

Britain: The End of New Labour's Reign of Terror? Jeremy Corbyn, Quo Vadis?

Overcoming Fabianism in Labour's Class War of Attrition

By [Dr. P. Wilkinson](#)

Global Research, September 15, 2015

Region: [Europe](#)

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Jeremy Corbyn, quo vadis?

Last week a new leader of the British Labour Party was chosen. Already the chimes can be heard from the belfries of thousands of Labour parishes, with coronation eulogies published in the journals of political dissent. The abdication of the Miliband dynasty would seem to herald the end of New Labour's reign of terror begun when Thatcher acolyte, Anthony Charles Lynton Blair kissed hands in 1997.

One commentator has already ventured the fantasy of the "special relationship" led after 2016 by one Rt Hon J Corbyn and President Sanders.[1] Members of the Labour front bench, so-called shadow ministers as long as David Cameron's royalists run the Treasury, have declared their refusal to serve under Jeremy Corbyn, now the elected leader of the party and MP for North Islington (a borough in Greater London).[2]

Jeremy Corbyn is the first member of the CND to lead the party since Michael Foot.[3] He has been a member of the Socialist Campaign Group, with which Tony Benn was also affiliated. Socialist Campaign Group broke from the Tribune group, which had been treated as the "extreme" Left of the party in the days of Harold Wilson's government. He is widely identified as part of the traditional Left. His participation and membership in a wide range of organisations and movements goes back to his start as a union organiser in the 1970s.

Corbyn's political consistency has been remarkable. Since the beginning of socialist and labour politics in Britain—as elsewhere—there has always been what outsiders would call a tendency to factionalism. The inherent authoritarianism of the Conservative Party (and its equivalents generally assures that differences of opinion are kept within the walls of the clubs their members frequent. Expulsions among the Establishment are usually for breach of decorum.[4] On the British Left, most expulsions have been based on the failure adequately to support imperialism or until 1989 any inclination to support communism—as defined by the ruling class. This led to divisions in the Labour Party (and the German Social Democratic Party) a century ago in the run up to the Great War.

Labour was again divided by the British elite's policy toward Hitler and Stalin. After the defeat of the fascist Axis powers in 1945, the benchmark for Labour became unwavering loyalty to Washington.

A bankrupt British Empire had already mortgaged most of its defensible imperial interests (a euphemism for territories and markets under imperial control) to the US regime when Clement Atlee led the Labour Party to election victory in 1945 and again narrowly in 1950.

While the US ruling class was planning the Cold War and jumpstarting its campaign to preempt the British and French in Asia, Atlee's government soon came under pressure to submit to US domination.

This culminated in Atlee's lightning visit to Washington to assure the US regime that Britain would mobilise the imperial reserve forces to support the US invasion of Korea.[5] The resulting arms build-up led to Aneurin Bevan's resignation from the government.[6] As part of the US covert operations in post-war Britain, secret funding was provided to the group led by Hugh Gaitskell that soon became the dominant revisionist faction of the Labour Party.[7] Gaitskell loyalist Anthony Crosland's *The Future of Socialism* became a bestseller and would form the bible of Labour's ideological subordination to the US for decades.[8]

The "modernising" faction that followed Gaitskell brought Labour back to the "gradualist" form of socialism advocated by the Fabian Society and the position advocated by the German social democrats on the side of Eduard Bernstein.[9] The Fabian Society derived its name from that of *Fabius Maximus*, also known as *Cunctator* or "the delayer". The legend is that he defended Rome against Hannibal by fighting a war of attrition, avoiding full force combat. Did the Fabians honour Fabius for defending Rome—so that it could become an empire? Did his tactics of meeting superior force with limited engagements impress them? Fabians and mainstream German Social Democrats both supported their respective country's imperial politics, not least of which was the patriotic funding of the war machines. Fabianism substituted the means for the ends—precisely the error of which they accused full-blooded socialists, then and now.

Labour's virtually unqualified commitment to the Atlantic Alliance was justified by the supposed changes in the social and political environment after the defeat of Axis fascism. Building upon the anti-Stalinism in the Labour Party that emerged after the defeat of the Spanish Republic and the Hitler-Stalin Pact, the anti-communist wing of the Labour Party was able to progressively isolate British socialists from the remainder of the international socialist movement. This condition was aggravated by Britain's economic weakness (and indebtedness to US banks) after World War II. Bevan warned against the political consequences for Britain of following the US regime's rearmament but the degree of British dependence on US benevolence was so great that only US protection would permit Britain to rebuild and avoid a return to massive pre-war levels of unemployment. The long process of relying upon the empire to supply Britain had led to enormous trade deficits and balance of payments problems that would culminate in the 1970s sterling crises and IMF intervention.

