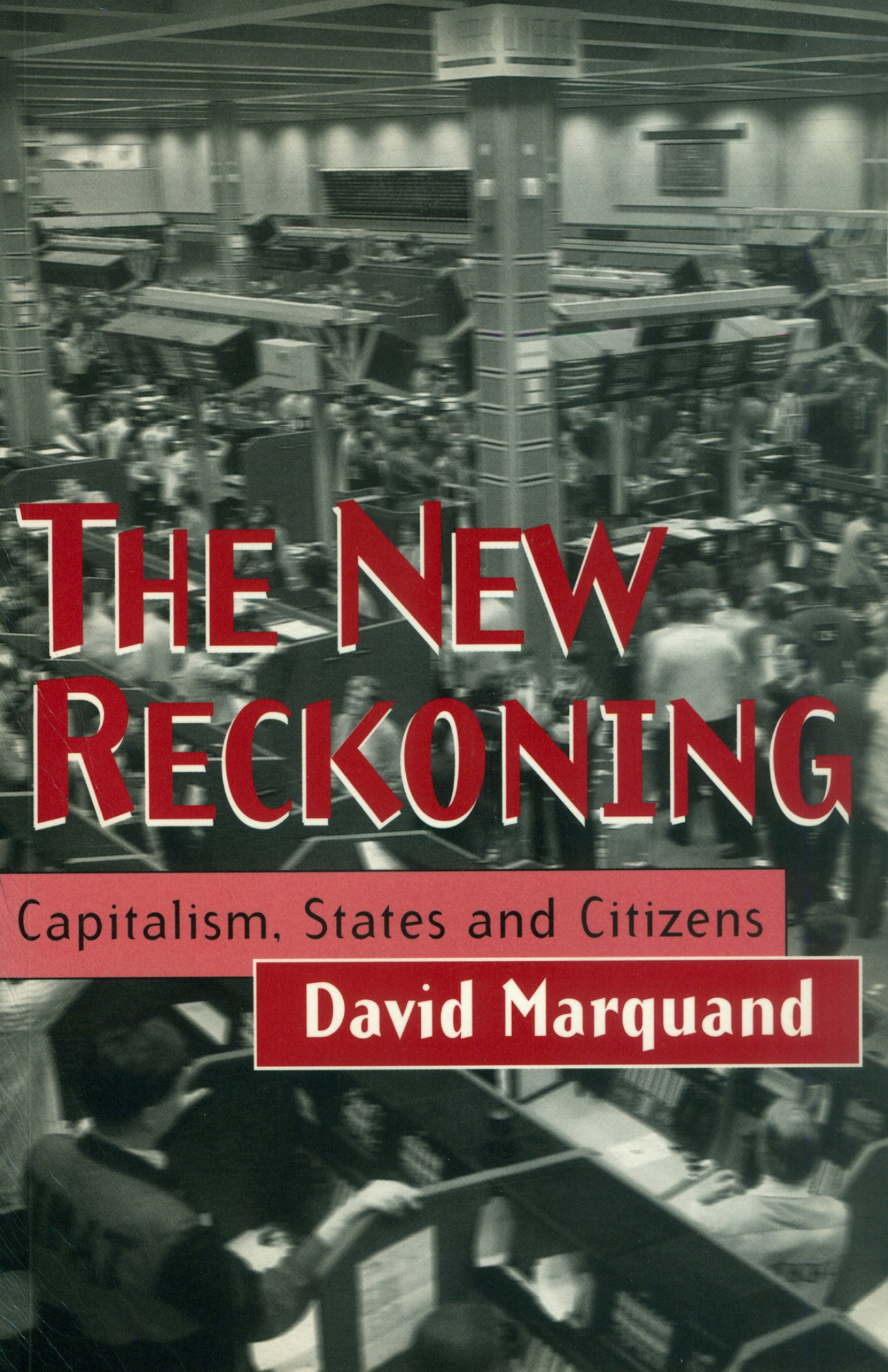

The New Reckoning

Capitalism, States and Citizens

David Marquand

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• CHAPTER ONE •

Journey to an Unknown Destination

1

We live, we are told incessantly, in a new world, on which old theories have no purchase. Globalization is dissolving national frontiers and dethroning nation-states. Jobs for life have disappeared; social classes have merged; the labour force has been feminized; the family has been transformed; old elites have been toppled; and old traditions have lost legitimacy. In economies, cultures and polities, a new individualism is carrying all before it, and the very notion of a collective social project has lost all resonance.

