Mr. Wilson at Half Term

H. G. NICHOLAS

Nel mezzo del cammin di nostra vita " Mi ritrovai per una selva oscura

THOSE MEMBERS of Mr. Wilson's administration who turn to Dante for their afterhours reading will be bound to recognize that they are in like plight with the poet. On any reasonable calculation the Labour government is halfway through its life span. Established in October 1964, it was fortified and extended in its mandate by the victory of April 1966. It is unlikely that it will hang on to the last hour permitted by the Parliament Act, April 1971; the autumn of 1970 is a far more probable time for a general election. Thus in the autumn of 1967 it stands almost evenly poised between its inception and its dissolution. And at this point there can be no doubt that, in the language beloved of the translators of Dante, it finds itself "in a darkling wood."

For governments, as for men, the middle years can be a period either of fulfillment or of frustration, according as the potentialities of infancy are being realized or not. For a government assembled under the banner of the reforming Left this is particularly true. For Mr. Wilson's government the testing time has certainly arrived, but it is too soon to say with confidence which way the trial will go. What is very certain is that he and his colleagues now find themselves confronted by problems whose peculiar intractability derives from their very shadowiness, from their imprecision even more than from their complexity.

In the first "hundred days" and for some considerable time afterwards the challenge, severe enough, was nonetheless clear-cut. There were successive balance of payments crises, the pound had to be "saved." There was a Rhodesia crisis; Rhodesia could not be "saved," but at least dramatic action could be taken and the United Nations could be mobilized to dramatize Britain's good intentions. There were industrial troubles-a seamen's strike to be contained, a doctor's walk-out to be prevented. There was mutiny in the ranks, as over the nationalization of steel; the mutineers had to be bought off until reinforcements of reliable voting fodder could be provided by the electorate at the polls.

Even after the comforting access of strength which the April 1966 election provided, there were further moments of crisis—over the pound, over the "freeze," over Rhodesia again, over the railways, over the comic-serious sequence of prison escapes—but these were all reasonably clear-cut and familiar, the kind of thing that modern British administrations all recognize as the stuff of government, whether they handle it well or not.

But now Mr. Wilson and his men seem to be descending from these exciting, if dangerous, peaks and entering a new, more baffling terrain, a "darkling wood" of unknown extent, indefinable contours, and puzzling, unfamiliar shapes. The pound is no longer in danger, but no one can tell the Chancellor of the Exchequer how to keep it that way while moving the economy from "freeze" into growth. (The reforming economists are quite sure what he ought to have done back in 1964-devalue-but even they have no confident prescription for 1967-68). The nation has accepted nearly three years of lower profits, stable prices, and near-stable wages, but it is not willing to accept much longer the rising government expenditure, the higher unemployment, and the reduced incentives that go with them. And while lip service to an "incomes policy" is now pretty general the problem of what role exists for a pressure group like the trade unions within such a policy is about as far from a solution as ever. With the departure of Mr. George Brown from the Department of Economic Affairs, the fizz has gone out of the prices and incomes crusade; with the arrival of Mr. Michael Stewart the policy has taken on an air of bleak negativism which goes far to disguise its very real merits.

"Europe," it sometimes appears, was intended to be the answer to the question, "After the freeze, what?" And indeed it may well be that history will chalk up Mr. Wilson's decision to try and enter the Common Market as his greatest service to his country, if not to his party. But here again the government finds itself on a dark and uncertain road. After the excitement and drama of the decision-making process itself-the thirty-six Parliamentary Labour Party rebels, rebuked but not expelled, the minor office-holders punished by the loss of their jobs, the known Cabinet dissenters holding their peace (and their jobs)-after the tour of the six capitals, the siege of the Elyseé, the application to Brussels-after this, what? Only the General's silent and obstinate "Non," only the grinding sound as the Community's machinery is put into the lowest gear possible for considering this tiresome intrusion, only the well-meant but seemingly ineffectual protests of those members of the Six who would welcome Britain's entry but are not going to force a show-down in order to effect it. Whatever may become of Britain's application, it is obvious that it provides no immediate answer to any of Britain's problems. On the contrary, it will have to be fought for every inch of the way, raising doubts, irritations, frustrations and dissensions, while the fruits of entry, if realized, will accrue to whatever administration holds office in the seventies, after Mr. Wilson's present ministry has had its day.

