Labour's Capital Gains:  
The GLC Experience

WITHIN TEN YEARS of the creation of the London County Council (LCC) in 1889, the existence of a democratic local council for London under radical control had so alarmed the Conservative Party that Lord Salisbury's government introduced a drastic curtailment of its powers. When, after 1934, Labour control of the LCC seemed permanent, another Conservative government, in 1963, created the Greater London Council, bringing within London suburban (and Conservative voting) areas. Now that the GLC itself has in turn proved an unreliable vehicle for conservotive rule, yet another Conservative government proposes to abolish the GLC.

The pattern of nineteenth century urban development in London produced a city in which rich and poor neighbourhoods were sharply distinguished. Commercial pressures to replace the homes of the poor in Central London with shops, warehouses and offices drove them either into worse overcrowding or into the inner suburbs. Which suburbs they went to depended on the type of housing that existed — or was being built — in each suburb, and on its price, and on the availability of public transport.

Redistribution

This clear geographical distinction between rich and poor communities has substantial implications for a system of local government funded by the rates: a tax on property. Poor people are concentrated in areas with a low tax base, poor housing and high unemployment. They vote for politicians who promise to do something about their poverty, their housing, and their unemployment. But as long as government is purely local — the vestries before 1900, the 28 metropolitan boroughs from 1900-63, and the 32 London boroughs since 1963 — a progressive local administration can only improve the position of the poor people who elected them by taxing them more and more.

Hence the importance of a London-wide authority. The resources of the City and Westminster — and to a far less extent the outer suburbs — can be brought to bear on the problems of London's poor communities.

The first LCC, elected in 1889, was controlled by an alliance of liberals and socialists. But in 1907, after a vicious campaign, the Tories won control of the LCC and retained it until 1934. 1934 was the culmination of Herbert Morrison's long campaign to win London for Labour, by welding the essential base of inner city Labour votes to enough middle class, suburban support to succeed. Morrison's manifesto was mild in content and far from detailed: apart from the increase in housebuilding, the main pledge was to improve administration. At the time of the 1934 victory, Beatrice Webb herself said that Morrison represented 'the very quintessence of Fabianism'. The manifesto does, however, contain a forthright defence of rate-borne public spending: the Labour Party 'will not agree to restrict municipal services which benefit the working and middle class for the purpose of saving the money of the wealthy.'

Morrison's political project in London was not, however, only to provide London itself with good government: it was to demonstrate the Labour Party's capacity to administer and govern. As such, the continuing existence of the Labour LCC was a standing affront to Tory opinion. Morrison was always clear about this objective. As early as 1935 he said in a lecture: 'You will wonder whether I am talking about running a government or a municipality. I believe the London County Council is, in many ways, a model of public administration: it is clean, it is upright, and the machine works with precision, good sense and humanity. Whenever I go over Westminster Bridge I can almost hear it ticking.'

Under Morrison's successors the machine ticked on until the 60s. But London Tory Party opinion was inflamed by the unbroken 30 years of Labour control. The 1963 London Government Act at once weakened the strong executive operations the LCC had developed, by transferring functions to the new, enlarged London boroughs, and, by increasing the electoral area, created scope for Conservative advance.

The GLC

The GLC created in this way was a strange institution. The social services functions of the LCC — child care and welfare — were devolved to the new London borough councils (themselves mostly amalgamations of smaller previous councils). The LCC education service was preserved, but transferred to a new Inner London Education Authority. It was the Government's intention that all the housing activities should be transferred to the borough councils, and by 1981 most housing management (though not all housebuilding) had been so transferred. The new Council was to deal with strategic planning, and the preparation of a Greater London Development Plan; with major roads; with rubbish disposal, the fire service, and flood defences; and the overall planning of housing provision. To these functions was added in 1969 responsibility for London Transport.