If this book has a single message it is that the right response to this chorus is, 'Up to a point, Lord Copper'. No one can dispute that the economic, political and cultural climate of the 1990s differs radically from that of the Keynesian 'golden age'[1] in which I grew up. Even the far from golden 1970s and 1980s, which swept me from the political moorings to which I had been attached for most of my life, now seem part of a different epoch. There is no way of knowing whether a collective social project, comparable to the creation of the Keynesian welfare state in the post-war period, would still be feasible. What is certain is that no one in any western democracy – no one with any realistic hope of power, at any rate – is proposing to embark on one. In later chapters I explore some of the causes and consequences of these differences. I try to tease out the reasons why some elites have lost authority and why some hitherto unquestioned traditions are now in

contention; and I examine the effects of the progressive individuation that now affects all western societies. One recurrent topic is the cultural and economic mutation which has undermined the social compromises that ushered in the golden age; another is the impact of global economic change on European nation-states in general and on the British state in particular. But if change is one of the themes of this book, another is continuity. For there is a paradox in the current global transformation which the fashionable amnesia ignores. The dynamic driving it is new only in the foreshortened perspective of the last fifty years. In the perspective of the last two hundred, it is not new at all.

The post-war golden age, we can now see, was a short-lived aberration from the norm of the preceding 200 years. It had a variegated ancestry. Its intellectual progenitors included social imperialists, social Christians and social liberals as well as democratic socialists. The interests that helped to bring it into being included farmers, corporate managers and a wide range of professional groups as well as the labour movement. The path towards it was eased, among victors and vanquished alike, by the memory of wartime sacrifices and the ethos of wartime solidarity. The forms of economic regulation that sustained it were ideally suited to manufacturing mass production. But it was also the product of a conscious decision on the part of post-war western governments and elites to find an alternative to the economic order which had failed so catastrophically between the wars, and in doing so to overcome the internal and external threat of Soviet communism. For, in the early post-war years, memories of the inter-war catastrophes were fresh and the Soviet model alluring – in continental Europe, even if not in Britain. Capitalism was on the defensive, intellectually, politically and, above all, morally. It recovered quite quickly, but only by undergoing an unexpected, indeed astonishing, mutation. For the capitalism that recovered was not the capitalism of Ricardo, Herbert Spencer or even Herbert Hoover. It was the tamed welfare capitalism of the New Deal and the Marshall Plan,[2] of Keynes, Monnet and the architects of the German social-market economy. And one of the reasons why property owners and the parties that represented their interests were willing to see capitalism tamed is that they knew they were engaged in a worldwide contest with the Soviet model, in which they needed the support – or at least the acquiescence – of their own working classes. Tamed capitalism was the serendipitous product of a delicate social balance, between East and West as well

as within the western bloc, embodied in hard-won compromises. It turned out to be enormously more productive than the untamed capitalism of the past or, of course, than its Soviet rival. But its tamers did not know that they were constructing the most successful wealth-creating machine in human history. Their motives were essentially social and political, not economic.

Now the wheel has come full circle. The balance which made the golden age possible has broken down. The command economies of the east have imploded and the ideology which legitimized them has been discredited. As a result, the internal and external challenges to the capitalist market economy posed by powerful communist parties, an apparently strong and expansionist Soviet bloc and, most of all, a rival vision of society embodied in real-world institutions, have vanished. So has the associated challenge of organized labour. Individual workers still exist, but as isolated social atoms facing capital on their own. The working class, in the sense of a self-conscious social interest that shares a common identity and a common vocation, is little more than a memory. The ameliorative pressures of the non-communist left have faded too. The ethics of democratic socialism still resonate, but its economics are as discredited as the closely related economics of the eastern bloc. The fate of the revisionist social democracy of Hugh Gaitskell or Willy Brandt – the social democracy which sought to equalize life chances by redistributing the fiscal dividend of growth; the social democracy to which I was converted while reading Anthony Crosland's *The Future of Socialism* during a summer holiday after my university Finals – is more complex. Social-democratic parties still embody a solidaristic vision and still represent the underdog; in most (though not all) western countries they do their best to defend the welfare state against cost-cutters, marketizers and privatizers. But in the crucial domain of the political economy, they no longer challenge the dominant free-market paradigm.[3]

The result is that capitalism is off the leash. Not surprisingly, it is behaving much as it did before its tamers put it on the leash during the extraordinary burst of institutional creativity that followed the Second World War. To be sure, its behaviour is not all of a piece. This is still a world of multiple capitalisms, marked by sharp variations of structure, culture and performance. The compromises of the post-war period were much more firmly embedded in the so-called 'Rhenish' capitalisms of central Europe than in those of the English-speaking world, and although their impress on 'Rhenish' economies is weakening, it is still much

stronger than on Anglophone ones.[4] Running through these variations, however, is a common theme. The heaving, masterless, community-destroying global economy of the 1990s may be a long way away from its benign and stable predecessor of the 1950s and 1960s, but it is uncomfortably close to that of the nineteenth century and even to that of the inter-war period. Keynes may be dead, but Marx, Malthus and Ricardo have had a new lease of life. The tamed welfare capitalism that Keynes helped to make possible may have vanished, but the untamed capitalism of today is uncannily reminiscent of much earlier phases in the creature's life cycle.