As long as the Soviet Union existed however, even the US regime grasped the necessity of accepting at least tamed socialism in Britain and Germany. The US regime could intervene more or less openly in Germany—as an occupying force—and was able to keep the Social Democrats out of government until 1969. In Britain another tactic was pursued since Labour was already in power when the war ended. When Labour lost in 1951, the Conservatives regained power under Churchill's last government and remained until Labour recovered No. 10 in 1964. By that time virtually all of Britain's empire had been dissolved.

Harold Wilson, who was originally aligned with the Bevan faction and had resigned from Atlee's ministry at the same time, emerged from Oxford nonetheless in the technocratic model which had come to dominate Labour politics—as well as social democratic policy elsewhere. There was very little talk of nationalisation (Clause IV of the Labour Manifesto) or fundamental changes in the social and economic structure of the country.[10] Instead Wilson's government worked within what could be called the Keynesian consensus that even

the US regime had adopted as a means of funding its military-industrial expansion. Although Washington (and Britain's SIS) treated Wilson as suspect, the Labour government successfully resisted agitation for nuclear disarmament or withdrawal from NATO. Wilson resisted demands that Britain contribute troops to the US war against Vietnam. However the capacity of Washington to influence politics in the Commonwealth was by no means dampened.[11]

Serious problems for the Wilson government had already begun with the 1973 "oil shock". Putatively triggered by oil shortages and steep OPEC price hikes in the wake of the Yom Kippur War, the result of US Middle East policy was to create massive balance of payments problems throughout both its vassal states in Europe and the newly independent countries throughout the so-called Third World. This combined with the US regime's unilateral abrogation of the Bretton Woods "gold" agreement was the first salvo in the global debt crisis that engulfed Britain too.[12] The collusion of the Seven Sisters forced the price of oil—denominated in US dollars—to record highs.[13] This had the (un)intended consequence of placing the US-dominated IMF and World Bank in the middle of global economic restructuring. It meant the end of most national development schemes in the former colonies and forced Britain to begin the process of de-socialising its economy that would culminate with the election of Margaret Thatcher in 1980.

Harold Wilson was succeeded by James Callaghan in 1976. Callaghan, who had been Wilson's Chancellor of the Exchequer and Foreign Secretary, had to preside over the escalating destabilisation of the British economy. The manipulation of the oil market fuelled inflation while speculative attacks on sterling kept the government opposed to wage increases.[14] Descriptions of the "Winter of Discontent", a repetition of the industrial action by organised labour that had helped bring down the Heath government in 1974, nearly all place the blame on the inability and unwillingness of the British labour force to adjust to "market forces". However, the prevailing Keynesian economic policies of the time were all based on funding social infrastructure and wages in nationalised industries by debt sold to the private capital markets. The enforcement of IMF rules following the Yom Kippur War meant that even the modest proposals by Callaghan's Energy and Industry Secretary Tony Benn for a more self-reliant economic policy were rejected.[15] Neither import controls nor restrictions on capital flows would have been accepted by the IMF from which the British government was trying to obtain a GBP 1 billion loan. While in the Third World this pressure was called "structural adjustment", Washington relied upon Callaghan's government to provide normal market rationale, while the strike waves were used to exhaust organised labour and antagonise Britain's middle classes. This all prepared the way for Margaret Thatcher and outright war against British unions, nationalised industries and social services.

1980 brought the death knell to post-war social Keynesianism—which had always been military Keynesianism too. Margaret Thatcher became prime minister. Ronald Reagan was elected US president. Francois Mitterrand became French President in 1981 and in 1982 Helmut Kohl replaced Helmut Schmidt. In all the key Western states, governments were empowered to dismantle the employment-based policies that had preserved relatively high working class incomes and through increased access to education and social services had reduced the inequalities endemic to capitalism. Despite the apparent strengthening of the oil producers' cartel OPEC, the actual impact of developments in the oil market had been to crush most of the Third World development programmes and the post-war commodity treaties that for the first time promised to give former colonies a stable and fair income for their exports.[16] The "oil crisis" became the soft power to defeat de-colonisation and

labour movements throughout the world. It also should have highlighted the fundamental defect or deception of “modernised” socialism as propounded by the Labour Party.