Similar uncertainties cloud defence policy. The problem here is not the government's election commitments. They were discarded long ago. The champagne that breaks on the bows of Britain's latest Polaris submarine is swung by the wife of the Defence Minister who, in opposition, made such mockery of Sir Alec Douglas-Home's "independent nuclear deterrent." The decision to maintain a force East of Suez provoked indeed the resignation of the Minister of Defence for the Navy-but on the grounds that the Navy was not being

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given the carrier support necessary to do the job properly. Mr. Brown's announcement that in 1968, after the South Arabian Federation secures independence, Britain will keep a task force in the area, is generally seen, not as a minimal fulfillment of a Conservative government's pledge to the Federation, but as a recognition that the legacies of imperial peace-keeping are not so lightly thrown away.

The government's motives are no doubt mixed. John Bull can wear Labour's overalls as well as Tory top-boots; the line from Bevin to Brown is as direct as from Churchill to Duncan Sandys. But there is more to it than habit and pride. There are obligations such as those to Malaysia and India. There are lines of communication and connection-to as far away as Australia and New Zealand. These can be ignored, and broken. Perhaps the oil will flow and the trade continue and the sentimental ties of race and relationship persist unimpaired, when every trace of British power has vanished from the scene. Perhaps. But the government does not feel convinced of it. And nothing that it hears from Washington suggests that Washington is convinced of it either. Consequently the government finds itself caught in a particularly awkward posture. It is still in the Weary Titans' Club, urged by its closest club colleague so to remain. But for a little Titan the dues are high. Relative to all the other demands on Britain's limited resources they get higher all the time. The tangible returns are few. But the costs of withdrawal, tangible and intangible, may be higher.

In the circumstances there is a peculiar attraction about exploiting the possibilities of that other club, whose dues are so much lower and whose membership, alas, is so very unexclusive—the United Nations. Small wonder that from the first Mr. Wilson's government has invested a lot of effort and thought in the UN, taking it far more seriously than any other British government since the early fifties. It has provided a via media (if also a via somewhat dolorosa) over Rhodesia; it has justified the British stand over Malaysia; it has been a godsend over Cyprus; it may yet provide an endorsement of the British stand over Gibraltar. But it has not proved capable of filling the role that a declining Britain in an anarchic world would ideally wish it to undertake. The dispute over peace-keeping, followed by U Thant's brisk demobilization of UNEF, has robbed the UN of its most promising operational instrument for filling the vacuums of power that keep on occurring from Casablanca to Manila. Wilson's offer to provide logistical support on a stand-by basis for any UN peace-keeping force is consequently still-born. And the General Assembly's curt refusal to be interested in British proposals for preventing incendiary outbreaks by developing procedures of peaceful settlement is another reminder that the world organization is, as yet, more global than organized. Thus, though Lord Caradon will go on trying, hopes that he will get the UN to relieve the British guard over such trouble spots as South Arabia are not really bright.

However, the optimists would insist that it is nothing new for a government to find foreign affairs intractable. Indeed Labour, for all its abstract internationalism, has always found foreigners at close quarters intractably foreign. Even if it be true, and it *is* true—that the external world presses more insistently on our British doorsteps than ever before, yet no government need be unduly depressed to find that it cannot remake the international relations of its time according to its heart's desire. The test, after all, is what happens at home.

If one accepts this criterion, how does the Wilson regime appear? Is there a

sense of direction in its domestic policy which could compensate for its rudderless drifting on foreign seas? Certainly in economic policy, Mr. Callaghan at the Exchequer has tied himself to the mast, stuffed his ears against the siren songs of the devaluationists and the Keynesians and steered an unswerving course based on the preservation of sterling and the checking of inflation. Opinions will differ as to the validity of such goals but no one can deny that they have been tenaciously pursued for a Labour government astonishingly tenaciously.

