

WSWS International Editorial Board meeting

# New Labour and the decay of democracy in Britain

## Part Two

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*Published below is the conclusion of a two-part report on Britain delivered by Julie Hyland to an expanded meeting of the World Socialist Web Site International Editorial Board (IEB) held in Sydney from January 22 to 27, 2006. Part one was posted on March 16. Hyland is a member of the World Socialist Web Site IEB and assistant national secretary of the Socialist Equality Party in the UK.*

*WSWS IEB chairman David North's report was posted on 27 February. SEP (Australia) national secretary Nick Beams' report was posted in three parts: Part one on February 28, Part two on March 1 and Part three on March 2. James Cogan's report on Iraq was posted on March 3. Barry Grey's report was published in two parts: Part one on March 4 and Part two on March 6. Patrick Martin's report was published in two parts: Part one on March 7 and Part two on March 8. John Chan report on China was published in three parts: Part one was posted on March 9, Part two on March 10 and Part three on March 11. Uli Rippert's report on Europe was posted in three parts: Part one on March 13, Part two on March 14 and Part three on March 15.*

The ex-radicals' attempt to ignore the degeneration of reformism and the parties based on it is not accidental. To the extent they seek to explain Labour's transformation into "New Labour", it is generally presented as a takeover by outsiders who had bowed before the new realities of Thatcher's monetarist orthodoxy.

There is not the time available here to go through all the issues involved but it is the vast changes within capitalism over the past two decades that have completed this degeneration.

The failure of the system of international economic regulations established in the post-war period to overcome capitalist contradictions was marked by the breakdown of the Bretton Woods Agreement in 1971. It opened the way for the extraordinary development of globalised production as the bourgeoisie sought new means to offset the falling rate of profit.

The generalised crisis that came to a head in 1973 unsparingly exposed the decline of British capitalism against its major rivals. At the same time, the dominance of finance capital in Britain made it especially vulnerable to capital movements, which, with the break-up of Bretton Woods, were outside government control.

Amid major class confrontations culminating in the miners' strike that brought down the Heath government, Labour's nominally left *Tribune* group publicly bemoaned the growth of multinational corporations, blaming them for causing the "downfall of conventional Keynesian economics".

Labour briefly toyed with the "Alternative Economic Strategy" of

national economic regulation, public ownership, economic planning, price controls and import restrictions. However, in 1976, with massive international speculation against sterling, the Labour and trade union bureaucracy turned to the IMF for emergency funds of £3.3 billion and summarily ditched this policy in favour of imposing spending cuts and a wage freeze.

Papers just released under the Freedom of Information Act show that the Callaghan government concealed the full extent of the spending cutbacks it had agreed with the IMF—by one-third in the space of one year—and secretly forecast a massive increase in unemployment to almost 2 million by 1978.

It was perhaps one of the first structural adjustment programmes dished out by the IMF. Callaghan formally launched it by telling Labour's 1976 annual conference: "For too long, perhaps ever since the war, we postponed facing up to fundamental choices and fundamental changes in our society and in our economy. We used to think you could spend your way out of recession, and increase unemployment by cutting taxes and boosting government spending. I tell you in all candour, that option no longer exists."

US President Ford apparently congratulated Callaghan on his speech the following day.

Labour was not able to complete its new-found mission to refashion British economic and social life to meet the requirements of the international financial institutions and global corporations. The Winter of Discontent led to Thatcher's ascendancy in 1979 and she was given the dubious privilege of destroying the social fabric of Britain and thrusting millions into unemployment and poverty.

None of this would have been possible had not Thatcher's right-wing course been matched by Labour. Following a brief tack left under Michael Foot, Labour began to ditch all its old reformist nostrums under the leadership of Kinnock. This period saw a number of now familiar faces make their entry.

Last year we drew attention to the boast by Jack Straw—Britain's foreign secretary—that he had cut his political teeth in the struggle against the "Trots" and could do so because he had been "first taught to spot a Trot at 50 yards in 1965 by Mr. Bert Ramelson, Yorkshire industrial organiser of the Communist Party".