But it didn't. Instead the political warfare waged against the working classes, esp. non-whites, and emerging nations produced a generation of political leaders whose ideological roots lay in the corporate culture created and refined by the US regime. World War II turned the US not only into the richest imperial power but the primary educational and cultural venue, especially for exiled artists, academics, and other intellectuals. The war against the Soviet Union had made Russia an inhospitable place for all but the most committed socialists. Hence even European socialism was beholden to the US regime for its survival. The luxury of complete isolation from actual combat and the regime's willingness to pamper exiles helped create cadres, who despite their reservations about US racism and its unhampered capitalism, returned home with new found faith, belief that the US was the beacon of progress. That also meant that European political movements came to be seen as obsolete, esp. given the apparent advantages of life in the US over that of a decimated Soviet Union ruled by Stalin.

The modernising or “gradualist” school of socialism had abandoned Marx. According to the post-war revisionists since capitalism had not collapsed, Marx must have been wrong. Since the Soviet Union had not been able to establish a classless society, Marxism-Leninism must be wrong. Since living conditions under capitalism had definitely improved for the working class in Europe and the US, socialism as a fundamental change in society was clearly unnecessary. Finally since even labour could elect representatives and form governments under capitalism, the theory of class struggle must be defective if not entirely false.

The establishment of what became known as the “welfare state” suggested that it was possible to resolve the contradictions between Capital and Labour that Marx had described. The US had created a state based on the ideology of individual liberty that appeared to be complementary to the true objectives of socialism. All of this too made traditional Left politics and Labour manifestos not only obsolete but embarrassing. When the 1973 oil shock threatened to bankrupt the “welfare state”, it was impossible for anyone to suggest that this had anything to do with capitalism.

A major reason for this conviction lay in the technocratic approach taken by the political leadership that introduced the post-war welfare state. Having reduced socialism to a branch of applied mathematics, Labour as well as other social democratic ideologues accepted two premises detrimental to the entire socialist project. The first was that economics is essentially a “natural science” governed by rational laws that merely have to be understood and applied. Already this conviction reveals a false understanding of Marx since Marx was arguing precisely against this idea, as is clear from the full title of his magnum opus: *Capital* “A Critique of Political Economy”. Marx objected strenuously to the assertion of classical “economic laws”. *Capital* is a refutation of those so-called laws that survive in what has come to be called the “neo-classical synthesis”.[17] The second premise is methodological individualism. Methodological individualism is basically a derivative of what has also been called “negative Romanticism”. Probably the best-known promoter of this ideology was Isaiah Berlin with his tract *Two Concepts of Liberty* (1958). Berlin, a privileged anti-Soviet aristocratic academic with an Oxford sinecure, preached endlessly that individual liberty was best seen as “negative”—the freedom *not* to do things. This was nothing more or less than a polemic against any kind of polity based upon empowerment. In the US the high priest of negative liberty was an obscure German scholar funded by the Rockefellers at their University of Chicago named Leo Strauss.[18] Strauss would only achieve notoriety with the

public ascendancy of so-called neo-conservatives in the United States. However, the importance of Strauss and Berlin in the propagation of modern corporate psychological warfare doctrine cannot be overestimated.

By accepting economics as “natural science” even socialists became converted to a positivist theology antithetical not only to class struggle but also to an accurate critique of capitalism. By accepting the dogma of individualism, attacks on labour became endemic. The failure of the British economy was ascribed to inefficient labour not to capital structures and the power exercised by finance, i.e. international banking. The obvious limits to growth and consumption were defined as inevitable scientific processes. Labour was seen as a selfish obstacle to government or private sector adjustments. The obvious contradiction between a more productive labour force and increased unemployment was rationalised as worker or union inflexibility. The Labour Party had already begun the assault on unions before Margaret Thatcher reached No. 10. The corruption in union bureaucracies was certainly no greater than the licensed criminality of the City. However union corruption was equated with “collectivism” while City crimes were entrepreneurial.

Perhaps the extent of the problem can best be seen in the success of both Conservative and Labour governments at exploiting the legacy of British imperialism. In April 1982 Margaret Thatcher sent a fleet to the South Atlantic to wage war against Argentina and keep the Union Jack in the Falkland Islands. In March 2003, Tony Blair sent some 45,000 British troops to its former protectorate to help the US conquer Iraq. It took several years for the tears at the Cenotaph to dry and a weak consensus to emerge that Mr Blair’s deployment of British forces to Iraq make him a war criminal. Special relationships between Washington and London are maintained on both sides of the House. New Labour is simply the third generation of that incestuous combination between members of the Anglo-American elite and their pocket politicians. Years of sharing foreign policy—ultimately the policy of the City and Wall Street—have produced and maintain British subordination in domestic policy. While now there are more Labour voices willing to condemn the 2003 war, the campaign to protect opium production in Afghanistan receives less attention.