Partly as cause and partly as consequence, a heavy deflationary bias now bears down on economic activity through all the peaks and troughs of the business cycle. The fundamental Keynesian (and Marxist) paradox of wasted resources in the midst of unsatisfied needs has returned. So has that old faithful of Marxian wage theory, the 'industrial reserve army' of the unemployed. In Britain and the United States, where capitalism's untaming has gone farthest, two other half-forgotten props of Marxist eschatology – the immiseration of the proletariat and the proletarianization of widening swathes of the bourgeoisie – have returned as well. In advanced industrial societies, one of the central themes of the golden age was 'embourgeoisement': the spread to the working class of the job security, career ladders and lifestyles which had formerly been the prerogatives of the middle class. Now the engines have gone into reverse. Adjusted for inflation, average weekly earnings of American 'production and non-supervisory workers', comprising 80 per cent of the working population, fell by 18 per cent between 1973 and 1995. By contrast, the real annual pay of corporate chief executives increased by 19 per cent between 1979 and 1989, and by 66 per cent after taxes.[5] In Britain, the average real income of the bottom tenth of the population fell by 14 per cent between 1979 and 1991, while that of the richest tenth rose by 50 per cent.[6] As Felix Rohatyn, senior partner of the Wall Street bankers Lazard Frères recently explained, the United States has seen 'a huge transfer of wealth from lower-skilled, middle-class American workers to the owners of capital assets and to a new technological aristocracy'.[7] The equivalent British transfer has been somewhat less huge, but only somewhat.

That is only the beginning of the story. As in industrial-revolution Britain, the social, cultural and psychic impact of untamed capitalism goes deeper than its impact on the distribution

of resources. As well as putting money in working-class pockets, the 'embourgeoisement' of the golden age put security, stability and thereby self respect into working-class lives. As Harold Perkin has argued, the *leitmotiv*, not just of the golden age, but of the century from around 1880 to around 1980, was the growth of a professional society based on skill, expertise, meritocratic advancement and the enhancement of human capital. Professional qualifications, professional standards and professional expectations spread to a widening range of occupations, manual as well as white-collar. So did the professional virtues of commitment, service and deferred gratification, and, with them, the dignities of professional life.[8] Here too, the engines have gone into reverse. The de-casualization of labour, which a generation of trade-union leaders saw as its life's work, has given way to its re-casualization – and in what used to be the middle class as well as in the working class. Downsizing, delayering, outsourcing and re-engineering haunt the suburbs as well as the inner cities, mocking the commitments and hollowing out the institutions which were once the lodestars of the salariat. No doubt, these processes must end eventually. Delayering cannot continue when there are no layers left, and even the leanest companies need a core of committed employees. But whatever happens in future, the wounded identities and fractured communities which the re-casualization of the last decade has left in its train will still be with us.

Capitalism has turned back on its tracks in less familiar ways as well. In most of western Europe, the great achievement of the second half of the nineteenth century and the first half of the twentieth was the creation of a public domain, ring-fenced from the pressures of the market place, in which citizenship rights rather than market power governed the allocation of social goods. Now privatization is narrowing the scope of this public domain, while marketization is twisting it out of shape – restricting the scope of democratic citizenship, devaluing the ethic of public service and undermining the whole notion of the public good. Of course, there have been gains as well as losses. Joseph Schumpeter was right to think that 'creative destruction' is the hallmark of capitalism. The gales of change which have swept through the global economy in the last ten years *have* been creative as well as destructive. They have stimulated extraordinary feats of enterprise and innovation, leading to remarkable productivity gains; the rewards have gone to the resourceful and adventurous, as well as to the ruthless and the merely lucky. The trouble is that capitalism's untaming has

given destruction too much scope: that the gains made by a few have gone hand in hand with mounting insecurity, dwindling commitment and spreading anomie among the rest. If the emblematic figure of the 1960s was the affluent worker, today's are the redundant middle manager, the driven contract worker and the excluded, antisocial, inner-city youth. All of these portend a desertification of the culture that threatens to choke the springs of mutual loyalty and trust on which free societies – and, for that matter, market economies[9] – depend.

