘core values’ argument have underestimated the degree to which those other elements that are genuinely new have come to predominate. Further, it could be argued that certain of these new elements cannot, on any but a perverse interpretation, be traced to Labour’s past. Or it could be claimed that, even if New Labour was *designed* to pursue traditional objectives via new methods, the adoption of those methods led unintentionally to a change in objectives. Alternatively, it could be suggested that, although presented as a means to pursue traditional objectives via new methods, New Labour in fact amounted to a (necessarily covert) attempt to redefine objectives. In this latter view, in other words,

the ‘core values’ argument itself is merely a rhetorical construct designed to justify the abandonment of Labour’s traditional aims. The next section explores arguments against the ‘core values’ approach in more detail, in order to mediate, insofar as is possible, between these different interpretations.

### **Problems with the ‘core values’ argument**

The first problem with the ‘core values’ argument is that it is potentially almost infinitely malleable. In other words, it could be adjusted and extended indefinitely to cover virtually any departure in politics or strategy. This can be illustrated by reference to a book published in 1932 by Godfrey Elton, called, intriguingly, *Towards the New Labour Party*. Elton was a strong supporter of Ramsay MacDonald, whose son Malcolm provided the book’s introduction. The previous year MacDonald *père* had resigned as Labour Prime Minister after the cabinet split on the issue of the cuts in unemployment pay which he favoured as a response to Britain’s financial crisis. He had then formed a National Government, in alliance with Conservatives and Liberals, and forced the cuts through, and this led to his expulsion from the Labour Party. Elton advanced the following argument in order to defend him:

There is the doctrinaire Marxism of the Social Democratic Federation which had proved its impotence by 1890; there is the narrow and sectional Labourism which was fated to give its final proof of insufficiency between August and October 1931; and there is the old, nation-wide socialism of Keir Hardie, reinterpreted to meet the needs of a post-war generation, to which Mr. MacDonald remained fundamentally true in the crisis of 1931 and in which lies the only hope of Labour in the future.<sup>31</sup>

Elton was arguing, then, that Labour’s base, appeal, and ideology had been too narrow; and that MacDonald was, rather than betraying the party, in fact giving new

expression to its founders' values in the light of changed conditions. The purpose of drawing attention to the similarities between Elton's arguments and the 'core values' approach to New Labour is not to make a cheap comparison between the reviled, 'traitorous' MacDonald and Tony Blair. It is to point out that if Elton was correct, the Labour Party must at some point (albeit perhaps briefly) have abandoned the values of Keir Hardie, which therefore cannot have been 'eternal' Labour values. Alternatively, if he was wrong, his claims merely illustrate the dubious uses to which 'core values' type arguments may potentially be put. If they can be used to justify making an alliance with Tories in peacetime, what other actions may they not be used to sustain?

A second problem with the 'core values' argument is that it risks interpreting Labour history in a 'Whig' fashion. In order to show that Keir Hardie, Clement Attlee and Tony Blair all share the same values – as Blair himself has claimed<sup>32</sup> - it is necessary to show that where these leaders' opinions were obviously different the differences between them were not fundamental. Thus, if Hardie was a pacifist and Attlee a believer in nationalisation, supporters of the 'core values' approach suggest that such differences from Blair's beliefs were matters of 'doctrine' or 'ideology' and not 'values' and therefore not fundamentally important; whereas Hardie and Attlee's points of similarity with Blair, such as their broad belief in social justice, are presented as questions of 'values' and hence of great significance. These kinds of distinctions are of doubtful validity; they seemed designed to allow proponents of the 'core values' argument to pick and choose aspects of the Labour Party's past that seem to have a link to the present, whilst in effect dismissing from consideration parts of Labour's history that might undermine their case. Indeed, sometimes, it seems as though they are committing a sleight of hand. Continuity is identified as continuity,

and change is also identified as continuity, because change has always been a part of Labour's past!<sup>33</sup>

Herbert Butterfield warned against this sort of thinking in *The Whig Interpretation of History* (1931):

The chief aim of the historian is the elucidation of the unlikenesses between past and present and his chief function is to act in this way as the mediator between other generations and our own. It is not for him to stress and magnify the similarities between one age and another, and he is riding after a whole flock of misapprehensions if he goes to hunt for the present in the past. Rather it is his work to destroy those very analogies which we imagined to exist.<sup>34</sup>

If Butterfield was right, the very notion of 'core values', which the Labour Party may be said to have held uniformly throughout its history, may be a doubtful one.

This may be illustrated in relation to analogies between post-1994 modernisers and earlier revisionists.<sup>35</sup> Such analogies may in certain respects be valid, but there are limits to them and, unless handled cautiously, are potentially misleading. This may be seen with reference to the ideas of Douglas Jay. During the 1950s Jay, along with Roy Jenkins, acquired a reputation in left-wing Labour circles as one of the 'implacable extremists' in the Gaitskell coterie.<sup>36</sup> This was due in part to an article he wrote in *Forward* after the 1959 general election, suggesting that Labour should rethink its nationalisation proposals, and should consider changing the party name to 'Labour and Radical' or 'Labour and Reform'.<sup>37</sup> Jay has thus been invoked by Gould as one of the 'first voices of modernizing dissent' within the Labour Party, and is cited by Fielding as an early Labour advocate of market-based policies.<sup>38</sup> Moreover, several historians, citing Jay's 1937 book *The Socialist Case*, have made much of his

‘Keynesianism’.<sup>39</sup> This last could be taken as evidence in support for Blair’s point about the influence of Liberal thinkers on Labour.

However, Jay’s views should not be seen as proto-Blairite or even as unambiguously Keynesian. Although he made efforts to ensure that the doctrine of effective demand advanced in *The Socialist Case* ‘was at least consistent with Keynes’s argument’, his commitment to Keynes should not be overstated.<sup>40</sup> Jay, unlike Keynes, emphasised redistributionary taxation; in 1938 he argued privately that the multiplier effect was ‘a red herring’, and that Keynes’s emphasis on investment laid too much stress on public works and the rate of interest. Likewise, he differed with Keynes on specific points of practical policy.<sup>41</sup> (Indeed, as a general proposition, Labour’s relationship with Keynes was considerably less harmonious than Blair – and Fielding – have made out.)<sup>42</sup> It is certainly true, though, that during the 1930s Jay was sceptical about the idea of socialist economic planning, and was willing to speak (with some key exceptions), in positive terms about the market and consumer freedom. However, the experience of WWII and the immediate post-war era converted him to the virtues of planning.<sup>43</sup> During the 1951-64 period he retained a firm belief in economic planning based partly on physical controls.<sup>44</sup> In this respect, it is difficult to claim close similarities between his views and those of New Labour.

This also applies to his views on public ownership. In 1959, responding to critics of his *Forward* article, he emphasized that he was by no means opposed to further public ownership, but that this should not take the form of the extension of public monopoly into manufacturing industry and the distributive trades. Rather, he argued, in a world of full employment and long-run capital gains, expanding ownership of industrial

shares and other property by the community could supply the revenue for better pensions and public services without high rates of personal taxation.<sup>45</sup> As Jay later pointed out, his belief in ‘social ownership’, but not in the further extension of public monopoly, was a precursor of the National Enterprise Board (NEB) established by the 1974 Labour government.<sup>46</sup> The NEB – which was to acquire shares in major firms – has often been viewed as one of the excesses of Bennite interventionism.<sup>47</sup> Yet, in view of its origins, it is unsurprising that the policy received qualified support from the right of the party, not least because of growing doubts about the behaviour of the private sector.<sup>48</sup> It is easy, in the search for proto-Blairite attitudes amongst the revisionists, to forget the extent to which they still had a genuine faith in ‘public enterprise’. To this degree there are problems with viewing Jay and his colleagues as prophets of New Labour.