1964 was a good year for the Labour Party: in the first GLC elections in April that year a Labour majority was secured. The reorganisation that had been intended to secure Tory control in fact created a far more volatile political entity — Labour in 1964, 1973 and 1981, Tory in 1967, 1970 and 1977. The politics of the new authority revolved, as ever, around questions of redistribution: the attempt to use the land of outer London to provide housing for people in bad conditions in inner London: the attempt to plan, through the Greater

2 Labour LCC Manifesto 1934.
3 H Morrison How the London County Council does its work 1935.
London Development Plan; and gradually, after 1969 when London Transport came under GLC control, the recognition of the scope that existed to support the public transport system from the GLC tax base. The Labour GLC elected in 1973 was elected on a platform of a massive increase in house building and a radical reform of public transport—['low flat fares leading to free fares']. It delivered on neither, partly because of pressure from the 1974-9 Labour government, and partly because it lacked the political will to do so. The failure of the 1973-7 Labour Council to fulfil either of its main promises led to an increasing gulf between the party and the Council.

THE BATTLE FOR THE LONDON LABOUR PARTY

Left wingers who decided to join the Labour Party in the late 1960s did so in spite of the record of the Wilson government, and they joined with a determination to change the party. Disgusted with government policy over the Vietnam war, fired in many cases by the enthusiasms generated by the international upsurge of student revolutionary socialism in 1968, they came to the Labour Party with immediate experience of the betrayals text books taught them to expect from the Labour Party, and — later — the betrayal of the previous Labour government, and in a number of boroughs new left wing councillors were elected, untrammelled by hidebound ideas on how to operate. The first organised move came in 1975, with a conference entitled 'Labour Against the Housing Cuts', called to protest both at the Labour government's restriction of funds for housebuilding, and at the Labour GLC's cuts in its own housing programme. In the summer of 1978 came the first conference organised around the group that later started the paper London Labour Briefing.

From that first conference developed a loose political grouping, held together by the well-produced monthly Briefing. Further conferences followed, and the network that emerged played a crucial role in the selection of candidates for the 1981 GLC election.

THE 1981 GLC ELECTION MANIFESTO

In the autumn of 1977 David Nicholas, the vice chairperson of the Executive, drew up a set of proposals on future manifestos. Central to the plan — which was agreed by the Executive — was the idea that the manifesto should be voted upon, in detail, by a full party conference. This was a direct product of the disillusionment felt not only with the Labour GLC but with national government too. Every detailed promise in the election manifesto was to have the mandatory force of a conference decision.

Many different streams of socialist thought contributed to the programme of the Labour GLC.

The 1981 manifesto represented the most comprehensive attempt by the London Labour Party to outline the political role of the GLC: nothing on the same scale had been tried since the first years of the LCC. The detail of the manifesto (over 100 pages in length) was born of a twin distrust: of Labour elected representatives in power, and of the attitude of the permanent GLC officials. The experience of other administrations local and national, led to the belief that neither group could be trusted. In what follows two areas of policy — public transport, and the London economy — are examined both at the policy-making stage, and in the period of implementation after May 1981.

Public transport

From 1969, when the GLC first took over responsibility for London Transport, the fares level had preoccupied the Labour Party in London. After the shortcomings and disappointments of the 1973-77 period, the transport working party that began, from the middle of 1979, to review the policy, had two conflicting interests to balance. The constituency parties, smarting under the betrayal of the previous Labour administration, remained committed to free fares. The transport unions (and the London Labour Party works on a block vote system like that in the national Labour Party, and the Transport and General Workers Union is similarly the largest affiliate) feared the loss of bus conductors' and ticket collectors' jobs. Gradually, through the discussions of the working party, there emerged the possibility of a substantial reduction in fares — large enough to make public transport immediately more attractive. This was combined with a forthright commitment to public transport rather than to road building.