Unrecognized by the market fundamentalists of the right or even the market converts of the left, the 1990s are painfully relearning the painfully acquired wisdom of the founders of the mixed economy: while classical socialism is a delusive will-o'-the-wisp, unbridled market capitalism is economically wasteful and socially destructive. But, as that formulation implies, there is nothing new in this. What *is* new is that the bridles constructed in the first forty years of the century, and applied after 1945, have now disintegrated; and that no successors are in sight.

II

This book was written as the pains of relearning began to bite. Most of the chapters were first published in the early or mid-1990s; the earliest dates from 1982. In different ways, they all have to do with the relationship between capitalisms, states and nations: with the disputed territory where the sphere of market exchanges intersects with the spheres of citizenship and identity. They reflect a set of preoccupations which have come to seem more and more urgent as the implications of capitalism's return to the past have sunk in. In this bewildering new world, which is at the same time an all too familiar old world, how can the values of social solidarity and democratic citizenship be realized? Granted that socialism, as traditionally understood, is no longer with us, does it have something to say to us from beyond the grave? How is socialism's great antagonist, liberalism, faring in this new world, and what are the prospects for an accommodation between the two? Granted that no single nation-state can bridle untamed capitalism, could a federal Europe do so? How do the special peculiarities of the British state, the identity it embodies and the

political economy over which it presides relate to these wider issues?

I have, I hope, addressed these questions, albeit sometimes obliquely, but I do not pretend to have answered them. The chapters collected here do not represent a final 'position' or even a developing approximation to one. The world was changing fast while I wrote them, and I was changing too: in their case, the academic convention of a static, impersonal, authorial 'we' is even more misleading than usual. They are best seen as milestones on an intellectual journey which began long before the first of them was written, and which still continues. As Andrew Shonfield once said of the European project, it is a journey 'to an unknown destination'.[10] Even the comparatively short part of it covered in these essays has followed a course I did not expect it to take when the earliest of them was published; as I peer into the future, the only thing I am sure of is that there will be more new turnings which I cannot now foresee. Yet my journey has a certain symmetry about it, which may not be apparent at first sight. In the rest of this chapter, I shall retrace my steps and, in the light of that encounter with my past, offer an overview of the territory in which I now find myself.

Intellectually, even if not chronologically, I am a child of the golden age; for nearly forty years I based my political credo on the premise that capitalism had not only been tamed, but would stay tamed. More specifically, I am a child of the Attlee government. I was nearly eleven when Labour won the 1945 election, and I left school in 1952, almost a year after Churchill's return to office. I belong, in fact, to the intermediate generation that came of age too late for the war and too soon for the Beatles – the generation for which the robust collectivism of Labour Britain was part of the texture of growing up. For us, there was nothing problematic or surprising about state intervention or even state direction. We had been used to them since infancy. Our childhoods had reverberated with the wartime state's exhortations to dig for victory, to refrain from careless talk, to eat potatoes, to disdain the squanderbug; we took an active state for granted. We eked out our rationed sweets and went off to do our National Service, not always enthusiastically, but without feeling that anything remarkable or untoward had happened. Tamed capitalism was a fact of life too. The struggles which had preceded its taming belonged to the history books. I doubt if many of us saw it as any kind of New Jerusalem.

For some, it was the least bad compromise available; for others a staging post on the road to something better. But if anyone had told us that, in fifty years' time, it would have given way to a new version of its untamed ancestor, that the heads of privatized utility companies would be making fortunes while beggars thronged London's Underground stations, we would have been incredulous as well as appalled. Part of me is incredulous even now.

My own National Service was remarkably uncoercive. I spent virtually the whole of it in the hothouse of the joint services Russian course, and arrived at Oxford in 1954, emotionally immature but intellectually precocious, at the height of the Butskellite consensus. At fifteen I had read and been intoxicated by *The Communist Manifesto*, but James Burnham's *Managerial Revolution* had quickly ended my Marxist period. Between school and university, I had devoured Orwell's essays, Koestler's autobiography and political novels, Ayer's *Language, Truth and Logic* and most of Popper's *Open Society and Its Enemies*. Early university influences included Talmon's *Origins of Totalitarian Democracy*, Plamenatz's *German Marxism and Russian Communism* and Evan Durbin's *Politics of Democratic Socialism*. I was, I thought, an empiricist, a sceptic, a reformist. I knew that revolutions devoured their children, that utopianism led to totalitarianism, that the dictatorship of the proletariat was doomed to become a dictatorship over the proletariat. My watchword was Reason with a capital 'R'; and Reason told me that faith, any faith, was dangerous.