What does this mean for the new leader of the Parliamentary Labour Party? Mr Corbyn has been remarkably consistent in his opposition to Thatcherism—with or without a Labour-face—and to the central tenets of British post-war imperialism, e.g. the atomic arsenal and unprovoked aggression in terms of the UN Charter. He has won a leadership election with some 60% in a country that preserves multiple obstacles to democratic voting. There is certainly a noticeable euphoria after he won the contest against all odds. These are not aspects to be trivialised in an era where grassroots enthusiasm has been crushed by a combination of anti-democratic and narcotic forces.

However I am reminded of 1981. I sat with friends in Paris who were ecstatic. I had predicted that Giscard d’Estaing would defeat the PSF candidate Françoise Mitterrand—and I was wrong. It was not my lack of enthusiasm for socialism but my sense of sobriety in appraising electoral processes. Accustomed to the deep conservatism and corruption of the US electoral system, I was sure that the French would not be allowed to elect a socialist. Mitterrand was elected and everyone I knew thought a new day had dawned in France. One of the first measures the new government announced was abolition of the death penalty—long overdue and welcome. However, by the time of the first cohabitation in 1986, I had begun to wonder if the Socialists had really won the election.

One of the factors that contributed to the victory of New Labour—aside from the exhaustion

of the Conservative Party in its last laps under John Major—was the importation of US public relations - electoral campaigning style. The same focus groups that placed Bill Clinton with saxophone in the White House—and were developed to sell every other product under the sun—were introduced to Tony Blair’s campaign. The British general election took another step toward Americanisation—the election of a prime minister with a brand instead of a party with a programme. This trend continues because it is the main marketing and propaganda strategy for Anglo-American corporations—who ultimately make what becomes government policy.

Jeremy Corbyn will have to face this monster, not only in the House of Commons but also in the mass media and the Internet. He will have to face the decades of Anglo-American political and economic incest, not that only manifested in the past century’s wedding of US plutocracy with British aristocracy. He will have to face the overarching military control over Europe exercised through the NATO command structure. Not least of which he will have to contend with the power of Finance Capital, entrenched in multi-national corporations and their “independent” agents, the central banks and multilateral banks—IMF, BIS, World Bank et al.

To do this it will be necessary to sandblast the layers of deception that make “markets” seem natural and rational while presenting human needs as irrational and even irrelevant. To do this will undoubtedly create conflict with Britain’s liege-lord, the US.

As the post-war era has proven, the British ruling class has no loyalty to ordinary Britons that it is not willing to sacrifice to international profitability. The irrational and ultimately unnatural political economy imposed by Britain’s rulers—against which the Germans Marx and Engels first systematically preached—is the religious fanaticism and terrorism that a revived Labour Party needs to oppose.

Notes

[1] Oliver Tickell, “Victory! Corbyn’s Political Earthquake Will Resound Long and Deep”, *The Ecologist*, 12 September 2015, “This raises the prospect of what would until today have looked impossible: a trans-Atlantic green and socialist alliance of Jeremy Corbyn and President Sanders.”

[2] Patrick Wintour, Nicholas Watt, “Labour Frontbenchers Rule Out Serving in Corbyn’s Shadow Cabinet”, *The Guardian*, 12 Saturday 2015. Ed Miliband, Rachel Reeves, Emma Reynolds, Tristram Hunt, Liz Kendall, and Yvette Cooper all have stated they would not serve in Corbyn’s shadow cabinet.

[3] Michael Foot led the Labour party from 1980 - 1983. After he was elected the right-wing “Gaitskell” faction, the so-called “Gang of Four” including Roy Jenkins left the party to form the Social Democrats—merged in 1988 to form what is now called the Liberal Democratic Party, in coalition with David Cameron’s Conservatives.

[4] Edward Heath dismissed the Conservative and Unionist Party MP Enoch Powell from his shadow defence portfolio after Powell’s infamous 1968 “Rivers of Blood” speech on immigration. Needless to say his words were deemed inflammatory in Birmingham but not necessarily in the Carlton Club. The patron saint of 20th century (and Thatcherite) British imperialism, Winston Churchill routinely

attacked non-whites in his private remarks.

[5] See *inter alia*, the film *Korea: The Unknown War* (1988) for discussion of Atlee's decision.

[6] Rt Hon Aneurin Bevan, MP for Ebbw Vale (Wales) had been Minister of Health and then Minister of Labour and National Service under Atlee. He resigned in April 1951 in protest over the defence budget which Hugh Gaitskell tabled and would have funded Britain's contribution to the war against Korea with some GBP 1 billion from the National Health system. Bevan is considered to be the founder of Britain's National Health Service. See Bevan's resignation speech of 23 April 1951.