Jay has been used here as a specific example, but similar points could be made in relation to Tony Crosland or indeed Gaitskell himself. Indeed, in 1959 Gaitskell wrote to Jay, after the latter had made a speech clarifying his own views: ‘I was glad you were able to stress last night that you were not opposed to further public ownership.’<sup>49</sup> Thus, in spite of his determination to change Clause IV, Gaitskell had not himself abandoned public ownership. Perhaps these arguments are wrong, however, and figures like Crosland, Jenkins, and Denis Healey really were the ‘Blairites’ of their day.<sup>50</sup> But even if so, this should not be taken as overwhelming evidence of continuity between the pre- and post-1994 Labour Party. For one of the things that is most obviously different between Blair’s party and Gaitskell’s is that under New Labour revisionists/modernisers find it much easier to get their way. Whereas Gaitskell failed to change Clause IV, Blair succeeded. This is the weakness of

Fielding's decision to focus mainly on the ideology of the parliamentary leadership: for even if there *has* been continuity in this, as will be discussed below, the balance of forces within the party as a whole has shifted to allow this ideology to be more successfully imposed.

It must also be stressed that the 'core values' argument is politically advantageous to New Labour. Blair has needed to emphasise the 'newness' of the party under his leadership in order to appeal to voters who might have been uncomfortable with Labour's traditional associations; but he has needed at the same time to reassure Labour Party members and MPs suspicious about his intentions. The 'core values' argument has helped him do both these things at once. The sense that his promotion of it has an opportunistic element is heightened by the fact that, in spite of his claim that he shares Labour's traditional values, there is evidence to suggest that privately he does not feel much of a sense of connection with the party and its history. The journalist James Naughtie notes that Blair has a 'rather gloomy view of Labour history'. Moreover, 'Such was his sense of distance from Labour's past that he developed a habit of sometimes referring to his party as "they" instead of "we" and to the embarrassment of his staff he has not managed to lose it in Downing Street.'<sup>51</sup> Indeed, when examined closely, his version of the 'core values' argument appears to imply that Labour's decision to establish itself after 1918 as a party fully independent of the Liberals was a mistake.<sup>52</sup>

Gordon Brown, for his part, appears to feel closer to the party, but there is reason to think that he too has doubted that New Labour has a set of beliefs that could plausibly

be said to be shared with Keir Hardie. In December 1997, during a private conversation with the Liberal Democrat leader Paddy Ashdown, Brown said:

The difficulty is the lack of intellectual force behind the movement [i.e. New Labour]. There is no intellectual coherence about the position and so nothing to fall back on. You have accused us of being a bunch of control freaks. Well, in a way, that's what we have to be, because we don't have an identifiable aim which is ideologically based: because there's no core idea to hold the party together in tough times we have to use discipline instead.<sup>53</sup>

None of this proves definitively that Blair and Brown do not have the same 'values' as their predecessors; nor does the fact that the 'core values' argument is politically convenient for them prove that it is incorrect. One might further argue that the views of New Labour's leaders are to some degree immaterial, and that, whatever their private feelings, the actions of Blair's governments have in fact been broadly in line with those of previous Labour administrations. This, of course, would be to shift the terms of debate somewhat, away from 'values' and towards practical policy and presentation. But the latter area is obviously one of importance, as it in turn casts light on values. Having noted some reasons for scepticism about the 'core values' argument, then, such questions will be considered as part of the next section.

### **What is new about New Labour?**

As Gordon Leff has noted, 'history, although it is directed to the past, is essentially about the new. It is read and written as the unfolding of events which by definition have not occurred before.'<sup>54</sup> Arguably, therefore, the question we should be asking is not 'Is New Labour new?' – given that it must be - but 'What is new about New Labour?'<sup>55</sup> (A subsidiary question is 'How much of what is new about New Labour is owed to Blair's leadership?') It is important to be careful when addressing this

question, however. Fielding is obviously right to argue that there was never a homogenous and monolithic 'Old Labour' that was suddenly replaced by New Labour the moment that Tony Blair became leader. Change had been in process a long time, and owed much to the period of Neil Kinnock's leadership (1983-1992). Many tactical and presentational changes, including the effective use of 'spin doctors', predated Blair. Nor did New Labour spring into life fully formed the moment that Blair took over, in accordance with some master-plan. Blair did not make the definitive decision to press ahead with the replacement of Clause IV until shortly before his crucial 1994 conference speech; there was hesitation about using the very slogan 'New Labour, New Britain'; apparently promising concepts such as the 'stakeholder economy' were adopted and then rapidly dropped.<sup>56</sup> But just because change did not happen instantaneously, overnight, does not mean that it did not happen at all. There are, indeed, several areas where significant novelty can be identified. The most important of these areas are as follows. Again, it should be stressed that not all of these are necessarily wholly attributable to Blair's leadership.

The first of these areas concerns enthusiasm for the market. (Arguably, such enthusiasm is a 'value' as much as it is a policy.) It is not the case that, pre-1994, Labour had been uniformly or unremittingly hostile to the market, although anti-market ideas were an important influence during its early years.<sup>57</sup> J.A. Hobson (a late recruit to the party) was, as Noel Thompson has shown, an enthusiast for some aspects of market mechanisms. However, internal party debates in the 1920s led to 'a rejection of the liberal socialist political economy that Hobson purveyed' and 'confirmed the hegemony of the Fabian alternative' that saw the market in much more negative terms.<sup>58</sup> (Such an outcome was perhaps largely inevitable, given the

predispositions of the party's leaders.)<sup>59</sup> Labour's enthusiasm for creating a planned economy based on nationalisation extensive physical controls, which developed after 1931, owed much to this, and also reflected belief in the successes of Soviet planning.<sup>60</sup> Anti-market sentiment abounded in party policy statements. For example, 'Chaos and disorganisation must be replaced by ordered planning. *The only basis on which ordered planning of industry and trade can be carried out is that of public ownership and control. Neither competition nor private monopoly has proved able to rescue the nation from its plight*' (emphasis in original).<sup>61</sup> Or: 'There is no half-way house between a society based on private ownership as a means of production, with the profit of the few as the measure of success, and a society where public ownership of those means enables the resources of the nation to be deliberately planned for attaining the maximum of general well-being.'<sup>62</sup> Those relatively few Labour enthusiasts for 'market socialism' (or 'Unplanned Socialism', as Hugh Dalton derisively called it) found little support for their views amongst the party's leaders.<sup>63</sup> And, as was seen above, Jay, one of the most prominent advocates of this kind of thinking, changed his views substantially in the light of the experience of WWII.

The party's anti-market views were not fully translated into action by the Attlee government after 1945, of course, nor by later Labour administrations. Fielding thus concludes that 'the hostility of Labour governments – rather than certain party members – to capitalism has been much exaggerated.'<sup>64</sup> It should be noted, though, that the 1945-51 government only fell back on Keynesian techniques once Labour's (admittedly highly inchoate) conceptions of more rigorous central planning had been found wanting. Indeed, the government remained committed to permanent physical controls, which Gaitskell amongst others believed were the distinguishing feature of

British socialist planning.<sup>65</sup> Clearly, the acceptance of a mixed economy implied a *de facto* acceptance of a major sphere in which private companies would operate more or less unhindered; but there was no positive enthusiasm for the market. Labour, until at least the 1950s, showed little interest in developing policies for the private sector. During the 1960s, the party demonstrated continuing ambiguity about whether or not competition was a good thing.<sup>66</sup> This ambiguity continued at least until the 1980s.<sup>67</sup> In 1988, when Neil Kinnock and Roy Hattersley presented a document on ‘Aims and Values’ to Labour’s National Executive Committee, it was criticised by John Smith, Bryan Gould and Robin Cook as being too enthusiastic about the benefits of the market, and was watered down accordingly. The final version read: ‘There are some areas of economic activity which are wholly inappropriate for the application of market forces. In the case of the allocation of most other goods and services the operation of the market, where properly regulated, is a generally satisfactory means of determining provision and consumption, and where competition is appropriate, socialists must ensure that it is fair and that consumers, workers and investors are protected from commercial and financial exploitation.’<sup>68</sup>

The 1992 election manifesto recast this idea in a more positive and concise way: ‘Modern government has a strategic role not to replace the market but to ensure that the market works properly.’<sup>69</sup> This was an example of the tendency amongst Labour policy makers at this time to state the benefits of markets, albeit cautiously, before providing rather serious qualifications. Hence even in Jack Straw’s landmark 1993 pamphlet, which daringly suggested the revision of Clause IV:

Markets plainly have an important role for transmitting consumer needs and demands, and translating those into production and distribution of goods and

services. But for us, the market is no more an end in itself, an icon to worship, than was the command economy or nationalisation in former times. Markets are a means to an end, justified only by their utility. They need regulation, intervention, and control.