They were however intended to be complemented by vigorous "modernizations," and "streamlining" of the economy, by a livelier application of the competitive spur and a ruthless elimination of restrictive practices. So far, however, the government has been more than a little one-sided in its reforming zeal; employers have felt the spur of a fairly vigorously applied Act aimed at banning price fixing in most trades, while at the same time generally reasonable criteria have been applied in determining the "reasonableness" of potentially monopolistic mergers. More stringent (and long overdue) tests of the permissible levels of profitability have been applied to government contracts, especially in the aircraft and related fields. A new corporation tax has provided an extra goad. But the trade unions have not felt the prickings of any comparable spurs. Their restrictive practices have not been seriously curbed; indeed the railwaymen have successfully impeded, at a severe cost to the economy, measures of modernization proposed not by a private employer but by the management of a nationalized industry. Meanwhile, the Royal Commission on the Trade Unions drags its slow length along, seemingly reluctant to face the day when it must propose recommendations which it knows the government will be

reluctant to receive and sluggish to implement. Finally, the release of managerial energies which the Prime Minister is always calling for is impeded by the sheer clumsiness of the administrative mechanisms which the Treasury employs for realizing its fiscal objectives. There is a good case for a capital gains tax, but not for one so intricate that it has thrown the tax authorities into months of arrears in their work. There is much to be said for stimulating labor to move from less to more productive occupations, but not for a Selective Employment Tax which is so little selective that it penalizes all service occupations as non-productive and actually pays a payroll subsidy to manufacturers irrespective of their product or whether, like the motor or aircraft industries, they are already notorious hoarders of labor. Again it is no doubt excellent in principle that the community rather than the property owner should receive the unearned increment from land whose value has risen by virtue of happy accidents outside his control, but if the legal mechanism for collecting this is complicated and obscure that no so one, not even those operating it, knows what it means, is not this a reform better postponed for a less rainy day?

This kind of failure to observe the limits that administrative commonsense sets to reforming zeal or theroreticians' gimmicks is the sort of thing that Mr. Wilson should be particularly concerned to avoid. It is what the British Right has always said the British Left was prone to; it is what Mr. Wilson's technological pragmatism, his classless drawingboard approach was supposed to eliminate. It has not done so, and the government has suffered for it, particularly at the hands of those non-doctrinaire voters that helped to swing it into power.

More excusable, perhaps, because it requires money which can ill be spared, is

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the failure of the government's housing program. But it is not only money which is lacking. If the program has fallen far behind the targets to which the party pledged itself some of the blame must go to the housing minister, one of those engaging, undynamic Labour leaders, born to the party's purple and representing as accurately the limitations of inherited political position as any scion of our landed aristocracy. Nor can shortage of cash explain the lamentable failure of a Labour administration to do anything to cope with the monstrous paradox of serious poverty in a generally affluent society. The persistent refusal to be selective in the application of welfare, to direct it to those families and categories of persons most in need, is responsible for a degree of waste which takes on an air almost of heartlessness and has converted many of the committed crusaders for social welfare into really embittered critics of the government. Indeed there are only two possible explanations of the government's behavior. Perhaps it is still a prisoner of the memories of the thirties, when the harshly administered "means test" was applied to all families before establishing their bread-winner's right to the unemployment dole, bringing down on the Tory government the workingman's legitimate sense of outrage at a system which first rejected and then humiliated him. If Labour, thirty years after, in a Britain which shudders even at the figure of two per cent unemployment, still thinks this, then Mr. Wilson's picture of a forwardlooking party is indeed a fake. Alternatively, the government knows that to cry "means test" is to pander to a party myth and that it serves no real purpose except a political one, as a stick to beat the Tories. If this cynical explanation is right, the calculation that lies behind it is almost surely wrong. The 1970 election

will not be decided by voters who are fighting the battles of the thirties over again. The prize of victory will go to whichever party can face the challenge of its own time. But meanwhile the shameful misery of ill-fed children and neglected old-age pensioners persists.

On these fronts the government consequently finds itself falling behind, hampered less by the facts of the situation than by its own deficiencies and prejudices. At the same time it is running out of policies of its own. Even at the general election it was apparent to anyone who penetrated the smoke-screen of Mr. Wilson's television oratory that the cupboard of political ideas was rather bare, that in fact virtually nothing had been put in since it was stocked by Mr. Sidney Webb as long ago as 1918. With the nationalization of steel Labour will have done its duty by the central dogma of the party, Point Four of the Constitution, at a considerable price to the taxpayer but (despite formal cries of protest) with little real grief to the steel-makers, whose depressed industry welcomes government bailing-out. There remain of course other "commanding heights of the economy," as the late Nye Bevan termed themchemicals, petroleum, electronics-but the enthusiasm for storming them has gone. The mystique of nationalization is dead, save among a handful of left-wing militants. More likely is a creeping socialism of control ab extra or of government infiltration by the acquisition of stock. But politically speaking, none of this is the stuff of which electoral programs are made. With what else then do you fill your parliamentary time-table, keep your backbenchers happy, create an impression of achievement when the time comes to go to the country?

