Labour’s Constitution and Public Ownership: From Old Clause IV to New Clause IV

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In April 1995 the recently elected Labour Party leader, Tony Blair, succeeded in rewriting Clause IV, Part Four, of the Party’s constitution, committing Labour to the common ownership of the means of production, which had originally been ratified in London in February 1918. To Blair and his supporters this change was a long overdue sign of Labour’s modernisation and ideological revision. To the declining number of, nonetheless, fervent defenders of the original Clause IV, its recasting involved the removal of a statement of socialist principle that had helped it bind the party together, infusing it with a sense of common direction and purpose.

This chapter will seek to examine the main political and intellectual developments that led to the formulation and ratification of Labour’s old Clause IV in 1917–18. In doing so, it will survey some of the most influential interpretations of those events in the relevant historical literature.

The first and, as it proved, unsuccessful attempt to revise the 1918 constitutional clause, by party leader Hugh Gaitskell in 1959–60, will then be considered within its own historical—both political and intellectual—context. The main reasons for his ultimate failure will be explored and assessed.

Finally, the chapter will identify the political and economic factors underlying Tony Blair’s successful campaign 35 years later to rewrite the old Clause IV. Within a radically changed political climate, it will examine the various reasons why he eventually secured the widespread support of the party in April 1995 for his new Clause IV, the new Statement of Labour’s Aims and Values.

Producing an Article of Faith: the Emergence of Clause IV, 1917–18

The year 1918 was a watershed in the history of the British Labour Party since it bought two major new developments. First, its annual conference adopted in February 1918 a new party constitution and organisational structure. Second, a further
conference, held in June 1918, officially adopted a new policy statement, drafted by the leading Fabian socialist thinker Sidney Webb and entitled *Labour and the New Social Order*.

The new party constitution contained among other things an outline of the 'Party Objects', which included a brief statement, again largely drafted by Sidney Webb, of Labour's general purpose. Set out in what later became known as Clause IV, Part Four, this committed the party:

To secure for the workers by hand or by brain the full fruits of their industry, and the most equitable distribution thereof that may be possible, upon the basis of the common ownership of the means of production and the best obtainable system of popular administration and control of each industry or service.¹

The second major development of 1918, the acceptance of the document *Labour and the New Social Order*, involved the publication of the party's first extended statement of aims. This committed Labour to the pursuit of such policy goals as minimum living standards (a 'National Minimum' in Webb's phrase); full employment; the nationalisation, or state ownership, of land, railways, canals, coal and electricity; progressive taxation together with a capital levy; and an expansion of public services such as education, housing and health-care to be financed through the combined effects of direct taxation and nationalisation.

Though radical in certain aspects, this programme had also been shaped by the immediate climate of wartime collectivism, by, that is, the experience of government control of key sectors of the economy – railways, mines, shipping, food importing, for instance – that had been established by Lloyd George's War Cabinet after 1916. However, Labour and the New Social Order also had a wider ideological significance that has been widely recognized by political historians. As GDH Cole later wrote, the document 'committed the party to a definitely Socialist objective and thus converted it from a loose federation of Socialists and Trade Unionists into a Socialist Party with Trade Union Support'.² Specifically, it committed Labour 'to the objectives of Fabian Socialism and to working for them by parliamentary democratic means, as the inheritor and fulfiller of the progressive Liberal tradition rather than as the initiator of any new revolutionary doctrine'.³

In similar terms, Samuel Beer regarded Labour's 1918 pronouncements, not only Webb's *Labour and the New Social Order* but also his earlier statement of 'Party Objects' contained in the new party constitution, as indications of 'a basic change in ideology' that involved a movement away from radical Liberalism