

# Introduction

It was fifty years ago, in 1969, that a Labour Government sought to introduce legislation to reform industrial relations, and place Britain's trade unions within a clear legal framework. The proposals, enshrined in a White Paper entitled *In Place of Strife*, aimed both to imbue the unions and workers with various statutory rights and to impose particular responsibilities on them. The purported objective overall was to foster more orderly and responsible industrial relations, primarily in order to reduce the incidence of unofficial strikes, but also, ostensibly, as part of Labour's professed objective of establishing a Socialist society. A core component of this latter objective was much greater planning and regulation of the economy, coupled with the goal of establishing a fairer, more egalitarian, society. These objectives and goals were deemed to be seriously impeded by an apparently anarchic industrial relations 'system', and the readiness with which many trade unions used their 'industrial muscle', via strike action, to pursue short-term economic goals for their members, without regard for the longer-term material interests of British society overall.

The two senior Ministers most closely involved in pursuing industrial relations reform via *In Place of Strife*, Prime Minister Harold Wilson and his Secretary of State for Employment and Productivity, Barbara Castle, were convinced that their legislative proposals were fair and equitable, in that they aimed to establish a balance between the rights of workers and trade unions on one hand, and the interests of 'the community' on the other. They were adamant that their proposed legislation would not – and was not intended to – prevent or ban the trade unions from engaging in strikes in connection with disputes with employers, but that certain conditions should be met, and procedures adhered to, before strike action was embarked upon; it was about improving organisational processes, not imposing outright prohibition.

Yet while *In Place of Strife* appeared eminently reasonable to its political advocates, it aroused strong opposition from key sections of the

Parliamentary Labour Party (PLP), a prominent Cabinet Minister, the Home Secretary James Callaghan, and from the trade unions themselves. Some of this antipathy had been anticipated by Castle and Wilson, but what surprised them, and ultimately proved fatal to *In Place of Strife*, was the scale of the opposition which it aroused, and the extent to which this increased during the first half of 1969. Castle and Wilson had envisaged that initial opposition would dissipate once opponents of *In Place of Strife* were persuaded of its alleged virtues, most notably the number of provisions it proposed to strengthen the trade unions and workers' rights. In this regard, Castle had immense faith in her skills of persuasion, linked to a strong belief in the capacity of rational, reasoned argument to win over initial opponents.

Instead, the opposition aroused by *In Place of Strife* increased during the next few months, and was exacerbated both by the mid-April announcement of an 'interim' Industrial Relations Bill (as a prelude to more comprehensive legislation planned for the next parliamentary session), and the appointment of a new Chief Whip, the supposedly disciplinarian Bob Mellish, who was widely expected to ensure the compliance of rebellious Labour MPs. Instead, his appointment inadvertently fuelled further anger among sundry Labour backbenchers.

Meanwhile, Castle and Wilson encountered implacable opposition from the trade unions, whose leadership, via the Trades Union Congress (TUC), bitterly resented statutory intervention in their internal affairs, and legal regulation of activities pursued in connection with collective bargaining. Some of the proposals enshrined in the White Paper and interim Bill offended against the unions' long-standing commitment to 'voluntarism', whereby the State mostly maintained a non-interventionist stance towards industrial relations, thereby permitting unions and employers to negotiate terms and conditions of employment with a high degree of autonomy.

For the trade unions, this *free* collective bargaining was of the essence, and the 'penal clauses' proposed by *In Place of Strife* were not rendered any more acceptable by virtue of emanating from a Labour government. Nor were the unions pacified by Castle's insistence that the 'penal clauses' would be invoked only rarely and sparingly, because even if she did exercise the utmost constraint, a subsequent Conservative Secretary of State was very unlikely to practice similar reticence. Some trade union leaders even viewed *In Place of Strife* as the first step on the road to State control of trade unions, notwithstanding the many measures included in the White Paper which aimed to strengthen trade unions and workers' rights.

Castle also reminded the unions that, in spite of their professed commitment to voluntarism, they and their members already benefitted from State intervention, most notably via legislation concerning sundry conditions of employment. Indeed, some laws to provide workers with greater

statutory employment rights and protection had only been enacted during the previous six years. Yet such arguments failed to reduce the unions' hostility to the Labour Government's proposed industrial relations legislation, which was also criticised by some union leaders for deriving from an out-of-touch view of industrial life. Indeed, it was sometimes suggested that Castle and Wilson were middle class, Oxbridge-educated academics who had never done a proper day's manual work or got their hands dirty in their lives, and as such, knew nothing about life on the factory floor, down a coal-mine, or on a building-site.