For some time, the child of the golden age ran in uneasy double harness with the grandchild of a much earlier period. Roman Catholics distinguish between converts and cradle Catholics. I am cradle Labour. My father joined the Labour Party in 1918, used to sell the *Daily Herald* outside the Cardiff docks before going to school, and eventually became a Labour minister. My maternal great-grandfather was a founder-member of the ILP and founder-editor of a socialist paper called *Llais Llafur* ('Labour Voice'), where he preached a fierce, blood-red creed that would make the far left of today's Labour Party look palest pink. I was a socialist when I arrived at Oxford, as well as a sceptic; and I was also a would-be historian. The notion that history had come to an end; that, as Jimmy Porter was famously to cry in *Look Back in Anger*, there were no great causes left; that politics had been for ever reduced to management, seemed to me intolerable, and in any case incredible. I had read some Namier in my sixth form, but although I could see

that he was a great historian, I was repelled by his approach – a repulsion soon fortified by my mentor and subsequent tutor, A. J. P. Taylor. There was more to politics than interest and ambition. Ideas mattered; mind could not be taken out of history; even modest changes depended on passion and belief. Utopianism was 'suicidal', I wrote in a pre-university paper, but so was apathy; the task of democratic socialism was 'to find a way of applying scepticism to politics without destroying devotion'. Weaving in and out of ludicrously overambitious reading lists, ebullient recollections of drunken late-night arguments and mournful descriptions of the pains of rejected love, that theme recurs again and again in my undergraduate notebooks.

I wanted a cause, perhaps a hero. For a while, Aneurin Bevan supplied both needs. I heard him speak in my first term at Oxford and was captivated by his defiant artistry. My father's vote for Gaitskell in the leadership election after Attlee retired seemed to me the blackest villainy. Despite my sixteen-year-old abandonment of Marx, I was close enough to the pre-Hungary Oxford Communists for Raphael Samuel, later the founder of History Workshop and then a passionate, inspiring and dedicated party member, to spend four solid hours trying unsuccessfully to convert me. 'Marxism would be emotionally satisfying', I noted regretfully, 'but I don't think it's true.' Soon afterwards the Suez crisis galvanized the entire Oxford left and, for a brief moment, created a defiant popular-front atmosphere reminiscent of the 1930s. (Did I really think a general strike would bring the Government down? I can't find any contemporary evidence to that effect, but I have a strong suspicion that I did.) Suez protest brought me into contact with Stuart Hall, as eloquent and charismatic then as he is now, and with the dissident socialists of what became the first New Left. I was never in their inner circle, but I shared their view that socialism was about culture as well as about economics, and contributed an article on the political significance of the so-called 'Angry Young Men' to the first issue of *Universities and Left Review*, the precursor of today's *New Left Review*.

But no cause or hero could hold me for long. The bump of scepticism was too big. The source of the problem, I decided, lay in Oxford. (I had no doubt that there *was* a problem.) I loved it, but I was also exasperated by it. It infuriated me, even as it shaped me. Dry-as-dust Oxford empiricism, I complained in a *New Statesman* article, written during a vacation job on the paper, had sapped the

energies of the undergraduate left. For the university was permeated by a 'tough-minded, disillusioned attitude', emanating from

> its current intellectual heroes: the Nuffield psephologists, the Namierite historians, the linguistic philosophers . . . Linguistic philosophy encourages a cautious, unemotional approach to problems: from caution it is easy to slide into cowardice. Namierite history leads to suspicion of moral judgements and a tendency to believe that ideas don't matter. If you were taught that the Stuarts were wrong and Hampden right, it was possible to believe that Chamberlain was wrong and Cripps right. Now, nobody is wrong . . .
>
> . . . The new attitude is implicitly right-wing. Namierite history tends to favour the administrator at the expense of the lone voice; to suggest that nothing much changes anyway. But if nothing changes, why propose change? Linguistic philosophy extols an empirical approach. But empiricism has always been a conservative, not a radical catch word . . . So the dilemma of the intellectual Left is this: the new attitude seems impossible to fault, yet equally impossible to reconcile with anything Socialism used to be about.
>
> Left-wing discussion has . . . been most frightened by the apparent drift to a tellyocratic Brave New World, with a deep gulf between those who take decisions and those in whose name they are taken, and a thin layer of professional public relations experts uneasily sandwiched between. But the connecting link, running through all this confused discussion, has been the basic dilemma: how to reconcile one's emotional attitudes with the intellectual approach which is almost inevitably absorbed in present-day Oxford – how to marry Keir Hardie with A. J. Ayer.[11]