An area in which previously there had been little specific policy was the London economy. Rapidly losing its manufacturing base, with mounting levels of unemployment, London was not exempt from the slump of the late 1970s. The manifesto proposed that a Labour GLC should take responsibility for the preparation of an economic plan for London — the London Industrial Strategy and Manpower Plan — and that it should itself create the institutions to implement the plan: a training board to develop new training schemes, and an Enterprise Board to carry out the necessary programme of public sector investment in London employment. Over the summer of 1980 the draft manifesto was circulated widely for discussion in the London Labour movement. Comments and amendments came in, not only from formally affiliated organisations and constituency Labour Parties, but also from trades councils and the regional TUC. Indeed, important new
themes were developed as a result of such contributions — such as the stress on ethnic minority communities. The commitment on the 25% fares cut drew together the previously divided transport interests, and the manifesto as a whole was unanimously endorsed by the Conference in October.

Many different streams of socialist thought contributed to the programme of the Labour GLC — the ideas as well as the political practice of the women’s movement, later to be recognised by the establishment of a women’s committee; the radical critique of industrial policy under the previous Labour government; and the changing approach to socialist organisation epitomised by the book Beyond the Fragments among them.

POWER: THE LABOUR GLC OF MAY 1981

After the election, the Labour Group proceeded at once to the implementation of its transport pledge. By the end of July, the details of the 25% fares cut were settled, the supplementary rate necessary to pay for it levied, and the instructions issued to London Transport. Even the alterations to the ticket machines were in hand. Fares came down at the start of October, and the reduction was generally welcomed.

The relationship between the GLC and London Transport is a complex one: the GLC is responsible for ‘overall policy’ while London Transport is responsible for ‘day to day management’. London Transport is not a council department, but a separately constituted organisation, separately set up by law. The relationship was, in 1981, further complicated by changes in local government finance: the fares cut was achieved by a further subsidy from GLC rates, but the Government, while not intervening directly against the fares cut, had taken powers to deduct grant-aid from councils spending more than a stipulated limit.

Legal resistance

Throughout the election campaign, and over the summer, the fares cut had been opposed by the GLC Tories and by the Minister of Transport. They did not, however, suggest that it was illegal. This was left to the suburban, Tory, London Borough of Bromley, whose Council took to the courts to obtain a declaration that the rate increase required to pay for the fares cut was unlawful. Losing at the first stage, Bromley appealed, winning first in the Court of Appeal and then, decisively, in the House of Lords. The effects of the judgement were far-reaching. The Council, it was held, had broken its ‘fiduciary duty’ to the ratepayers by benefitting one group of people (users of public transport) to the detriment of the ratepayers as a whole. It was a classic case of the redistributive power of the London-wide authority.

Furthermore, it appeared that London Transport had a duty to break even: fares, it was now said, must double at once in order to comply with the law, and might well have to double again within the year.

Opinion in the Labour Group was divided: some were for refusing to implement the decisions of the Court. Others thought that, as the implication of the decision was that London Transport would have to double the fares anyhow, there was no real option in not implementing. Finally, in its budget, the Council accepted the increases. Resistance however continued, with a campaign of massive public meetings around London in the period leading up to the renewed fares increase in March. Others, without the support of the GLC Labour Group, called on individuals to withhold the increased fares and risk prosecution: a stream of court cases ensued.

Neither tactic, however, changed the situation: public support was mobilised behind the low fares policy, but the Government was unmoved. After the increase, however, a quiet, slow and painstaking campaign began, to find a way round the apparent impasse. Gradually, it emerged that a case based on the Greater London Development Plan could be established, which allowed the question of need for public transport services to again enter into consideration — as opposed to the narrower, financial criteria upon which the House of Lords judgement had been based. Lawyers were briefed, and the arguments put to London Transport: it seemed that fares could again be cut by 25%, bringing them back to the same level, in money terms, as had existed before the 1981 reduction. London Transport demurred — they would be delighted to see the fares go down, but did not accept that the new advice could overcome the rigours of the Lords judgement. A further court case ensued, in which the Council’s view prevailed. Fares came down again in May 1983 — ironically, at the height of the general election campaign.