Straw is not the only one. Peter Mandelson, Blair's right-hand man and now Britain's EU commissioner, is perhaps one of the best known former Communist Party of Great Britain (CPGB) members in New Labour, as is Charlie Wheelan, the former adviser to Gordon Brown. To the ex-Stalinist credentials of the foreign secretary can be added those of Defence Secretary John Reid. Even the Home Secretary Charles Clarke was

reportedly another fellow traveller of the CP.

In addition, there is an assortment of former radicals who, together with Blair's infamous spin doctor Alastair Campbell, earned their spurs under Neil Kinnock, during the witch-hunts against Militant and other lefts.

### **The eviscerating of bourgeois democracy**

The point is that New Labour is the monster offspring of the partnership of right-wing Labourites with the Stalinists and their fellow travellers on the periphery of the radical milieu, for the express purpose of disassociating the organisation entirely from any connection with the working class. That was the lesson Labour drew from 1979—never again could it be subject to pressure from below.

In the process, Labour has become a hollowed-out shell, with a membership of less than 200,000 and more than a third of its constituencies failing to send delegates to conference. It has lost four millions votes since 1997 and its vote in 2005 was less than it received in the 1983 election, which was considered to have been old Labour's kiss of death. Far from being regarded as troubling, however, this state of affairs is welcomed as it makes Labour a more perfect vessel for big business.

Blair may consider this a victory, but the real consequences are that the major political prop through which British capital was sustained for an entire historical period has been removed.

This is under conditions in which British politics resemble a festering sore. The Tories—who have never recovered from Thatcher and do not have a single MP in the six largest cities outside London—are making an effort to present a popular face under their new leader David Cameron. Their efforts only point to the extreme narrowness of bourgeois politics.

In the first place, Tory policy consists of seeking to discredit Labour by backing every measure it puts forward—an explicit acceptance by the Tories that they are so hated that Labour is automatically doomed by any association with them.

Cameron, who like Blair, boasts of his pragmatism and lack of ideology, is an advocate of a flat tax and further measures to roll back the state. In all essentials he is another neo-con. In his effort to try and win some broad based support, however, he has made noises of the compassionate conservative type, on crime and education for example. The problem is that this feeble attempt at winning popularity was immediately denounced by Murdoch's *Sun*, among others.

For the first time since World War II, the leaders of both main parties come from the top public schools in England and Scotland (Eton and Fettes respectively), which is why Blair has opposed any attack on Cameron as a privileged toff.

The Liberal Democrats, who made some headway due to their opposition to the Iraq war and mild social proposals, are currently tearing themselves apart. Charles Kennedy was unceremoniously dumped as party leader for being an alcoholic. Actually, he was a recovering alcoholic—the party did not move against him when he was still imbibing. Days later, Mark Oaten, who was considered a potential successor, was forced to drop out over his affair with a rent boy. Another Liberal Democrat MP crossed the floor to join the Tories, with mutterings that others could follow.

Meanwhile, Blair has begrudgingly said he will stand aside as Labour leader shortly before the next election. Speculation is rife that he will renege on his pledge to pass the crown to Brown, opening way for a bitter factional fight without any shred of principle.

Respect, which was created by the Socialist Workers Party and hailed as a serious left-wing electoral challenger, has been revealed as nothing more than the stagnant froth discarded by Labourism. In the space of months,

George Galloway, its most prominent representative, has gone from facing down the US Senate over the Iraq war, and winning some kudos in the process, to becoming a resident of Big Brother's latest reality TV show—degrading the antiwar movement with which he is associated, and the millions of people who had defended him against right-wing attacks.

The evisceration of bourgeois democracy resulting from this social polarisation is testimony to the decay of British capital.