Some fillip is certainly needed. The byelections confirm the verdict of the public

opinion polls, that the government has lost the confidence of a majority of the electors. By-election losses, of course, are an embarrassment rather than a real impediment to a government's working. But the loss of control of local governments is another thing. When the spring elections robbed Labour of control of London government they did not merely end a 33year period of one-party domination; they also established a Tory bastion of power in the nation's capital. And a similar movement occurred right across the country. Never have so many local authorities changed their party masters in so short a time. Labour is now left in control of only 3 of the 58 county councils and of only four of the twenty largest cities.

Mr. Wilson's reply to this has been, in effect, to ignore it, to soldier on, to insist that the government must govern, to remind his followers that the real day of accounting is still a couple of years off and to assure them that these mid-term setbacks are part of the thankless burden of ruling. This is obviously the right, if not the only, response to such reverses. But there is also evidence that his morale has taken a knock. How else account for those sensitive antennae so misleading him in the strange, but significant, matter of the "D-notice" row?

The D-Notice, it should be explained, is a characteristically British device for keeping a boundary between the press and security secrets without censorship or, if it works well, the risk of prosecution. The government apprises the press, by means of confidential notices, of items which, on security grounds, ought not to be published. An editor can ignore such requests; if so he may face the risk of prosecution. The system has worked well because it has been kept clear of politics and both press and government have had confidence in the man who, as Secretary to the D-Notice Committee, on which government and press representatives sit, has the job of administering it.

But in February 1967 the Daily Express discovered that copies of telegrams going out of the country were being subjected to official examination after dispatch, and they published the item, as a sensational revelation. This was obviously embarrassing politically and otherwise. Was it also a breach of a D-notice? Mr. Wilson said it was, the Secretary of the Committee said it was not. A committee of three. Mr. Shinwell for Labour. Mr. Selwyn Lloyd for the Tories, and Lord Radcliffe, as an eminent law lord and professional national umpire, was appointed to settle the matter. The tribunal found against the government, exonerating both the Secretary and the Daily Express. Not only did Mr. Wilson reject their findings; he then went on to impute security deficiencies to the Secretary in a manner which the British public has got used to describing as McCarthyite. He thus managed to violate two sacred principles of the British Constitution, that civil servants shall not be subjected to personal public attack and that Lord Radcliffe can do no wrong. His behavior was shocking; it was also silly, since it needlessly lined up a solid front of press hostility, as well as, incidentally, destroying a valuable device for regulating the relations between the security departments and the press. Why did he do it? Hubris? Paranoia? The strain of office? The likeliest motive and the seeming cynicism appeared in character, but the clumsy, self-defeating tactics were not. Is this what happens to middle-aged prime ministers in darkling woods? If so, how long will it take Mr. Wilson to find his way into the sunshine again? Is there some kind of an Inferno to be gone through first?

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Fifty Years of Communist Power

WILLIAM HENRY CHAMBERLIN

ONE TEST of the significance of a revolution is the stability of the institutions which it has created, and the wellbeing of the people who live under those institutions. By this standard the American Revolution is easily the most successful in history, not least because its founding fathers abjured utopian goals and unfulfillable promises.

Another test is the spread and sweep of the upheaval, the scope of the innovations, the effect on the life and thought of hundreds of millions of people outside the country where it occurred. By this test the Russian Communist revolution that took place fifty years ago, on November 7, 1917, whether its legacy may be considered good or evil, on general balance, is unmistakably one of the great events of the twentieth century.

Lenin's seizure of power transformed communism from the speculative faith of a few small and isolated groups into the operative doctrine of a mighty Eurasian empire. Its totalitarian politics and collectivist economics opened up new methods of harnessing individual citizens to the service of an all-powerful state and were curiously reflected in the practice of the rival system, fascism, which arose in struggle against communism and also repudiated guarantees of human liberty and limitations on the power of the government.

Although it was quarantined in Russia after the first World War, communism, by a mixture of force, propaganda, and quick exploitation of power vacuums created by World War II, became the ruling creed over a vast area of eastern and central Europe and also in the historic empire of China. Communist power displayed considerable capacity for national adaptation and acclimatization. Outside the Soviet Union communism assumed a protean variety of forms, from the fanatical egalitarianism and organized mob rule of Red China to the reluctant conformism of the Soviet satellite states, the reformist trends

Fall 1967