The focus was parochial and the target far too narrow, but I still think there was something in it. Indeed, there was more in it than I could see when I wrote it. A. J. P. Taylor made the same point more elegantly when he wrote that the alternative to the 'Whig' history his professional colleagues condemned was 'Tory history'.[12] Somewhat later, Ernest Gellner's mordant *Words and Things* put forward a much richer and more powerful critique of the small-'c' conservatism inherent in linguistic philosophy.[13] But the 'Narodniks of North Oxford', as Gellner called them, had a long lineage behind them. The frustrations I attributed to the Oxford left – which were, of course, my own frustrations – could not be laid at the door of a few mid-century Oxford dons. My real quarrel went deeper. The 'new attitude' I attacked was not as new as I (or, for that matter, Taylor or Gellner) thought. The cult of tough-mindedness, the suspicion of general ideas, the worship of 'common sense' and the positivist historiography and political science against which I was unwittingly in revolt were the

contemporary manifestations of an enduring strand in the public philosophy. But this is hindsight. I was too young, too lacking in self-confidence and, above all, too impatient to realize it then, let alone to explore the implications. On a deeper level, I was, in any case, a prisoner of that same public philosophy. It took the storms of the 1980s to shake me free.

III

Within a few weeks of my *New Statesman* article I was lying on a Mediterranean beach, reading *The Future of Socialism*. Few converts can have been less willing. Crosland, I noted, 'seems unhappily correct. But in that case the Labour Party has no revolutionary part to play. Why belong to it? Above all, why bother to work for it?' Little by little, Crosland's own answer persuaded me. There was no need for a revolutionary transformation, but there was every need for steady incremental improvement. Capitalism had indeed been tamed – so much so that the term was now misleading, and ownership of the means of production almost irrelevant. But it did not follow that there was no room for left politics. Life chances could be equalized; class distinctions could be eroded; public expenditure could be increased; welfare could be enhanced; society could be made more just and more contented. These made up a worthy left agenda, which only sentimentalists would find inadequate.

In retrospect Croslandite revisionism seems to me hopelessly Panglossian and, on the deepest level, incoherent. It took the institutions and operational codes of the British state for granted, and assumed that if revisionist ministers pulled the right Whitehall levers, the desired results would follow. It presupposed continuing economic growth, on a scale sufficient to produce an adequate fiscal dividend. Above all, as Raymond Plant has shown, it failed to argue the moral case for the egalitarianism it put at the centre of the whole project.[14] But this too is hindsight. What mattered at the time was that Crosland seemed to have resolved the dilemma I had described in my *New Statesman* article. He had constructed a socialism fit for the *Zeitgeist* – if not marrying Keir Hardie to A. J. Ayer, then at least making it possible for them to live in sin. I don't think I ever accepted the full Panglossian rigour of the revisionist position, but for the next twenty-five years or so I certainly accepted the main outlines. In the battles between fundamentalists

and revisionists that convulsed the Labour Party after the 1959 defeat, I was a fervent revisionist. As a *Guardian* leader-writer, I applauded Hugh Gaitskell's attempt to revise Clause Four of the party constitution and enlisted in the Gaitskellite Campaign for Democratic Socialism. During a brief return to Oxford as a junior research fellow I was selected as a prospective Labour candidate for a safe Conservative seat. After an even briefer spell teaching politics at the University of Sussex I was elected to Parliament in 1966, three years after Gaitskell's death. I gravitated unhesitatingly to what remained of the Gaitskellite camp.

Despite being singularly ill-suited to the feverish inconsequence of parliamentary life, I sat in the House of Commons for eleven years – the first four of them fulfilling enough; the remaining ones increasingly, and in the end mind-numbingly, frustrating. Most of the issues that preoccupied me seem irretrievably dated now. Yet three broad themes looked forward to the present and the recent past. The first was the theme of democracy, or what I would now call citizenship. The spectre of the 'tellyocratic Brave New World' which I had conjured up in my *New Statesman* article continued to haunt me. A few years before my election to Parliament, it was given new force by John Mackintosh's *The British Cabinet*. Particularly evocative were its conclusion that, 'Governments are restrained not so much by Parliament or by the opposition as by their own desire to keep in step with public opinion' and its impish final question,