Mistakes

There can be little doubt that in 1981 the law — resurrection of an antiquated legal doctrine combined with a stretched and tortuous interpretation of the law — was used to overturn the decision of the electorate. The GLC never set out to claim that because something had been promised at an election, and the election had been won, it was therefore legal — although the judges implied that this formed part of the case. Rather, the argument was that a common sense interpretation of the law, commonplace for the previous twelve years, was challenged by Bromley on political grounds.
public support for low fares and thus help to create a climate in public opinion in which the second fares cut could pass without further challenge.

The transport campaign of early 1982 was the model for later GLC publicity campaigns. Its hallmarks were a massive and imaginative use of press advertising, and GLC production of leaflets and posters. The GLC newspaper — The Londoner, delivered regularly to every house in London — also carried the same message. The public meetings were called either by local action groups or by the GLC itself.

In the early months of the Labour GLC there was continual criticism of the administration — often over political issues not linked to the direct work of the GLC. But the implementation of the fares promise in October, and the subsequent court cases, led to a period of growing popularity, clearly shown by the response to the fares campaign in early 1982.

Future of London Transport
What were the weaknesses in the GLC position in the fares campaign? First, that central government did not have to do anything. They could — and did — just wait for the fares to go up. Neither the GLC nor the users of public transport had any sanction against the Government. Second, and critically, no amount of publicly funded propaganda could effectively replace a political organisation. Never was the organisational weakness of the London Labour Party so devastatingly exposed: ever vigilant to ensure the GLC was loyal to the manifesto, the party was utterly incapable of organising popular support behind that manifesto. And so, uncertainly, ambivalently, the Labour GLC acted in some way as a substitute for the party organisations.

When, after the June 1983 general election, the Government published its White Paper on the proposal to take responsibility for London Transport away from the GLC, and hand it to a nominated board of business representatives, the justification was that, under the GLC, London Transport was the victim of abrupt changes of direction. As these policy changes were the result of calculated interventions, first by the electorate and subsequently by the judiciary, it is more than a little disingenuous to present them as capricious acts by elected GLC councillors.

An economic strategy
By 1981 London had endured thirty years of deindustrialisation. London unemployment, as a result of that long period of decline and of two years of the Thatcher government, was already over 250,000. The central conclusions of the Labour election manifesto had been that there needed to be a new programme of public investment in both job creation and training, backed up by an economic plan. To carry out this programme, new institutions were proposed — an Industry and Employment Committee, staffed by an Economic Policy Group; an enterprise board, and a training board.

The GLC established its enterprise board in 1982, and in 1983/4 it has a budget of £30 million. In East London, for example, GLEB was able to purchase out of receivership Bassetts, a factory making industrial clothing. With new management, the original workforce of 60 were re-employed, and the company transformed so that, following negotiations with the Tailors and Garment Workers Union, it was effectively controlled by the workforce. Six months after GLEB’s intervention, Bassett's was poised to double in size.

Where the labour movement nationally had developed the concept of the planning agreement, GLEB has developed this into the 'Enterprise Plan'. Whenever GLEB intervenes, its assistance is conditional upon joint planning between the unions involved, the management of the enterprise concerned and GLEB. The work of the enterprise board is not undertaken in isolation. The Economic Policy Group in the Council had by the autumn of 1983 produced many of the basic documents for the London Industrial Strategy — looking, sector by sector, area by area, at the prospects for future employment in London. The first comprehensive strategy is due to be finalised early in the new year. In addition, a substantial training programme has been initiated, both providing direct training places and assisting other organisations to do likewise. An industrial building programme of over a million square feet is underway, a network of cooperative development agencies has been funded, and support provided for unemployed workers organisations and for local trade union support units.

Bureaucratic resistance
This was not accomplished without a period of intense struggle with the GLC bureaucracy. Unlike other local authorities, the GLC is not primarily staffed by specialists in particular departments, but by a career service of generalist administrators.

Where the bureaucracy thought that the transport policies of the new Labour administration were wrong, but lawful, they thought that the employment proposals were not even lawful. They refused to contemplate the possibility that members of the Labour Party, not previously elected to the Council, without the benefit of their advice, had devised a programme that was perfectly capable of implementation within the existing legal framework.