By June 1969, the scale and strength of the opposition from the PLP *and* the trade unions had prompted some Cabinet Ministers to concede that the Government could not win, and that Castle and Wilson should therefore accept counter-proposals which the TUC drafted, and then emphatically endorsed at a special conference in Croydon. Initially, Wilson rejected the TUC's counter-proposals as inadequate and ineffective (or likely to prove so). However, as Cabinet support for industrial relations legislation steadily ebbed away, amidst dire warnings of a serious, and possibly fatal, split between Labour and the unions, Castle and Wilson negotiated a last-minute 'solemn and binding' agreement, whereby the TUC's General Council would take responsibility for resolving inter-union disputes and unofficial or unconstitutional strikes, in return for the Government abandoning its imminent industrial relations legislation. Apart from slight presentational differences, which ostensibly saved Castle and Wilson from complete political humiliation, this agreement was largely based on the TUC's counter-proposals which Wilson especially had rejected just weeks previously.

When Labour subsequently lost the 1970 general election twelve months later, much of the Party's *de facto* post-mortem focused on the events surrounding *In Place of Strife*, the ensuing interim Industrial Relations Bill and the 'solemn and binding' agreement with the TUC. Those Labour MPs and Ministers who had continuously supported Castle and Wilson's pursuit of reform argued that it was the abandonment of industrial relations legislation which was largely responsible for the electoral defeat, and rendered the Conservative Party's own, more radical, proposals for industrial relations reform attractive to those voters – doubtless including some erstwhile Labour supporters and trade unionists – who were exasperated with the industrial and social disruption (and perhaps loss of wages) caused by strikes, of which at least 90 per cent were unofficial.

Conversely, some critics argued that it was Castle's and Wilson's six-month pursuit of industrial relations reform, following several years of pay curbs and cuts to social provision in the context of deflation, which had alienated many workers who had voted Labour in 1966, but had thereafter become disillusioned with the re-elected Government's economic,

industrial and social policies. Certainly, for many on the Left, the 1966–70 Labour Government was a classic example of ‘leadership betrayal’.

Yet in spite of the controversies engendered by *In Place of Strife*, and the ensuing developments and intra-Party divisions, as well as deep tensions between Labour and the trade unions, this important episode in British labour history has received scant academic attention. Indeed, the only book on this topic is Peter Jenkins’ *The Battle of Downing Street*, which was published the following year, and according to the blurb on the back cover, was written in the style of a political thriller (Jenkins, 1970). Thereafter, the adoption and then abandonment of *In Place of Strife* was only addressed by academics in the guise of chapters (or sections of chapters) in more general historical accounts of industrial relations or government–trade union relations since 1945, or in biographies of the key political figures. The main examples of historical accounts are Barnes and Reid (1980: 112–26), Dorfman (1979: 8–49); Panitch (1976: 171–203), Ponting (1990: 350–71), Sandbrook (2006: Chapter 33) and Taylor (1993: 159–73), while the relevant biographies are by Morgan (1997: 330–45), Perkins (2003: chapters 13 and 14), and Pimlott (1993: chapter 23).

However, the authors of these works mostly lacked access to key archival sources, many of which have only become available to scholars in relatively recent years, due to such factors as the thirty-year rule which applied to the release of government papers, or the bequeathing and/or cataloguing of the personal papers of the three central political figures involved in promoting or opposing *In Place of Strife*, most notably Barbara Castle, James Callaghan and Harold Wilson. As the Acknowledgements to this book indicate, this author has made extensive use of archival sources now stored in Coventry, London, Manchester and Oxford, and in so doing, has been able to offer new or richer, more nuanced, insights into the origins, developments and subsequent abandonment of *In Place of Strife*.

For example, having provided a fuller and more reflective account of the role and *modus operandi* of the 1965–8 Donovan Commission in chapter 2, we then consider, in chapter 3, how Barbara Castle and her senior Departmental ‘team’ resolved to go further than the (to them) disappointingly cautious Donovan Report. We examine the often overlooked or underestimated importance of the mid-November 1968 ‘Sunningdale seminar’, at which Castle, a couple of other Ministers and her senior civil servants discussed the increasingly evident inadequacies of the hitherto ‘voluntarist’ approach to industrial relations, under which the State mostly refrained from intervention either in collective bargaining between employers and trade unions, or in the internal affairs of the unions. With this voluntarist system of industrial relations deemed no longer ‘fit for purpose’, the Sunningdale seminar was instrumental in crystallising Castle’s ideas for placing industrial relations and trade unionism in a clear legal

framework. This was evident in the White Paper which was published two months later: *In Place of Strife*.