Where we differ from the right is as to whether markets should be the servants of the masters of communities...

We see the need to moderate the social consequences of an unbridled market economy. We also recognise that markets can have serious defects, and that some economic activity is not susceptible to the free market model.

Straw then went on to list areas where the operation of the market should be limited:

gas, water, electricity, railways, healthcare and scientific research.<sup>70</sup> Blair himself

made rather more positive statements about the virtues of the market economy at this time, but his was not the dominant tone in the party until after he had become leader.<sup>71</sup>

Only after that point did markets receive unashamed welcome, as in the new Clause IV:

... we work for: a dynamic economy, serving the public interest, in which the enterprise of the market and the rigour of competition are joined with the forces of partnership and co-operation to produce the wealth the nation needs and the opportunity for all to work and prosper, with a thriving private sector and high quality public services, where those undertakings essential to the common good are either owned by the public or accountable to them ...<sup>72</sup>

Of course, there are qualifications here too, albeit ones that are stated only obliquely.

On this basis it could well be argued that the official party position in 1994 was completely in line with Straw's position in 1993. This would have a strong measure of truth, but what changed under Blair's leadership was the unembarrassed nature of pro-market sentiment. Partly this was to do with the use of language. Rather than saying 'Markets have a role, *but* ...', in the earlier manner of Straw, the clause implies that 'the enterprise of the market' and the 'forces of partnership' are both desirable whilst avoiding any suggestion that they are not wholly compatible with one another.<sup>73</sup> Yet it is also clear that the *balance of forces* within the Labour Party had shifted, either by

the time of Blair's accession or during the early months of his leadership, to the point where modernisers needed to be far less cautious than previously about expressing pro-market views.

The second key area is privatisation. (If belief in the market constitutes a value, then privatisation is a policy that clearly expresses that value.) The modernisers' pro-market beliefs have received practical expression through privatisation and public service reform initiatives since Labour entered government in 1997. As Geoffrey Owen has suggested, the Blair government's attitude to industry 'was not just a matter of reluctantly accepting that privatisation and most other reforms associated with Thatcherism were irreversible' (which, arguably, was Labour's position in 1992).<sup>74</sup> Although the scope for privatisation was not great, so many assets having been sold off under the Conservatives, New Labour did not draw a halt. It part-privatised the National Air Traffic System (NATS); it also sold 60% of the equity in the Commonwealth Development Corporation; and pursued 'public-private partnerships', continuing and expanding, notably, the Conservative Private Finance Initiative (PFI) in healthcare.<sup>75</sup> The contrast with, in particular, the 1945-51 government seems stark. Fielding emphasises that under Attlee 80% of the economy remained in private hands; but the nationalisation of the other 20% in the space of six years represented a massive transfer of ownership. If Attlee's ministers did indeed 'embrace profitability and competition', they had a strange way of going about it. In fact, as Jim Tomlinson (whom Fielding cites in support of his own views) has noted, although 'it was the efficiency aspect which tended to dominate the governmental agenda', such efficiency, in the typical Labour view, 'derived from scale, from co-ordination rather than competition'.<sup>76</sup>

Next we turn to the question of operational independence for the Bank of England. Although this could be considered a somewhat technical area of policy, it does cast light on Labour's values, or at least on its priorities. The shift in Labour's economic priorities was symbolised by the decision to transfer the power to set interest rates from the Treasury to a new Bank of England Monetary Policy Committee (MPC).<sup>77</sup> Fielding plays down the importance of this, pointing out, correctly, that the Chancellor retained the power to set the annual inflation target, to which the MPC directed its efforts, and to appoint the majority of the committee's members.<sup>78</sup> Yet the change did not merely mark an alteration in Labour attitudes to the Bank itself. (The fear that unelected central bankers would 'dictate' policies to governments, as had supposedly happened in 1931, lay behind the Attlee government's decision to nationalise the Bank, which was symbolically significant even if limited in its practical impact.)<sup>79</sup> Inflation – rather than employment or the exchange rate – was now enshrined as the focus of monetary policy. Not only did this represent in itself a highly significant shift in priorities, but the new priorities were also embedded in institutional machinery.

This was part of the government's overall quest for economic 'prudence', and Gordon Brown had at least a fair case when, at the 2002 party conference, he claimed New Labour had made a successful break with the past: 'Let us remember that while all past Labour governments were forced to retrench, cut back, and were overwhelmed by world conditions in 1924, 1931, 1951, 1967 and 1976, it is because we painstakingly built the foundations in economic management that we are the first Labour government with the strength to be able to plan for the long term on the basis of stability not stop-go.'<sup>80</sup> This, in turn, doubtless contributed to another new aspect of

the Labour Party under Blair: its unprecedented electoral success in winning a second full term in office in 2001.

Another key element in that electoral success, and one of the most commented-on aspects of New Labour, is its focus on policy presentation, or 'spin'. It could be claimed that this has little to do with fundamental values, being, almost by definition, concerned with the superficial. However, as Lawrence Black has suggested, Labour's attitudes to political communication have often been indicative of broader 'assumptions, values and instincts'.<sup>81</sup> Of course, Labour had run sophisticated election campaigns before (notably in 1959 and 1987), and one might well point out that even Keir Hardie was conscious of his image.<sup>82</sup> Nevertheless, it seems indisputable that under Blair media management has been taken to an entirely new level. Moreover, New Labour has not acknowledged a distinction between policymaking and presentation.<sup>83</sup> The two, to a very novel degree, have gone hand in hand. The classic example is taxation. In opposition, Brown pledged not to increase income tax *rates*. It is difficult to see any rationale behind this other than the presentational, given that there was no pledge that the tax burden as a whole would not rise. It did, however, have important policy consequences, because it necessitated as an alternative what became known as 'stealth taxes', i.e. an increase in indirect taxation. Although it would be naïve to imagine that, prior to 1994, Labour politicians adopted policies entirely without reference to their vote-winning potential, it seems clear that under Blair 'substance' and 'spin' have been less divisible than in the past. Indeed – even if reports of 'government by spin doctor' and of the death of cabinet government and have been exaggerated - this has translated into a style of governing which puts great store by control of the media (and, as a by-product, by the suppression of internal party dissent). As Brown suggested to Ashdown, there was a connection between this

phenomenon and New Labour's difficulties in establishing overall ideological coherence.

