

THE ECONOMIC LEAGUE

THE FUTURE OF THE LEAGUE

Memorandum for Consideration at  
MEETING OF POLICY AND FINANCE COMMITTEE 26TH JANUARY 1988

1. INTRODUCTION

The League has suffered a surfeit of enquiries and reports for over the last ten years. What it badly needs is either to settle on a role for itself and get on with it or to agree that it no longer has a useful function and to wind itself up. Continuing uncertainty is the worst of all worlds.

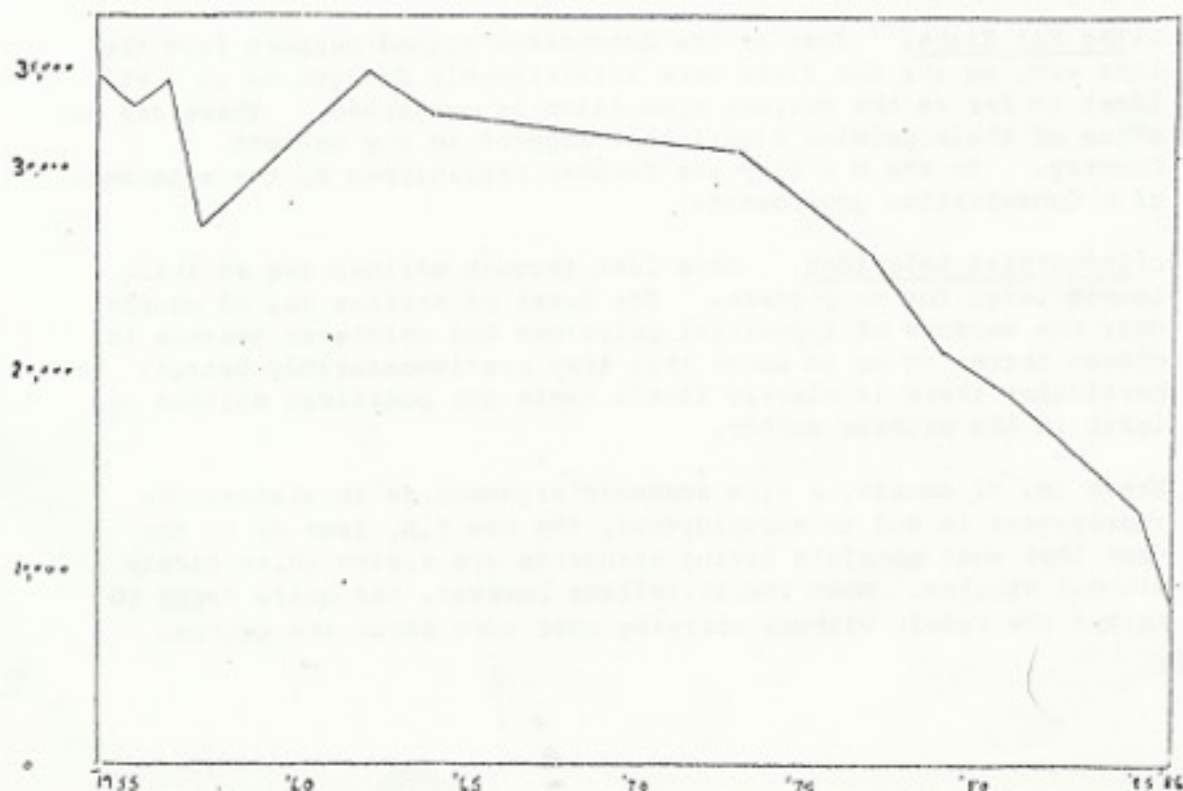
In 1986 and 1987 the Policy and Finance Committee looked again and believed that it had come up with a useful role. The fact that questions have been raised so soon after that may mean that some more radical reappraisal may be necessary.

The previous enquiries have understandably started by looking at the League as it existed and asking how it might be improved. The more fundamental question might be "If the League did not already exist would there be a need to create it, in what form and to do what?"

First of all is there a real threat that the League needs to counter? Is political "subversion" however that is defined a significant danger to industry and society in the late 1980s? There are two basic schools of thought on this.

2. THE PEACE IN OUR TIME" SCHOOL

a) What Communist Threat? The following graph shows membership of the main Communist party (The CPGB) over the last thirty years.



The dramatic drop in party membership probably accurately reflects the drop in wider public support - not that that ever went above a few percent.

When the League was founded Communism was exciting and above all new. It promised everything. It had still not been tested in practice. If there were failures in Russia post 1917 it was "early days" and there was no shortage of people waiting to make excuses. It received a further boost during the second war when Stalin had to be portrayed as our noble ally.