> Is the decline of Parliament to be regretted? Most of the proposals for alleviating the decay of the House of Commons are met with the rejoinder: 'Will it work?' By this what is usually meant is: 'Will it work without in any way altering the present dominance of the Executive?' Reports by Select Committees on Procedure or by academic pamphleteers are pointless until the primary question is decided. How much power should the Executive have and how far is it desirable that either the public or a representative chamber should know about or participate in the processes of Government? . . .
>
> . . . Our forms of government continue to change, perhaps not for the worse, but it is a pity that the thinkers and ideologues sit silent while some 'intimations' are allowed to decline in favour of others.[15]

Three years after Mackintosh, Andrew Shonfield reinforced the message in his trail-blazing classic of comparative political economy, *Modern Capitalism*.[16] Like Crosland, but if possible even more confidently, Shonfield presupposed tamed capitalism; unlike Crosland, he did not think that Keynesian demand management

was enough to keep it tamed. For him the secret of the golden age lay less in Keynesian techniques than in 'intellectual coherence' in economic decision-making, based on 'long-range national planning'. Long-range planning required active government; if active government were not to degenerate into arbitrary government, it would have to be made subject to new forms of democratic control, appropriate to an extended state.

The argument seemed impeccable; and, for some years, the Shonfield problem – how to square active government with democratic control – was a central preoccupation both of my parliamentary life and of my occasional journalism. Like most of the 1966 entry and the livelier House of Commons clerks, I thought the key to a solution lay in Parliament itself. I joined John Mackintosh (who soon became one of my dearest friends) on the Procedure Committee of the House of Commons and hitched my wagon to the star of what was then called parliamentary reform. I was for subject committees with teeth; for a new system of expenditure scrutiny; for pre-legislative committees; for a Parliament that would carry out a 'radical and thoroughgoing revision of its procedures, and even more of its assumptions' in order to become 'the watchdog of the bureaucracy'.[17] It took me more than a decade to see that no such revision would take place until there were Members of Parliament with the will and capacity to conduct it, and that no such Members of Parliament would be elected until the myth of the hegemonic mass party, which had been part of my mental furniture since childhood, had been laid to rest. It took me even longer to see that a culture of negotiation and power-sharing, without which institutional changes would make little difference, could be built only from the bottom up.

The second theme is harder to define and has become fully apparent only in retrospect. By the 1960s the revisionist discourse had taken on a darker tinge. We still took tamed capitalism for granted, but we could see that its British version was falling behind other versions; the starting-point of Shonfield's *Modern Capitalism* – for me, at least, the New Testament to Crosland's Old Testament – was a nagging sense that Britain had failed where others had succeeded. Labour revisionists were not alone in feeling this, of course; the same sense ran through the historiography of the Gramscian New Left[18] and the politics of Tory planners like Edward Boyle and even Harold Macmillan. It also ran through the mood of the time. Indeed, Labour owed its election victories in 1964 and 1966 to its superior command of a cross-party rhetoric of

modernization, designed to address it. But revisionism was modernist by definition, and the theme of decline and modernization – or, as I later came to see it, of change, adaptation and failure to adapt – had a special resonance for revisionists. It certainly had one for me. I believed the modernization rhetoric I had used on the election platform. I was for indicative planning, an incomes policy and George Brown's ill-fated Department of Economic Affairs; I thought a combination of efficiency and justice could procure a higher rate of growth and help to realize the Croslandite vision of a classless society. When the Wilson government sacrificed its modernization programme to the exchange rate in July 1966 I watched in despair, with a sense of betrayal that still lingers.

With David Owen and John Mackintosh I argued publicly for devaluation (an act of *lèse-majesté* for which John and I were never forgiven). Later we sent a private memorandum to Harold Wilson making the case at greater length, and published a pamphlet, *Change Gear*, setting out a neo-revisionist programme, in which devaluation was the central plank. But this was whistling in the wind. Our battle had been lost before it began. For all its brave talk in opposition, Labour in government had succumbed to the 'conservative enemy' that Tony Crosland had anatomized in his second important contribution to revisionist thinking.[19] But I could not bring myself to face the implications. I persuaded myself that the government would learn from its mistakes; when Roy Jenkins arrived at the Treasury after the forced devaluation of 1967 my hopes seemed vindicated. It took the grosser defeats of the 1970s – the Labour Party-aided frustration of the Heath government's Industrial Relations Act; the orgy of wage inflation fuelled by the 1974 Labour government's 'social contract'; the failure of successive industrial policies under governments of both parties; and the culminating humiliation of the 1976 sterling crisis – to persuade me that the modernization project of the 1960s and 1970s had been flawed all along, that I had a duty to seek a satisfactory explanation and that I could not do so while I was immured in the gilded cage of parliamentary politics.