Central to the manifesto proposals for implementing policy had been the creation of the Economic Policy Group, a group of staff working to the Industry and Employment Committee, working on strategy and planning, and advising on the programmes of the Enterprise Board. Yet it took nine months to bring this in. They were perhaps, one of the crucial innovations. In central government, interventionist agencies had been constrained by traditionalist ministries: the London proposals had grown in part from the critique of the hamstringing of the National Enterprise Board by the Department of Industry between 1974 and 1979. There was to be no equivalent of the Department of Industry in the GLC: instead, the aim was to ensure that as far as possible achievement matched intent by putting at the heart of the machine a unit whose function was to implement the policy. The fact that it took nine months to establish the team gave time for other units in the bureaucracy to play the part of the Department of Industry. During those nine months considerable progress was made with some aspects of policy — for example, a legal framework for the enterprise board was ultimately established and agreed. But until well after the Lords decision on fares, the Economic Policy Group did not exist.

After February 1982 there followed a three month period of struggle within the machine before the new staff team had control over the implementation of the Council’s economic programme. Much as it had resisted their arrival, the bureaucracy in the end could cope with advisers: it could sidetrack them, ignore them, and deny them sight of relevant documents. Effective implementation of policy meant having the lead.

The experience of setting out to transform a machine like the GLC, in particular in the economic area, has led many of those involved to question whether any radical administration can carry out its programmes without ensuring — as a minimum — that people who understand the programmes are in charge of implementing them.
The results
By the end of 1983 the economic programme was beginning to show tangible, quantitative results: 1100 jobs created or saved by the Enterprise Board; 2000 training places assisted; space in new factories for 4000 jobs in good working conditions.

But quantitative measures are not the only relevant ones. In the first place, there is a widespread commitment on the Left to economic planning. But it is neither widely understood nor — among people at large — particularly popular. The institutions of economic planning at a national level have been remote and alienating. The industrial strategy being developed in London aims to take the concept of economic planning and break it down to an industry, a workplace, a neighbourhood and community level — planning with workforces and groups to apply existing skills and resources to the meeting of needs, the retention of existing jobs and the creation of new ones. Linked to the planning process has been the establishment of Technology Networks — resources, linked to polytechnics, where people can use research and development facilities to test and develop new products.

Second, however, the Government is committed to the free play of market forces as the dominant principle of social organisation. Each successful GLEB project, each Bassett's, is a demonstration that there can be an alternative: where the propaganda of words has failed, we must turn to the propaganda of practice. The planned use of public resources under democratic control can provide a fairer society, and a higher level of employment.

THE GLC EXPERIENCE
The consideration given above to the GLC's transport and employment programmes could be paralleled by discussions of the reestablishment of the housing programme, the efforts to introduce recruitment practices that are fair to women and to minorities, the new planning policies, the community arts policy, and many others. If this is scarcely the Labour GLC so avidly followed by the popular press, the fault lies as much with the press as with the councillors.

The distinctive contribution of the GLC and the other local councils that share a similar approach has been to reach out to groups previously excluded, not only from power but from the Left's understanding of and approach to power. The central example of this has been the encounter with the women's movement: not without conflict, the GLC, partly through the women's committee and partly through the work of other committees, has taken up the demands of the women's movement — in particular in relation to childcare — and sought to apply them. Within the GLC's work on planning and transport, there has been support for community and neighbourhood groups fighting road schemes and property development. In East London, where business interests have been seeking to convert part of the Royal Docks into an airport for executives, the GLC has worked with local groups in support of a 'People's Plan' alternative. Within the Industry and Employment work, initiatives have been taken in support of national and international trade union links. For example, the GLC has worked closely with the Communist/Socialist administration of the Val de Marne region, near Paris, and with British and French trade unionists, to develop a joint trade union organisation linking the London and Paris plants of Kodak, which face similar problems in their relationship with the American parent company. Extensive support has been given to black groups.