The issue of governing style is linked to that of more formal constitutional change. Fielding discusses constitutional reform only in relation to Labour relationship with the Liberal Democrats.<sup>84</sup> Yet it appears to be one of the most obvious areas where New Labour has innovated. Admittedly, the creation of assemblies for Scotland, Wales, and Northern Ireland had precedent in the 1976-9 Callaghan government's attempts at devolution. (John Smith had shared ministerial responsibility for these efforts - which were driven on by the need to placate nationalist MPs in the face of Labour's weak Commons position - and appears to have been a genuine believer in them.<sup>85</sup> This is one respect in which a Smith government might well have been as 'new' as Blair's has been.) Overall, however, the post-1997 Labour government has shown a greater willingness to change the constitution than any other administration since 1918. In addition to the successful implementation of devolution, New Labour has, amongst other things, passed the Human Rights Act, introduced directly elected mayors for London and other cities, abolished the hereditary principle in the House of Lords, created a new system for elections to the European parliament, and moved to reform the judiciary in a radical fashion. Vernon Bogdanor has noted, 'This remarkable plethora of constitutional reforms would hardly have been expected by anyone acquainted with the history of the Labour Party.'<sup>86</sup> Miles Taylor has offered an important corrective to such thinking, noting that Labour has in the past demonstrated reforming impulses.<sup>87</sup> (Perhaps the most notable reform, the 1949 Parliament Act - which reduced the delaying powers of the Lords - was prompted by the desire to get iron and steel nationalisation onto the statute book in advance of a

general election.)<sup>88</sup> But it is the sheer scale of change since 1997 that impresses. This certainly seems to mark a shift in priorities and to some extent a corresponding change in values – which is not to say this shift necessarily happened overnight when Blair became leader.

There is, of course, a whole range of issues other than these that could be examined in order to determine the novelty or otherwise of New Labour's approach. These might include welfare, 'equality', attitudes towards trades unions, and foreign policy.<sup>89</sup> This is not the place for an exhaustive evaluation of all of these areas. It may as well be conceded, though, that it is not difficult to find examples of continuity as well as change: the party's continuing ambiguity towards greater European integration springs to mind. There is certainly plenty of room for debate. Ultimately, though, the validity of the 'core values' argument does not rest on whether more areas of continuity can be identified than areas of change. Its proponents do not deny that change has taken place; their argument, rather, is that all significant changes relate to means rather than ends. However, there must come a point where altering the means has an impact on the ends that are sought. To claim that a planned economy and market economy are merely different means to the same end, even making due allowance for the changed circumstances that paralleled Labour's shift from supporting one to supporting the other, is surely an abuse of language. One might well ask: if none of the differences between New Labour and the party's previous incarnations represent a significant shift of purpose, what would Blair have to have done before we could justifiably describe the developments under his leadership as 'new'?

Therefore, it would indeed seem that, at the very least, proponents of the ‘core values’ argument have underestimated the importance of the genuinely new elements of Blair’s Labour Party. Furthermore, whether or not the adoption of new methods was intended to achieve traditional objectives or to redefine them, there undoubtedly has been some change in these objectives as a consequence. The extent of that change, and whether or not it was intentional, remains open to debate. The next section will examine the impact of the change on the internal dynamics of the party.

### **Blair’s Labour Party as a coalition**

Fielding has argued that the terms ‘Old’ and ‘New’ Labour ‘should be dispensed with as soon as possible’.<sup>90</sup> It seems unlikely that this will happen – even Fielding himself uses the words “‘New’ Labour’ in the title of his book. He is of course right that these terms have often been used incautiously; it would indeed be wrong to suggest that a monolithic ‘Old Labour’ party was utterly transformed into ‘New Labour’ under Blair’s leadership. We therefore return to Tony Benn’s remark about ‘the smallest party in history’ – one does not have to share Benn’s overwhelmingly negative view of New Labour in order to see that it has considerable explanatory power. New Labour should not be seen as entity that superseded ‘Old Labour’ in a total transformation of the party. Rather, it should be seen as a faction, a ginger group, a party-within-a-party, or a leadership cohort, which has governed in coalition with other groups. Likewise, ‘Old Labour’ should be viewed not as a pre-1994 historic entity, but as a coalition partner of New Labour, which has consented, with a degree of reluctance, to be led by the latter group.

Fig. 1 presents this view in the form of a diagram.<sup>91</sup> The following points should be noted.

1. The circle marked 'Labour Party' represents the party's formal membership. The circle marked 'New Labour' does not lie entirely within it; the section without represents influential sympathisers, such as journalists and big financial donors, who are not actually party members. The circle marked 'Old Labour' does not lie entirely within it either. The section without represents those who left the party because they were out of sympathy with Blair's leadership, some of them (such as the former National Executive Committee member Liz Davies or miners' leader Arthur Scargill) to join or form new groups such as the Socialist Alliance or the Socialist Labour Party. There are also many party members – perhaps largely the non-activists - who fall into neither the 'New' or 'Old' categories, and who may be described as 'mainstream Labour'.
2. There is a small measure of overlap between the 'Liberal Democrat' circle and the 'Labour Party' circle, to account for defectors from the Lib Dems and former supporters of the now defunct SDP. Prominent amongst these are Roger Liddle (now a Downing Street adviser) and Lord Sainsbury (a minister and a major financial donor). The overlap with the 'New Labour' circle represents, in particular, the attempts at close collaboration between Paddy Ashdown and Tony Blair – notably the joint cabinet committee upon which Liberal Democrats sat after the 1997 election – and formal coalition in the Scottish and Welsh assemblies.
3. The 'Labour Party' and 'Europhile Conservatives' circles are barely touching, representing the comparatively few and relatively uninfluential defectors direct from the Tories to Labour (e.g. Sean Woodward MP). The Conservative

overlap with New Labour and the Liberal Democrats represents cross-party initiatives, notably the pro-Euro Britain In Europe campaign.

It should be stressed that the diagram does not attempt to show precisely how large the different groups depicted are in comparison to one another. Moreover, it is a static depiction of the whole 1994-2004 period, whereas, in fact, the relationships between the groups have varied at different times within that period.

Looking at Blair's Labour Party in this way is helpful for a number of reasons. To begin with, it fits in with the fact that the Labour Party was *not* transformed utterly after 1994, even whilst significant policy innovation occurred. As Ashdown put it to Blair in June 1997: 'there is, indeed, little or no difference between the Liberal Democrats and New Labour. ... But Labour is not, despite even your efforts, New Labour yet (not least in your local authorities and among your MEPs)...'<sup>92</sup> In order to explore this point further, we need to turn to the views of the party membership, which have been examined in depth in a seminal study by Patrick Seyd and Paul Whiteley. They compared members' views in 1999 with members' views in 1990. They found little sign of members displaying any more positive enthusiasm for the free market in the former year than in the latter. Although members had become far less enthusiastic about public ownership, nearly one half (49%) still desired more nationalisation. There was also little change in attitudes to trades unions. Members retained a commitment to high public expenditure, and the majority were uncritical of high levels of income tax. On the other hand, attitudes to class struggle had moderated, members felt far less strongly than before that defence expenditure should be cut; and, in 1999, there was strong support for the Blair government's tough

policies on law and order. In both years, there were very strong traditionalists and very strong modernizers to be found in the grassroots party organization, but most members were in the centre. By 1999, 'Members had become uneasy about the Blair strategy of capturing the votes of middle England, but on the other hand they were not willing to contemplate losing an election by rigidly standing by their principles.' Although the party leader was by this point seen as too powerful, members acquiesced in his strategy; that is to say, they were 'reluctant modernizers' who submitted to Blair's ideas in the interests of electoral success.<sup>93</sup>

Moreover, viewing the party as a coalition explains much about the rhetoric adopted by New Labour figures in relation to the party's past. If, as was suggested earlier, the 'core values' argument has been politically advantageous to New Labour, it is partly because it offered a means of holding the coalition together. The fact of coalition has also had electoral advantages. As Peter Mandelson advised Tony Blair and John Prescott (Labour's Deputy Leader, and an archetypal 'Old Labour' figure) in 1996: 'The main symbol of our unity – of "old" and New Labour ... is the both of you enjoying a close, supportive relationship ... New Labour has to be a unifying factor between you (JP: "I didn't necessarily agree with him at first, but I see he is right..." TB: "We had to change but remain proud of our roots...")'.<sup>94</sup> It may be argued that the Labour Party has always been a coalition of sorts; what was new about the post-1994 coalition was Blair's willingness to extend the range of alliances significantly beyond the party itself.