Since then the reality has become all too apparent. The ruthless suppression of the reform movements in Hungary, Czechoslovakia and Poland, The Berlin wall, the fact that far more people are trying to get out than are beating a path to get in and their desperate need to buy our food surpluses have all been enough to convince people that in practice Communism has not delivered. To cap all of that we now have a Russian leader apparently admitting that the system has failed and apparently moving closer to the Western pattern. Not surprising, then, that Communists in the U.K. and indeed throughout the West are in considerable disarray.

Predictably those Marxists who cannot bring themselves to admit that their philosophy is fundamentally flawed have preferred to argue that the wrong brand has been tried. Hence, the invention of Euro-Communism and the 57 varieties of Trotskyism.

There seems no evidence, however, that these attempts to change the brand image are succeeding. The different brands of Marxism spend more time attacking each other than trying to take over the country. Whether Stalinists, Euros or Trots they have shown little inclination to fight elections in their own colours preferring instead to try to sneak in under the Labour Party banner through the technique of "entryism". That technique has also been exposed - in large measure let it be said by the League - and is, now generally, discredited.

b) The Far Right. Just as the Communists gained support from the last war, so the far right were irretrievably damaged by it - at least so far as the current generation is concerned. There are no signs of their gaining significant support in any Western Country. In the U K they are further handicapped by the existence of a Conservative government.

c) Industrial Relations. Days lost through strikes are at their lowest level for many years. The level of strikes is, of course, only one measure of industrial relations but whichever measure is chosen there can be no doubt that they are immeasurably better. In particular there is clearly little taste for political strikes at least in the private sector.

There is, of course, a nice academic argument as to whether the improvement is due to unemployment, the new I.R. laws or to the fact that most people's living standards are rising quite nicely without strikes. Most industrialists however, are quite happy to accept the result without worrying over much about the causes.

3. THE "PENDULUM ALWAYS SWINGS" SCHOOL

Arguably the most dangerous feature of the current political scene is the very appearance of long term stability. The Conservatives under Mrs Thatcher have won three elections and it is half seriously discussed that she might still be Prime Minister at the turn of the century. And yet there remains a majority opposed to the Government. Much of this opposition (like much of the support) is pretty half-hearted but there is also a majority who remain passionately opposed.

This small minority feel themselves to be politically dispossessed in that there is no opposition party either democratic or revolutionary which offers them credible representation. The trade unions who would once have provided a means to vent their frustration no longer do so. In short there is a vacuum waiting to be filled.

This has provided an opening for the anarchists. In terms of active support their numbers are tiny and it is not suggested that they represent a major threat in the long term. They are however the most original and most confident of the revolutionary groups operating at present.

Their message that democracy is a sham, that union leaders will in the end always rat on their members, that the revolutionary leaders only concern is personal glory, that class hatred and violence are morally justified and that the poor are entitled to steal what is rightly theirs is well tuned to the experience of their audience.

The quality of their papers has improved tremendously in recent months, both in terms of the subtlety of the writing and the physical presentation and they are clearly not short of funds. The fact that they give explicit advice on how to commit acts of arson, sabotage and theft and get away with it gives them a degree of excitement totally absent from the other revolutionary papers.

If there is a return to industrial unrest, their message that the strike laws are so one-sided as to justify direct attacks on both factories and managers could well find some takers, as indeed it did at Wapping.

The various Trotskyist groups, though divided and disillusioned, will no doubt continue to drive their wedges into every industrial and social division they can find. In the field of race relations they will be helped in this by the better led and more disciplined National Front.

The current division in the Communist Party is arguably a source of strength rather than weakness. The Stalinists can concentrate on class division and shopfloor unrest while the Euros can present their more acceptable face to their softer middle-class supporters. A wider basis of support is thus built up for what remains a single objective.

For all their recent set-backs The Communists remain the most formidable group, not least because of the degree of external support on which they are able to call. At the end of the day it is they who are most likely to capitalise on any divisions or unrest that the anarchists, Trotskyist or others are able to create.

In any event, this school argues, economic and industrial recoveries never last for ever; each new generation always throws up its quota of intelligent disaffected people who will attack the establishment of the time; extremism never goes away; sooner or later the pendulum always swings and we must be ready for it.

#### SO WHO NEEDS THE LEAGUE?

Clearly if the "peace in our time" school is accepted there is no need for the League. It is an anti-extremist/subversive organisation or it is nothing. While there are no doubt other roles which could be found there is no shortage of other organisations already fulfilling them.