It is impossible to secure a democratic mandate for wars of colonial conquest and social and economic policies that impoverish the mass of the population. Hence the government resorts to lies, deception, intimidation and police state methods.

The scale of the attack on democratic rights is of historic magnitude—including abrogating habeas corpus. Blair complained that the whole British system starts from the false proposition that its duty is to protect the innocent from wrongful conviction, whereas its real duty must be to allow the law-abiding to live in safety. This is justification for the “shoot to kill” in broad daylight of Jean Charles de Menezes, the defence of US prisoner renditions and the British government's own use of evidence extracted by torture.

The essential truth is that the assault on democratic rights is not a matter of policy that can be subjectively abandoned—it is the inevitable product of the acute state of social tensions in Britain.

The HSBC report cited earlier notes the biggest risk to stability comes from what it describes as a political backlash against “globalisation”. It attributes this danger to politicians responding to popular sentiment. However, Larry Elliot comes closer to the truth when he remarked that “to coin a phrase: capitalism is creating its own enemy within”.

There are clear signs of this, as we have noted in relation to the mass movement against the Iraq war, the defeat of the EU constitution in France and the Netherlands, the result of the German elections and more recently the French riots.

In the *Guardian*, the American academic Immanuel Wallerstein said of the French riots: “We are in an epoch of accentuating, not alleviating, inequalities. And therefore we are in an epoch of increasing, not decreasing, rebellions.”

In addition to these social tensions, or rather partially as a result of them, divisions have erupted within sections of the bourgeoisie itself. We have seen a series of leaks, parliamentary inquiries, and calls for Blair's impeachment, most recently by former SAS commander General Michael Rose.

None of Blair's critics disagree with Labour's social agenda. Their concerns centre on foreign policy and its implications for British imperialism. We correctly opposed the notion that British support for the Iraq war resulted from some poodle mentality. Blair has spoken of the need for a pragmatic realism—a recognition of the enormous changes and challenges posed by globalisation, the rise of China and India, and competition for vital energy resources. Britain, from a weakened position, is attempting to maintain its global influence and interests.

Traditionally, this meant balancing between Europe and the US, but this policy proved unviable during the Iraq war and the situation has not become any easier. The British bourgeoisie's biggest fear is of US unilateralism, which it has sought to deal with by “hugging it close”. As Iraq showed, however, when the chips are down, Britain basically must clamber aboard whatever the US is doing, irrespective of its domestic and international ramifications. That is one of the reasons for Blair speaking of Britain being on a permanent war footing.

There is distinct nervousness about this. It is striking how little comment there has been on Iran. Britain has significant interests in Iran, which is one of its largest trading partners in the Middle East. British Gas and Shell are involved in oil and gas exploration in the country, and Iran and BP are participating in a joint gas exploration venture in Scotland. In the event of sanctions on Iran, British companies will be heavily hit. So far, British

efforts appear concentrated on trying to keep a coalition together to arrive at some kind of negotiated settlement, but this is not under Britain's control.

Deep disquiet has arisen in sections of the military and among others over what is happening in Iraq. The British elite may be drawn into something that once again proves deeply injurious to its long term interests—not least in terms of arousing popular opposition—but no one has an alternative. It is striking the degree to which no venue exists for such disagreements within the elite to be resolved to any degree of satisfaction. Craig Murray, the former UK ambassador to Uzbekistan referred to by Al Gore in his speech recently, was effectively removed from his post for raising criticisms of Britain turning a blind eye to torture in the country. The government is attempting to ban his book on these issues.

In short, an almost hot-house environment has developed, in which the level of disconnect, the undermining of the old institutions of rule (which Blair derides as the forces of conservatism) and the complete discrediting of the old parties means that things cannot be held together.

Although this report is presented separately, it must be stressed that British developments cannot be seen apart from those on the European continent. The situation I have sought to outline unfolds under conditions of enormous flux throughout Europe at every level. Our political work must be rooted in the fight to build sections of the International Committee of the Fourth International across Europe.

*Concluded*



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