Indeed, the coalition concept fits in closely with Blair's expressed views, and many of his actions. His speech on the 50<sup>th</sup> anniversary of the 1945 election, referred to earlier,

was entitled 'The Radical Coalition'. His theme – very much in line with the Marquand view of history - was that the long-standing schism between the progressive forces in British politics needed to be healed; moreover, the means of achieving Labour's objectives 'should and will cross the old boundaries between Left and Right, progressive and conservative.'<sup>95</sup> As he put it shortly before the 1997 election, 'Virtually all my adult life the Labour Party has been a very narrow coalition. ... We were defined by reference to trade unions, the public sector and not much else. Remember when Mrs Thatcher built up her coalition, people asked: "How can this be? She has got traditional Labour support coming out for the Conservatives." We are doing the same in reverse.'<sup>96</sup> To these ends, Blair set about actively courting the Liberal Democrats, actively considering bringing them into a formal coalition even after having won a huge majority in 1997.<sup>97</sup> To some of his ministerial colleagues such as John Prescott, this appeared irrational.<sup>98</sup> Why bring in another party when Labour had a more-than-adequate majority in its own right? Yet, we may surmise, from the perspective of Blair and his close allies the prospect of an alliance with the Lib Dems would mean strengthening the forces that supported him within his already extant de facto coalition. In January 1998, Tom Baldwin of the *Daily Telegraph* told Tony Benn: 'Mandelson says to people, "We are going to Hoover up the Liberals into our vacuum cleaner and then we'll Hoover up the Europhiles and then it won't be the Labour party, it will be a new party.'"<sup>99</sup>

Of course, Blair was by no means able to achieve exactly what he wanted: his 'Old' and 'mainstream' Labour allies limited his freedom of action. Moreover, his 'pluralist' and 'control freak' tendencies were at war with one another. As the Scottish experience over university tuition fees showed, broadening the base of government to

include other parties could involve unwelcome policy concessions. Ultimately, at the Westminster level, Blair either could not or would not grant electoral reform, which was the necessary condition for the Lib Dems to allow themselves to be ‘hoovered up’. But this does not mean that a de facto coalition, as shown in Figure 1, does not exist, merely that it does not operate in the fashion that Blair might ideally like.

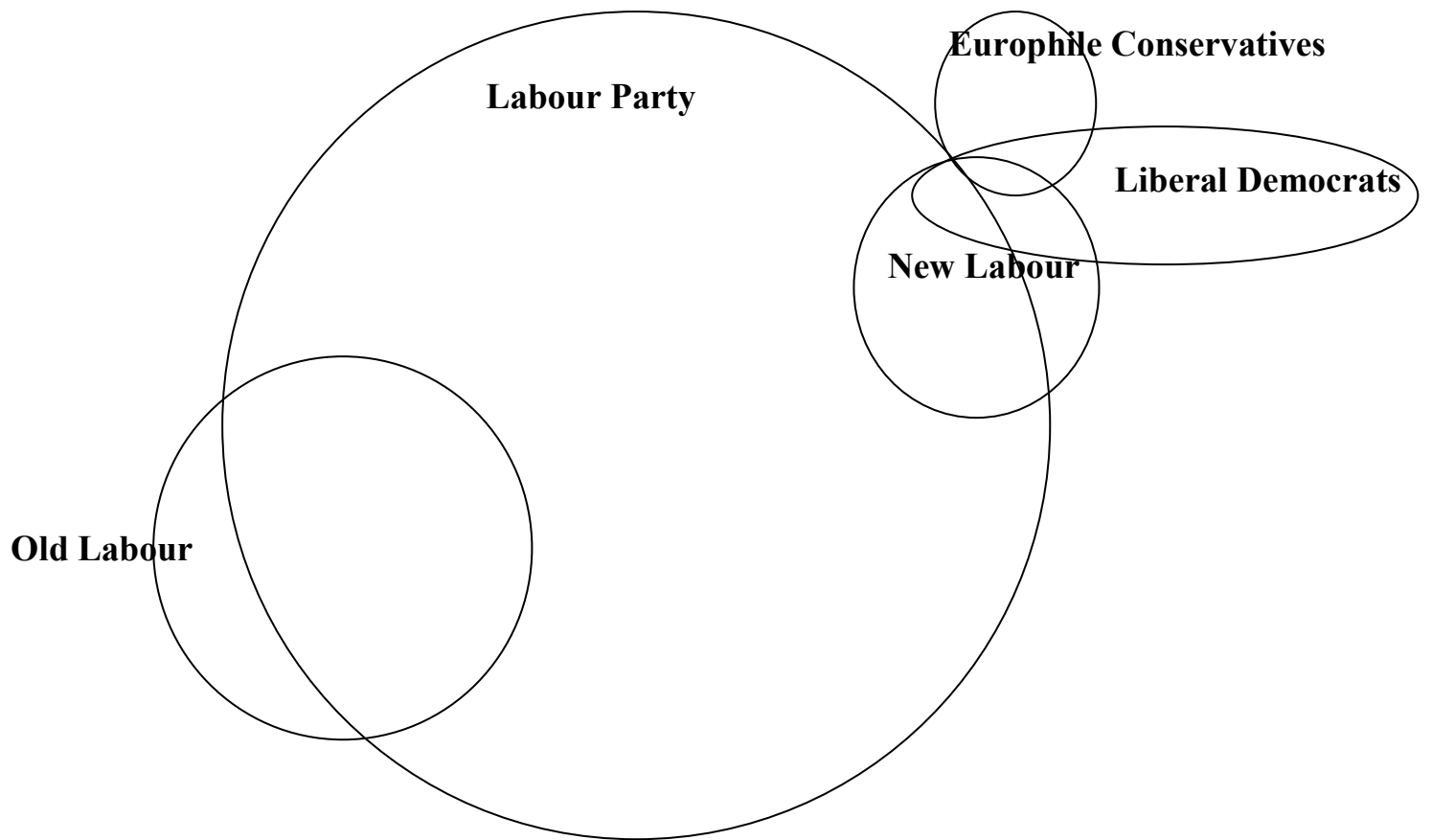
## **Conclusion**

It has been argued here that the era of Blair’s leadership has seen developments that are unprecedented in terms of the Labour party’s history (if not in terms of the wider context of European social democracy). These have been the result of a shift in the *balance of forces* within the Labour Party, not of a complete ideological transformation of the party as a whole. It must, however, be stressed that there has been ideological change too; that is to say there has been a shift in the composition of the forces as well as in the balance between them. It is not hard to trace some of the reasons behind the change in the balance. By 1992, the party’s left was discredited and demoralised by the combined impact of four Tory victories and the end of the Cold War. Moreover, decreased union membership during the 1980s heightened the ever-present need to widen the party’s support base. ‘Business friendly’ policies, and an explicit enthusiasm for the market, were a route towards securing large-scale donations from business and weakening in turn Labour’s reliance on the unions.<sup>100</sup> (On this analysis, it might be added, the early 1980s appear not as an aberration but as a temporary shift of forces in the other direction, as seen earlier for example in the early 1930s.) David Coates has written: ‘in a very real sense *there has always been Old Labour and New Labour*. ... What is new in new Labour is that the forces of Old Labour are so weak. It is the *dominance and self-confidence* of the modernizers, not

their novelty, which distinguishes the Blair party from its predecessors' (emphasis in original) <sup>101</sup> Some aspects of Coates's interpretation may be disputed: the ideological positions of the different groupings within the Labour Party have not in fact remained constant. As has been suggested there were important differences between the 'revisionists' of the 1950s and the 'modernisers' of the 1990s; and, as Seyd and Whiteley's study shows, the views of the membership have also evolved. But, certainly, the change may be explained in part by the modernising tendency becoming bolder and bolder as it gained the upper hand.