It is assumed, however, that, particularly in view of its long experience, the League will tend more to the "pendulum" school and want to stay in business.

The problem without, it is hoped, seeming defeatist is that this is not a good time to be selling an anti-subversion service. Most industrialists clearly see few problems in the short term and most representative bodies whether industrial or political (with a small or large "P") are finding it harder to recruit new members.

The answer to the question "what if the League did not exist?" is probably that it would be wise to create it, but very difficult to raise the support. Most industrialists would probably prefer to wait until they were confronted with a visible problem by which time, of course, it would be too late. The necessary body of knowledge cannot be put together over night. It has to be based on long term monitoring and research.

The League's greatest asset is therefore its existing body of information and experience and it is essential that this be kept in being. This is unique to the League. Other activities may be desirable but are generally duplicated elsewhere.

The League's second asset is its existing body of supporters. New members must and will be found but it is unrealistic to believe that this is the climate for massive expansion. Inevitably some members will be lost. Whatever the level of income it is essential that expenditure is kept within it to ensure that the core business is preserved.

In 1986 and early 1987 it was considered that it would be worth spending the League's reserves to expand activities in the hope of attracting new support. In the light of the new more fragile investment and industrial situation that now seems less wise.

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If the League's current income of about £1 million can be held or preferably increased a few percent ahead of inflation it will provide a sufficient income to maintain and indeed substantially improve the League's core business.

5. KEEPING THE CORE

It was suggested and agreed in 1986 that in previous cutbacks in League staff too many of the Indians had gone and too high a proportion of chiefs had been kept. The League was top heavy in terms of salesmen and administrators. Some progress has been made in redressing that balance but there is some way still to go.

It is suggested that most of the League's resources should be devoted to:

- a) monitoring the activities of the anti-democratic anti-industry groups,
- b) building an efficient archive from the material collected,
- c) keeping industry briefed and convinced that the League is doing its job,
- d) keeping the wider public informed,
- e) carrying on a limited programme of economic/industrial publications.

At present these activities are thinly resourced and there needs to be considerable further diversion of effort from other areas. The reform and consolidation of the registers is one step in this direction.

A lot of expensive time is being devoted to "liaison" which basically means salesmanship. A better product better presented could reduce this.

Separate book-keeping and accounts in all Regions is a fragmented and therefore expensive approach to a simple task.

Substantial sums are going on office rents not least at Wine Office Court.

The regional structure of the League was developed at a time when the regions were each employing large numbers of leaflet distributors and speakers, putting out a range of different publications, advertising in the local press and running courses. Now that most of these activities are gone a lot of committee time and administration is being devoted to the running of a very much simpler operation. Is this something that requires re-examination in the context of the proposed constitutional reform?

6. OTHER ACTIVITIES

Having said that priority should be given to the League's core business it is perhaps nonetheless worth rehearsing some of the other options which have been looked at.

a) Schools. There is widespread feeling that not enough is being done to put across the value of industry, commerce and enterprise in schools. A number of other organisations and individual companies are however active in this field. The resources required to make an impact are very substantial. It is also likely that the League's motives would be suspect. To date no specific viable proposal has come forward.

It is suggested that the most useful role for the League is to monitor and publicise the attempts by others to introduce political bias and propaganda in schools.

b) Courses. The League used to run a range of management, supervisory and apprentices courses. There are now only a few apprentices courses left.

When the League was a major training organisation there were few others in the field. Now there are many. It is a highly competitive and professional business in which the League has no existing expertise.

If there is a market for short courses or seminars to brief managers on the current political situation and trends, that is an area where the League does have an expertise to sell. Beyond that limited field there seems little reason for the League to return to general management training.

c) Publications. Where the League has a particular body of knowledge to put across there is obvious merit in its publishing a limited number of books or reports. Apart from increasing public understanding they also help to establish the League as a serious authoritative body.

There is perhaps less of a case for the publication of more general economic or industrial reports. However, provided that the numbers and expenditure are limited, there would seem to be merit in the League maintaining a foothold in this area if only to show that it is not just an anti-subversion organisation but has positive beliefs as well.

The response to the manufacturing report was really very good.

d) Public Education. It is agreed that leaflets are no longer a viable means of mass communication. All other direct means are hugely expensive.

Despite the hostile media attacks the League is developing much better relations with the press. Journalists do regard the League as an authoritative and useful source. Developing this is much the best means of getting the League's message across as well as a good means of achieving some positive coverage of the League itself.

20th January, 1988.