One other factor which chapter 3 highlights, in examining the post-Donovan adoption of a more legalistic industrial relations policy, is the changing ethos among senior civil servants, which reflected and reinforced the growing conviction that voluntarism was no longer adequate. Although mandarins in the previously pro-voluntarist Ministry of Labour had begun to doubt the continued efficacy of a 'hands-off' approach to industrial relations and trade unionism during the course of the 1960s – largely due to economic and industrial developments which are discussed in chapter 1 – what ultimately proved decisive in heralding the paradigm shift in Whitehall was the 1968 merger of the Ministry of Labour with the Department of Economic Affairs (DEA).

Many senior civil servants in the latter had already been strongly inclined to a more legalistic industrial relations policy, primarily because they witnessed more directly, on an almost daily basis, the apparent impact of strikes and restrictive practices on the British economy, especially with regard to economic modernisation, planning and productivity. Thus it was that when the DEA was formed in 1968, many of its senior civil servants were already supportive of a new, statutory, industrial relations policy.

However, it must not be assumed that Castle was unduly influenced by these civil servants, as some trade unions subsequently suggested (in so doing, perhaps they revealed their own sexist attitudes towards her). As we emphasise, to a very considerable extent, Castle had already arrived at such a conclusion about the need for a statutory industrial relations policy, and as such, it was very much a mutually reinforcing meeting of like minds between her and her Departmental officials. Indeed, it is more likely that her mandarins were themselves greatly encouraged and emboldened to have a Secretary of State who had already resolved to adopt a statutory industrial relations policy.

Meanwhile, chapter 4 offers a more in-depth and nuanced analysis of the responses to *In Place of Strife* within the Cabinet. Most studies of the events surrounding the White Paper have focused mainly on the strong opposition of James Callaghan, the Home Secretary, and while we fully acknowledge the undeniable importance of this, we also draw attention to the attitudes and responses of other Cabinet Ministers, for these have generally been overlooked. For example, Callaghan's opposition to *In Place of Strife* was wholly shared by Richard Marsh, the Transport Secretary, who was another 'working-class trade unionist' in the Cabinet. He shared the Home Secretary's view that most of those in the Cabinet who were promoting or supporting *In Place of Strife* were 'middle-class academics', who therefore lacked any real experience of life in industry or trade unionism. Consequently, their backgrounds supposedly meant that they

did not really understand industrial relations, and so had a naïve faith in the ability of legislation to inject order and stability into this often complex and conflictual sphere of human interaction.

Nor were attitudes within the Cabinet merely a binary division between enthusiastic supporters and implacable opponents because, as on any political issue, there were positions in between. In this instance, a few Ministers expressed doubts about specific measures proposed by *In Place of Strife*, or demurred from them, and as such, their support was tentative or qualified: they were ambivalent or apprehensive about aspects of the White Paper, and so their cautious endorsement was in the expectation that the planned period of consultation would lead to modification of particular features.

The other aspect of intra-Cabinet debates and disagreements over *In Place of Strife* which has tended to be neglected concerns the timing of the proposed legislation. Castle envisaged spending most of 1969 undertaking consultations with the trade unions, in order to persuade them of the professed merits of *In Place of Strife*, prior to introducing an Industrial Relations Bill in November. However, a few Cabinet Ministers warned that a lengthy period of consultation would provide the trade unions, and sections of the Labour Party, with ample time in which to mobilise opposition to the White Paper; the longer Castle left it before introducing legislation, these Ministerial colleagues warned, the greater the difficulties she would face when she eventually did so. Consequently, their advice was 'the sooner, the better'.

Having initially rejected such haste (believing that this itself would mobilise widespread opposition to her proposals), Castle subsequently agreed to introduce a 'short' Bill, to be scheduled for late spring or early summer, with more comprehensive industrial relations legislation in the next Parliamentary session. Yet the April announcement of an imminent interim Bill unwittingly served to weaken support, both in the Cabinet and on the Labour backbenches, among Ministers and MPs who felt that they were being 'bounced'. To the extent that they had previously supported *In Place of Strife*, it had largely been on the basis that it was a basis for lengthy discussion, yet now they were being expected to endorse industrial relations legislation just three months after publication of the contentious White Paper.