All this amounts to a belief in more radical forms of participation and the decentralisation of power unlike any previous approaches. Seldom articulated into a single body of thought, it represents a thread running through all the GLC's practice. Elected power is not an end in itself, but a resource, to be shared with other groups and movements, and used in
alliance with them to achieve social change.

Weakness of the party base
But if the commitment to develop a new approach to the wielding of political power is both central and unique, it is not accompanied by a strong party base.

Since 1977 the voice of the party itself in London has been curiously muted. Only in the period of manifesto drafting, from 1979-80, did the Regional Executive really come into its own. Indeed, it scarcely maintained the level of authority and legitimacy that it had had under the control of the Right. For the Left on the executive has found it hard to lose the habits of opposition: for a minority to always urge its point of view by pressing a resolution is common tactic — but for a majority to simply carry resolution after resolution is to neglect the chance to shape and develop Labour in London as a coherent, disciplined political force. The Left in the London Labour Party has failed to shed the point of view by pressing a resolution is an unusual course of action. There will need to be a campaign around the simple slogan 'Hold the elections' — a demand which ought to unite a wide range of opinion. In addition, if this step was taken, London would be the only major capital city without some form of elected, city-wide authority. But the heart of the campaign must be around the services and the policies, not the institutions. The Government is not taking this step because of a dispassionate concern with the principles of public administration. They are taking it because they are outraged by the display of the London unemployment figures on the river front of County Hall, in full view of the Houses of Parliament. They are hostile to the policies of low fares public transport, job creation and economic planning, public sector housing, and support for the rights of black people and women. That distinctive GLC style, matched against the Government's own style, angers them.

Broad alliances
And the struggle will only be won in alliance with others fighting for more jobs, more houses, and better public transport. Cuts in the National Health Service mean the loss of 3000 jobs in London, the closure of 20 London hospitals, longer waiting lists and poorer standards of service. So Council resources are being put behind a campaign of resistance with publicity material and support for health campaigns. Privatisation of British Telecommunications would lose over 15000 London jobs — so support is being given to the Post Office Engineers. Other possibilities include the holding of open 'hearings' around the improvement of public services. A major conference for public sector users and workers is being held to fight the threat of privatisation.

The defence of the GLC as an institution can run alongside the political campaign, and considerable headway had been made even before the White paper had been published. Abolition is almost certain to cost money; ratepayers would end up paying rates to many different organisations. Most borough councils would find their residents paying higher rates for the same services. Support for arts organisations and voluntary groups would be at risk.

The campaign is also linked to the fight against current government proposals to limit council budgets. Not content with the previous 'penalty' measures, to 'fine' councils which 'overspend', the Government is now seeking powers for 'rate capping' — stipulating the maximum rate a council can levy. Most Labour Councils have been told they are 3% or 6% above target: the GLC have been told they are 34% above. Indeed, if the government succeeds on rate capping, they will scarcely need abolition as a sop to the prime minister. And therefore the GLC has established, jointly with the other councils most affected (mostly Metropolitan Councils and Districts, and London Boroughs), a group, chaired by Sheffield's David Blunkett, to fight rate capping with a campaign team concentrating on MPs, voluntary and community organisations, and the media.

The Conservative Party has always been wary of democratic institutions of London local government, and has not hesitated to move against them when they provoke Tory anger by their policies, or challenge Tory political hegemony: the Tory Party does not take lightly the political symbolism of control of the capital city. Morrison, in the passage quoted earlier, was neither the first nor the last person to compare the government of London with the government of a country. The present proposals, forming as they do but one offensive in a government-inspired war on local democracy, are simply the latest in a long series.

The Labour GLC of 1981 has inspired warm affection and provoked fierce hostility by its policies and its style. To win the abolition battle it now needs to attract wider support than voted for it in the 1981 election, wider support than that of the groups it has worked with, and wider support than it built in the fares campaign. But the prize, if it succeeds, will be a far greater victory than simply retaining democratic elections in London: it will be a victory for an alternative to the politics of the present government. The question is whether that alternative can be defined and presented in terms that will win that wider support.

4 The Times 1 Dec 1859. 