This means that we should not view 'New Labour' merely as a public relations exercise, designed to disguise the fundamental continuation of the party's traditional policies, but as something rather different. Shortly after securing his second term, Blair told the party's annual conference: 'Just after the election, an old colleague of mine said: "Come on Tony, now we've won again, can't we drop all this New Labour and do what we believe in?" I said: "It's worse than you think. I really do believe in it."' <sup>102</sup> The colleague's remark is illustrative of why much of 'Old' and most of 'mainstream' Labour has consented to what these groups thought were Blair's tactics. Blair's cleverness in not disillusioning them too early helps explain why, although one may doubt that New Labour is literally 'the smallest party in history', it has certainly punched very powerfully above its numerical weight.

Fig. 1. Tony Blair's Labour party as a coalition, 1994-2004.



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<sup>1</sup> Paul Corthorn and two anonymous referees provided valuable comments on an earlier draft of this article. Eugenio Biagini kindly provided me with a copy of one his own articles, which is quoted in footnote 56. I would also like to thank the numerous undergraduate students with whom I have discussed New Labour, and, in particular, Sam Gallagher and Oliver Gilmore. The usual disclaimer applies.

<sup>2</sup> Ruth Winstone, *Tony Benn: Free at Last! Diaries 1991-2001*, London, Hutchinson, 2002, p. xi.

<sup>3</sup> Memoirs and diaries include: Philip Gould, *The Unfinished Revolution: How the Modernisers Saved the Labour Party*, London, Little, Brown, 1998; Paddy Ashdown, *The Ashdown Diaries*, 2 vols., London, Penguin, 2000, 2001; Winstone, *Tony Benn*; Janet Jones, *Labour of Love: The 'Partly-Political' Diary of a Cabinet Minister's Wife*, London, Politico's, 1999; Geoffrey Robinson, *The Unconventional Minister: My Life Inside New Labour*, London, Michael Joseph, 2000; Liz Davies, *Through the Looking Glass: A Dissenter Inside New Labour*, London, Verso, 2001; Mo Mowlam, *Momentum: The Struggle for Peace, Politics and the People*, London, Hodder and Stoughton, 2002; and Robin Cook, *The Point of Departure*, London, Simon and Schuster, 2003. There are also numerous books, many of them biographies, written with the benefit of 'inside information' or with the 'full co-operation' of their subjects, which must of course be treated with caution. One of the most useful is Donald Macintyre, *Mandelson and the Making of New Labour*, London, HarperCollins, 2000, which quotes extensively from Mandelson's personal papers.

<sup>4</sup> See, in particular, Richard Heffernan, *New Labour and Thatcherism: Political Change in Britain*, Basingstoke, Macmillan, 2000; Martin J. Smith, 'Tony Blair and the Transition to New Labour: 1994-2000', in Brian Brivati and Richard Heffernan, *The Labour Party: A Centenary History*, Basingstoke, Macmillan, 2000, pp.143-162; Kenneth O. Morgan, "'New Labour' in historical perspective', in Anthony Seldon (ed.), *The Blair Effect: The Blair Government 1997-2001*, London, Little, Brown, 2001, pp. 583-89; Colin Hay, *The political economy of New Labour: labouring under false pretences?*, Manchester, Manchester University Press, 1999; David Coates, 'Labour Governments: Old Constraints and New Parameters', *New Left Review*, no. 219, Sept./Oct. 1996, pp. 62-77.

<sup>5</sup> See, for example, the dustjacket of Peter Shore, *Separate Ways: Britain and Europe*, London, Duckworth, 2000. Similarly, Keith Laybourn has written: 'Tony Blair, perhaps more than any other leader, has been the modernizer who has not had to look to the past': *A Century of Labour: A History of the Labour Party*, Stroud, Sutton Publishing, 2000, p. 150.

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<sup>6</sup> Smith, 'Tony Blair', in Brivati and Heffernan, *The Labour Party*, p. 150; Hay, *Political economy*, p. 8

<sup>7</sup> Iain Dale (ed.), *Labour Party General Election Manifestos, 1900-1997*, London, Routledge and Politico's, 2000, p. 347.

<sup>8</sup> Steven Fielding, *The Labour Party: continuity and change in the making of 'New' Labour*, Basingstoke, Palgrave, 2003, p. 217. See also Steven Fielding, 'New Labour and the past', in Duncan Tanner, Pat Thane and Nick Tiratsoo (eds.), *Labour's First Century*, Cambridge, Cambridge University Press, 2000, pp. 367-92. Other writers have also stressed New Labour's continuity with the past. See, for example, David Coates, 'Labour Governments'; Gerald R. Taylor, *Labour's Renewal? The Policy Review and Beyond*, Basingstoke, Macmillan, 1997; and Tim Bale, *Sacred Cows and Common Sense: The symbolic statecraft and political culture of the British Labour Party*, Aldershot, Ashgate, 1999. But it is Fielding who has developed the theme most extensively and systematically.

<sup>9</sup> Fielding, *The Labour Party*, p. 5.

<sup>10</sup> Jack Straw, *Policy and Ideology*, Blackburn, Blackburn Labour Party, 1993, esp. Ch. 3.

<sup>11</sup> Peter Mandelson and Roger Liddle, *The Blair Revolution: Can New Labour Deliver?*, London, Faber and Faber, 1996, pp. 1-30; Gould, *Unfinished Revolution*, pp. 19-37. Mandelson and Liddle originally planned a much longer historical section. See MacIntyre, *Mandelson*, p. 355.

<sup>12</sup> Gordon Brown, *Maxton*, Edinburgh, Mainstream Publishing, 1986; Gordon Brown and Tony Wright (eds.), *Values, Visions and Voices: An Anthology of Socialism*, Edinburgh, Mainstream Publishing, 1995.

<sup>13</sup> Most recently in a speech to a Fabian Society conference on 17 June 2003.

<http://www.labour.org.uk/tbfabians/> (consulted on 18 June 2003).

<sup>14</sup> *Inside Labour*, Vol. 1 no.4, Feb. 2000; Malcolm Clark, 'From darts to Kate Moss', *New Statesman*, 28 Feb. 2000, pp. 32-3.

<sup>15</sup> Winstone, *Tony Benn*, pp. 293, 620.

<sup>16</sup> It must be said that many of the attempts by Blair's Labour opponents to interpret the party's past are similarly problematic; but this is not the place to discuss them in depth.

<sup>17</sup> James Naughtie, *The Rivals: Blair and Brown: The Intimate Story of a Political Marriage*, London, Fourth Estate, 2001, 2002, p. 74.

<sup>18</sup> David Marquand, *The Progressive Dilemma: From Lloyd George to Kinnock*, London, Heinemann, 1991, 1992, p. ix.

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<sup>19</sup> It is therefore not the case that Blair only started to talk about the party's past in response to the later criticism that he was not doing so.

<sup>20</sup> Tony Blair, *New Britain: My Vision of a Young Country*, London, Fourth Estate, 1996, pp. 4-21, quotations at pp. 15, 17, 18.

<sup>21</sup> Speech to party conference, 28 Sept. 1999.

<http://www.guardian.co.uk/lab99/Story/0,2763,202190,00.html> (consulted 4 July 2003).

<sup>22</sup> Mandelson and Liddle, *Blair Revolution*, p. viii; Brown and Wright, *Values*, p. 19.

<sup>23</sup> Mandelson and Liddle, *Blair Revolution*, p. 23.

<sup>24</sup> Fielding, *Labour Party*, pp. 63, 84.

<sup>25</sup> Gould, *Unfinished Revolution*, p. 33.