What also led some formerly supportive Ministers to change their minds was the TUC's response to the mid-April announcement of the interim Industrial Relations Bill, for the unions were simultaneously outraged and yet galvanised into developing counter-proposals of their own for tackling various forms of industrial action (as discussed in chapter 6). Some Ministers deemed that the TUC's proposed measures were sufficiently credible and robust to warrant the Government withdrawing its own proposed Bill, or at least the 'penal clauses'. That Wilson (especially) and

Castle instantly dismissed the TUC's counter-proposals antagonised those Ministers who were suitably impressed and enamoured with what trade union leaders were offering, and strained their loyalty; they considered Wilson and Castle to be intransigent and obstinate, and engaged in a reckless game of brinkmanship which threatened to cause irreparable damage to the relationship between the Labour Party and the trade unions.

The other factor which prompted the withdrawal of most Cabinet support for *In Place of Strife* and the interim Industrial Relations Bill during the second quarter of 1969 was the growing opposition in the PLP, as examined in chapter 6. Although much of this opposition emanated from the Left, particularly the Tribune Group's 33 MPs and the 127 trade union-sponsored Labour MPs (a few MPs belonged to both, so that their combined number was slightly less than 160), other Labour MPs who were not aligned to either group also opposed *In Place of Strife* or/and the interim Industrial Relations Bill, so that opposition effectively spanned all sections and ideological tendencies or factions in the PLP.

Moreover, whereas many Labour MPs opposed industrial relations legislation, especially the penal clauses, from the moment that *In Place of Strife* was published, other backbenchers became opposed in response to subsequent developments, namely the announcement of the interim Industrial Relations Bill, Wilson's appointment of the apparently disciplinarian Robert 'Bob' Mellish as the Government's Chief Whip, and the apparent credence and efficacy of the TUC's counter-proposals for tackling strikes, which were summarily rejected by Wilson. Some Labour MPs had initially endorsed *In Place of Strife* out of a personal loyalty to Castle herself, but became disillusioned by these subsequent developments and the perceived obstinacy or bloody-mindedness of Wilson and/or Castle in refusing to accept the TUC's counter-proposals.

In some respects, the growing intra-Cabinet opposition to industrial relations legislation and the parallel growth in PLP opposition became reciprocal. Some Cabinet Ministers reasoned that because the interim Bill would fail to muster sufficient support among Labour MPs to secure its successful parliamentary passage, Wilson and Castle should abandon it, and accept the TUC's counter-proposals instead. Similarly, as it became increasingly clear that many Cabinet Ministers were withdrawing their erstwhile support for the proposed Bill, so did more Labour MPs become emboldened in opposing it, secure in the knowledge that their concerns and views were now shared among a growing number of senior Ministers. As a consequence, Wilson and Castle became effectively isolated, and their political authority seriously weakened. Not even Wilson's occasional threats of resignation could reverse the decline in support in the Cabinet and on the backbenches; on the contrary, some Labour MPs and Ministers would have welcomed a change of leader, and so called Wilson's bluff.

Thus it was that, as we examine in chapter 7 (again relying extensively on archival sources), Wilson and Castle brokered a deal with the TUC's General Council, whereby the latter would take responsibility for resolving inter-union disputes, and unconstitutional or unofficial strikes, in return for which the interim Industrial Relations Bill would be withdrawn. In many respects, this 'solemn and binding' agreement was extensively based on the TUC's counter-proposals which Wilson and Castle had previously rejected as inadequate, but which were subsequently amended slightly, albeit more in presentation than in substance, largely in order that Wilson in particular could 'save face' when announcing this deal.

When Labour subsequently lost the 1970 general election a year later, the inevitable intra-Party post-mortem included consideration of the role of *In Place of Strife* in the loss of support, as we discuss in the conclusion. There was a divergence of views between those Labour politicians who blamed Labour's defeat, in large part, on the failure to implement the reforms enshrined in *In Place of Strife*, while others claimed that it was the time and energy devoted to industrial relations legislation in the first place which had alienated many erstwhile Labour supporters.

Against these two perspectives, we argue that Labour's loss of support in the 1970 election derived from more general and longer-term disillusionment among many of the Party's former voters, this pre-dating *In Place of Strife*. Furthermore, Labour's defeat in 1970 owed less to Labour voters switching to the Conservatives, as was widely assumed at the time, than to abstentions by many people who had voted for the Party in 1966, or to former Labour voters switching to the Liberal Party in some seats which the Liberals had not contested in 1966. Moreover, the Conservatives benefitted enormously from an increase in turnout among their own supporters, this significantly exceeding the decline in Labour's support.