Well before that realization began to dawn, the experience of watching the Wilson government's flounderings from a ringside seat gave a new edge to the academic project I had started before getting into Parliament. This was a biography of Ramsay MacDonald – the first scholarly biography based on his private papers – that took me thirteen years to write and ran, in the end, to 400,000 words. The parallels between the MacDonald and

Wilson governments were obvious, but as my research progressed I became increasingly sure that they were only the beginning of the story. The important parallels went deeper. I offered my summary in a passage in the opening chapter written in late 1975 or early 1976.

> The problems of low productivity and declining competitiveness, which absorbed an inordinate amount of ministerial time under the second Labour Government have absorbed, if anything, even more ministerial time in the 1960s and 1970s. The vexed question of European security and disarmament ... presented many of the dilemmas which were to face post-war British Governments when they had to decide their attitude to European integration. The official case for building the Singapore base in 1924 was remarkably similar to the official case for staying east of Suez forty years later; the arguments for sticking to free trade in 1930 and 1931 were to be heard again from opponents of the Common Market's agricultural policy in the early 1970s ... [M]ost of the really intractable problems with which MacDonald had to deal as prime minister can be seen as variations on the interwoven themes of declining economic and political power, dwindling freedom of action and sluggish adaptation to the forces which had made it dwindle. All three have sounded even more loudly in the last twenty-five years.[20]

Unwittingly, I had sketched out the basis for a research programme that still continues.

That leads on to the third theme – the sometimes dominant, occasionally quiescent, but ever-present theme of Britain in Europe and of Europeanism in Britain. Revisionists of the older generation were mostly sceptical about, or even hostile to, British membership of the emerging European Community. They had reached political maturity in the 1940s, when continental models were irrelevant at best and sinister at worst. But for their counterparts in my generation and the generation immediately ahead of mine, 'a dynamic and resurgent Europe', as Anthony Crosland called it,[21] was the external face of modernity. Community membership was a vehicle for, perhaps a precondition of, the modernization of Britain. Opposition to membership went with opposition to modernity; it was at one with class-war fundamentalism on the left, backward-looking imperialism on the right, and resistance to change throughout the society. A victory for the opponents would be a victory for the past, miring Britain still more deeply in a bog of archaism and nostalgia.

I shared the Europeanism of the younger revisionists, but before I was elected to Parliament I did not hold it very strongly. Where the leaders of the Campaign for Democratic Socialism were shocked almost beyond bearing by Gaitskell's notorious 'thousand

years of history' speech to the 1963 Labour Party conference, I found it, at most, distasteful. At a CDS drinks party immediately after the speech, I remember, I felt like a man in a Bateman cartoon when I dared limply to defend it. What turned me from a lukewarm to a committed European were the 1966 crisis and the dawning realization that revisionist modernization in one country was a chimera. In an essay written in the summer recess after the 1966 crisis I conceded that, in a fully-fledged economic community, member states would no longer be free to regulate economic forces within their own boundaries. But that loss of freedom, I argued, should hold no terrors for modernizing revisionists. Democratic electorates would never tolerate a return to *laissez-faire*; in any case, Shonfield had shown that continental Europe was more hospitable to planning than Britain was. Though national governments would lose their power to regulate their economies, the powers they lost would be transferred to authorities 'capable of exercising them on a continental, rather than on a merely national, scale'. That was a prospect to make Socialists rejoice.

> The last two years have shown that it is much harder to carry out the kind of planning implied in Labour's 1964 election manifesto within the confines of a single nation-state than many of us had supposed . . . [T]oo few of the variables are even potentially under the control of the planners. If planning were carried out on a European scale . . . the whole exercise would be that much more likely to succeed.[22]

In retrospect, I am surprised by the slightly clinical tone: I was a European of the head, but not yet of the heart. As the battle lines over Community entry hardened, however, reason was reinforced by emotion. Membership of the British delegation to the Council of Europe Assembly and of its multinational socialist group, attendance at the annual Anglo-German conferences at Koenigswinter, meetings with Italian socialists and – most of all, perhaps – revulsion from the sour little-Englandism that swept through the Labour Party in the 1970s taught me to feel, as well as think, European. In the language of the Labour whips I was a 'Euro-fanatic'. Worse yet, I was also a 'Jenkinsite'. I devoted long hours to the caballing of the Labour Europeans before the vote on Community entry in October 1971; when the vote came I was one of the sixty-nine Labour MPs who defied a three-line whip to follow Roy Jenkins into the 'yes' lobby. After he resigned from the deputy leadership, I belonged to the dwindling band of those who still hoped against hope that he might one day succeed to the