<sup>26</sup> Fielding, *Labour Party*, p. xiii. Similarly, see Bale, *Sacred Cows*, pp. 235-6.

<sup>27</sup> Blair, *New Britain*, p. 11.

<sup>28</sup> Fielding, *Labour Party*, pp. 38, 44.

<sup>29</sup> Speech to party conference 30 Sept. 2002

<http://politics.guardian.co.uk/labour2002/story/0,12294,801869,00.html> (consulted 3 June 2003).

<sup>30</sup> Fielding, *Labour Party*, p. 205.

<sup>31</sup> Godfrey Elton, *Towards the New Labour Party*, London, Jonathan Cape, 1932, p. 32.

<sup>32</sup> Speech to party conference, 1999.

<sup>33</sup> I am grateful to Oliver Gilmore for this insight. See in particular Neil Kinnock, 'New? We've always been new', *New Statesman*, 28 Feb. 2000.

<sup>34</sup> Herbert Butterfield, *The Whig Interpretation of History*, London, G. Bell & Sons, 1931, p. 10.

<sup>35</sup> An exclusive focus on the views of such elite groups would leave me open to the same criticism I have levelled at Fielding, viz. ignoring the views of the party as a whole. Therefore, the shifting attitudes of the party membership, insofar as they can be gauged, are considered in the penultimate section of this article.

<sup>36</sup> Ian Mikardo, *Back-Bencher*, London, Weidenfeld and Nicolson, 1988, p. 152.

<sup>37</sup> Douglas Jay, *Change and Fortune: A Political Record*, London, Hutchinson, 1980, pp. 271-6.

<sup>38</sup> Gould, *Unfinished Revolution*, p. 30; Fielding, *Labour Party*, p. 63 citing Thompson 1996, 118.

<sup>39</sup> See Ben Pimlott, *Labour and the Left in the 1930s*, Cambridge, Cambridge University Press, 1977, pp. 38-9, 201; Martin Francis, *Ideas and Policies Under Labour, 1945-1951: Building a New Britain*,

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Manchester, Manchester University Press, 1997, p. 38; Stephen Brooke, *Labour's War: The Labour Party during the Second World War*, Oxford, Clarendon Press, 1992, p. 238.

<sup>40</sup> Douglas Jay, *Change and Fortune*, p. 62.

<sup>41</sup> Jay to John Strachey, 20 Aug. 1938, cited in Michael Newman, *John Strachey*, Manchester, Manchester University Press, 1989, p. 88. For more on Jay and Keynesianism see 'The Theory of Money', *Times Literary Supplement*, 19 Feb. 1931, p. 124 (unsigned review; for evidence of Jay's authorship, see Jay, *Change and Fortune*, p. 37); Douglas Jay, 'Mr. Keynes on Money' *The Banker*, XXXVIII no. 123 (Apr. 1936) pp. 10-14; Douglas Jay, *The Nation's Wealth at the Nation's Service*, London, Labour Party, November 1938, p. 11; Francis Williams, *Nothing So Strange: An Autobiography*, London, Cassell, 1970, p. 110; Elizabeth Durbin, *New Jerusalems: The Labour Party and the Economics of Democratic Socialism*, London, Routledge and Kegan Paul, 1985, p. 251; Noel Thompson, *Political Economy and the Labour Party: The economics of democratic socialism, 1884-1995*, London, UCL Press, 1996, pp. 96, 107.

<sup>42</sup> See Richard Toye, *The Labour Party and the Planned Economy 1931-1951*, London, Royal Historical Society, 2003, esp. Ch. 4. For example, Fielding writes that Keynes 'knew the score: he famously once declared that Labour's leaders were the "heirs of eternal Liberalism"', which, put like that, sounds like the economist was offering a benign endorsement (*Labour Party*, p. 43). But what Keynes actually said was: 'Why cannot they [i.e. Labour Party officialdom] face the fact that they are not sectaries of an outworn creed mumbling moss-grown demi-semi-Fabian Marxism, but the heirs of eternal liberalism, whose sincere convictions reflect and should inspire those of the great majority of their countrymen?' Donald Moggridge (ed.), *The Collected Writings of John Maynard Keynes Vol. XXI: Activities 1931-1939: World Crises and Policies in Britain and America*, London, Royal Economic Society, 1982, p. 495.

<sup>43</sup> See Richard Toye, 'The "gentleman in Whitehall" reconsidered: the evolution of Douglas Jay's views on economic planning and consumer choice, 1937-1947', *Labour History Review*, Vol. 67 no. 2, (Aug. 2002), pp. 185-202.

<sup>44</sup> For a full discussion, see Richard Toye, 'The Forgotten Revisionist: Douglas Jay and Britain's Transition to Affluence, 1951-1964', in Lawrence Black and Hugh Pemberton (eds.), *Affluent Britain?*, Aldershot, Ashgate, forthcoming, 2004.

<sup>45</sup> Jay, Douglas, 'Too Smug!', *Forward*, 20 Nov. 1959.

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<sup>46</sup> Jay, *Change and Fortune*, pp. 272, 332-3.

<sup>47</sup> See, for example, Kenneth O. Morgan, *The People's Peace: British History 1945-1990*, Oxford, Oxford University Press, 1992, p. 380.

<sup>48</sup> See Jim Tomlinson, 'The Labour Party and the capitalist firm, circa 1950-1970', *Historical Journal*, forthcoming, 2004.

<sup>49</sup> Jay, *Change and Fortune*, p. 276. See also Philip Williams, *Hugh Gaitskell: A Political Biography*, Jonathan Cape, London, 1979, pp. 553-4.

<sup>50</sup> This is the claim made on the dustjacket of Giles Radice, *Friends and Rivals: Crosland, Jenkins and Healey*, London, Little, Brown, 2002.

<sup>51</sup> Naughtie, *The Rivals*, p. 263.

<sup>52</sup> A similar point is made with specific reference to Philip Gould's views in Peter Osborne, *Alastair Campbell: New Labour and the Rise of the Media Class*, London, Aurum Press, 1999, p. 158.

<sup>53</sup> Ashdown, *Diaries*, Vol. 2, p. 134.

<sup>54</sup> Gordon Leff, 'The Past and the New', *The Listener*, 10 Apr. 1969, quoted in Peter Mandler, *History and National Life*, London, Profile Books, 2002, p. 117.

<sup>55</sup> As Eugenio Biagini puts it, 'the history of Labour is a history of "new Labours"': 'Ideology and the Making of new Labours', *International Labor and Working Class History*, no. 56, fall 1999, pp. 93-105. Quotation at p. 94.

<sup>56</sup> Gould, *Unfinished Revolution*, pp. 219-21; David Osler, *Labour Party PLC: New Labour as a Party of Business*, Edinburgh and London, Mainstream Publishing, 2002, pp. 51-2.

<sup>57</sup> Jim Tomlinson, 'The Limits of Tawney's Ethical Socialism: A Historical Perspective on the Labour Party and the Market', *Contemporary British History*, Vol. 16, No.4 (Winter 2002), pp. 1-16, at p. 3.

<sup>58</sup> Noel Thompson, 'Hobson and the Fabians: Two Roads to Socialism in the 1920s', *History of Political Economy* 26:2 (1994), pp. 203-220. Quotations at p. 203.

<sup>59</sup> See, for example, Philip Snowden, *Socialism and Syndicalism*, London and Glasgow, The Nation's Library, 1913, p. 92 ('competition is the law of death') and p. 124 ('The capitalist system is indefensible on moral grounds'); and J. Ramsay MacDonald, *Socialism: Critical and Constructive*, London, Cassell and Company, 1921, 1929, p. 120. MacDonald conceded that, in the early stages of industrial development, competition served a useful function. As time passed, however, 'It becomes the

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law of the jungle within production, it preys, and is gradually superseded on account of its destructiveness.’

<sup>60</sup> See Toye, *Labour Party*, Chs. 2 and 3, and Tomlinson, ‘Tawney’s Ethical Socialism’, pp. 2-3.

<sup>61</sup> *Socialism and the Condition of the People*, London, Labour Party, 1933, p. 5.

<sup>62</sup> Labour Party, *For Socialism and Peace*, London, Labour Party, 1934, p. 6.

<sup>63</sup> Hugh Dalton, *Practical Socialism for Britain*, London, Routledge, 1935, p. 247n.

<sup>64</sup> Fielding, *Labour Party*, p. 145.

<sup>65</sup> Toye, *Labour Party*, Chs. 8 & 9, Neil Rollings, ‘“The Reichstag method of governing”? The Attlee governments and permanent economic controls’, in Helen Mercer, Neil Rollings, and Jim Tomlinson (eds.), *Labour Governments and Private Industry: The Experience of 1945-1951*, Edinburgh, Edinburgh University Press, pp. 15-36 at p. 22.

<sup>66</sup> Tomlinson, ‘The Labour Party and the capitalist firm’.

<sup>67</sup> See, for example, Neil Kinnock, *Making Our Way*, Oxford, Basil Blackwell, 1986, pp. 29-30.

<sup>68</sup> Colin Hughes and Patrick Wintour, *Labour Rebuilt: The New Model Party*, Fourth Estate, London, 1990, pp. 69-73, quotation at pp. 72-3.

<sup>69</sup> Dale, *Manifestos*, p. 320.

<sup>70</sup> Straw, *Policy and Ideology*, pp. 31-2. Quotation at p. 31.

<sup>71</sup> Blair, *New Britain*, p. 109.

<sup>72</sup> Quoted in Fielding, *Labour Party*, p. 77.

<sup>73</sup> A typical New Labour trope. See Norman Fairclough, *New Labour, New Language?*, London and New York, Routledge, 2000, p. viii.

<sup>74</sup> Geoffrey Owen, ‘Industry’, in Seldon, *Blair Effect*, pp. 209-225, at p. 209.

<sup>75</sup> Rod Rhodes, ‘The Civil Service’, in *ibid*, pp. 97-115, at p. 98.

<sup>76</sup> Fielding, *Labour Party*, p. 64; Jim Tomlinson, *Democratic socialism and economic policy: The Attlee years, 1945-1951*, Cambridge, Cambridge University Press, 1997, p. 95.

<sup>77</sup> For the background to the decision see Hugh Pym and Nick Kochan, *Gordon Brown: The First Year in Power*, London, Bloomsbury, 1998, pp. 4-17; Philip Stephens, ‘The Treasury Under Labour’, in Seldon, *Blair Effect*, pp. 185-207, at pp. 189-90; and William Keegan, *The Prudence of Mr. Gordon Brown*, Chichester, John Wiley and Sons, 2003, pp. 136-7, 153-71.

<sup>78</sup> Fielding, *Labour Party*, p. 153.

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<sup>79</sup> The argument for political control of the Bank was outlined in *Full Employment and Financial Policy*, Labour Party, London, 1944.

<sup>80</sup> Brown, speech of 30 Sept., 2002, <http://politics.guardian.co.uk/Print/0,3858,4511819,00.html> (consulted on 7 July 2003). The interpretation in respect of the fall of the 1924 government was doubtful. It might also be pointed out that no previous Labour government had inherited such benign economic conditions. This speech was a classic example of the tendency, noted above, for New Labour figures to distance themselves strongly from certain aspects of Labour history, whilst praising other parts (in this case, the ambitions and achievements of the Attlee government).

<sup>81</sup> Lawrence Black, *The Political Culture of the Left in Affluent Britain, 1951-64: Old Labour, new Britain?*, Basingstoke, Palgrave, 2003, p. 155.

<sup>82</sup> See Caroline Benn, *Keir Hardie*, Hutchinson, London, 1992, pp. 93-5.

<sup>83</sup> See, for example, Osborne, *Alastair Campbell*, p. 5.

<sup>84</sup> Fielding, *Labour Party*, p. 2.

<sup>85</sup> See Andy McSmith, *John Smith: A Life 1938-1994*, Mandarin, London, 1993, 1994, pp. 72-88.

<sup>86</sup> Vernon Bogdanor, 'Constitutional Reform', in Seldon, *Blair Effect*, pp. 139-156. Quotation at p. 139. See also Vernon Bogdanor, 'A lord chancellor takes his leave: another step in a constitutional revolution', *Financial Times*, 14-15 June 2003, and John Morrison, *Reforming Britain: New Labour, New Constitution?*, London, Pearson Education, 2001, pp. 19-23.

<sup>87</sup> Miles Taylor, 'Labour and the constitution', in Tanner, Thane and Tiratsoo, *Labour's First Century*, pp. 151-180.

<sup>88</sup> Kenneth O. Morgan, *Labour in Power 1945-1951*, Oxford, Oxford University Press, 1984, pp. 117-8.

<sup>89</sup> Fielding's book deals with all of these save the latter. In Blair's view, the 'core values' argument applies in foreign affairs too. As he put it in 1999: 'wouldn't Clem Attlee and Ernie Bevin have applauded when in Kosovo, faced with racial genocide in Europe for the first time since they fought fascism in the Second World War, it was Britain and this Government that helped defeat it and set one million people free back to their homeland?' Speech to party conference, 1999.

<sup>90</sup> Fielding, *Labour Party*, p. 227.

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<sup>91</sup> One could, of course, draw similar diagrams with different configurations for different stages of the party's life. For an alternative way of viewing New Labour in diagrammatic form, see Peter Hennessy, *The Prime Minister: The Office and Its Holders since 1945*, London, Penguin, 2000, pp. 494-400.

<sup>92</sup> Ashdown, *Diaries*, Vol. II, p. 37. See also Winstone, *Tony Benn*, p. 401: 'Every day Blair tells us Labour has changed, but when you see the local Labour parties they haven't changed at all.'

<sup>93</sup> Patrick Seyd and Paul Whiteley, *New Labour's Grassroots: The Transformation of the Labour Party Membership*, Basingstoke, Palgrave, 2002, pp. 51, 53, 54, 57, 59, 61, 62, 153. Quotations at pp. 151-2.

<sup>94</sup> MacIntyre, *Mandelson*, pp. 363-4. See also Davies, *Looking Glass*, p. 38.

<sup>95</sup> Blair, *New Britain*, pp. 18-19.

<sup>96</sup> *The Observer*, 27 Apr. 1997; Peter Clarke, *A Question of Leadership: From Gladstone to Blair*, Penguin, London, 1999, p. 346.

<sup>97</sup> For the tortured history of the negotiations, see Ashdown, *Diaries*, Vols. I and II.

<sup>98</sup> Interestingly, however, the party membership showed growing warmth towards the Liberal Democrats at this time: Seyd and Whiteley, *New Labour's Grassroots*, p. 145.

<sup>99</sup> Winstone, *Tony Benn*, p. 460. For confirmation that Mandelson did indeed talk in such terms, see MacIntyre, *Mandelson*, p. 390.

<sup>100</sup> This is not to say that the Labour Party-union link is by any means defunct: Steve Ludlam, 'The Union-Party Link: Divorce Papers Withdrawn?' Paper for the 51<sup>st</sup> Political Studies Association, Manchester, 10-12 April 2001, available online at <http://www.psa.ac.uk/cps/2001/Ludlam%20Steve.pdf> (consulted 20 June 2003).

<sup>101</sup> David Coates, 'Labour governments', p. 68.

<sup>102</sup> Tony Blair, speech to Labour Party conference, 2 Oct., 2001, <http://politics.guardian.co.uk/labourconference2001/story/0,1220,561985,00.html> (consulted 18 June 2003).