[7] Richard Fletcher, "How CIA Money Took the Teeth Out of British Socialism" in Philip Agee and Louis Wolf, *Dirty Work: The CIA in Western Europe* (1978).

[8] C A R (Anthony) Crosland, *The Future of Socialism* (1956) For an interesting discussion of the implications of Crosland's work on the Labour Party see: Asad Haider and Salar Mohandesi, "Is there a Future for Socialism", in *Jacobin* (13 Sep 2015) and Patrick Seyd, review of 1980 edition and books by David Owen, Shirley Williams etc. *Marxism Today* (Nov 1981)

[9] Eduard Bernstein's principal opponent was Rosa Luxemburg. The split between the two tendencies led to the formation of the Independent Social Democrats (USPD), which ultimately became the Communist Party in Germany.

[10] Clause IV of the Labour Manifesto (1918) included:

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, distribution and exchange, and the best obtainable system of popular administration and control of each industry or service.

Hugh Gaitskell tried unsuccessfully to have Clause IV removed by the party conference in 1959. Tony Blair persuaded a special party conference in 1995 to adopt a Clause IV in which any mention of nationalisation was omitted.

[11] In 1975 the CIA engineered the dismissal of Australian Labour Party prime minister Geoff Whitlam by HM Governor General Kerr in order to install a government more sympathetic to its imperial policies in the Asia-Pacific region.

[12] In 1971 Richard Nixon abrogated dollar - gold convertibility and the system of fixed exchange rates under the Bretton Woods agreements, this essentially exposed national currencies to free float and hence market speculation. This move by the US regime was intended to compensate for the inflation that had been created by its non-stop war economy since 1945. The introduction of floating exchange rates undermined virtually any type of government economic policy relying on exchange rate fixing. The decision stopped foreign claims on US gold reserves. However key commodities, especially crude oil, denominated in dollars, maintained the demand for the US currency, now no longer available at predictable rates.

[13] Seven Sisters, a term used *inter alia* by Anthony Sampson (*The Seven Sisters*, 1975) to refer to the then seven major global oil companies: British Petroleum, Royal Dutch Shell, Esso, Mobil, Texaco, Chevron, Gulf. Together these six corporations control the world oil market primarily through cartel arrangements that regulate the supply and price of oil at every stage of production from wellhead to filling station. Esso, Mobil and Chevron were all part of Rockefeller's Standard Oil Trust. Meanwhile Esso and Mobil are combined as ExxonMobil. For a detailed history of the oil companies and the control of the oil market see John M. Blair, *The Control of Oil*, 1976. In particular Blair shows that there was in fact no oil shortage during the Yom Kippur War since the majors had already drawn very substantial volumes of oil from their Middle East sources *prior* to the war. In other words the supplies were withheld in the knowledge that the war would provide a pretext for massive price hikes. P. 266 *et seq.*

[14] Currency speculation has been a chronic disease since the abolition of fixed exchange rates and the concentration of all monetary policy in the hands of semi-private central banks. Even sterling, as one of the City's privileged currencies has not been immune from rabid market manipulation for private profit. George Soros—naively admired for his Open Society projects—sucked a billion pounds in booty from his short selling of sterling in 1992. *Black Wednesday* (16 September 1992) was notorious because it forced Britain to withdraw from the European Exchange Rate Mechanism and induced the British Treasury to waste enormous amounts of money stabilising the exchange rate. The unwillingness or inability to restrain even such blatant plundering of national economies continues to oppress the working classes (including the unemployed) to this day. Goldman Sachs, together with its alumni scattered throughout the governing boards of Europe's central banks, has been committing similar violence against the inhabitants of the Euro Zone.

[15] See e.g. *Limited Circular Annex CM-76-35th Conclusions*, 1 December 1976, Cabinet Office. This is one of several top secret Cabinet documents on the status of IMF negotiations, meanwhile declassified.

[16] In the course of de-colonisation, a number of international agreements were concluded under the auspices of the UN Conference on Trade and Development (UNCTAD). These included the General System of Preferences, International Sugar Agreement etc. that were aimed at guaranteeing prices for producing countries and thus stable export incomes. US policy had been to undermine the effectiveness of these agreements, e.g. by obstructing UNCTAD work and focussing on GATT (now the US-controlled World Trade Organisation), which was more vulnerable to US influence.

[17] The term neo-classical synthesis is favoured by the cardinal-canon of Establishment economics, Paul Samuelson. Although Samuelson (*Economics*, 1948) is often presented as the opponent of monetarism as associated with Milton Friedman, both actually promoted complementary economic apologies for post-war capitalism. Key to the theories of both Friedman and Samuelson is the assumption of general equilibrium, the notion that the economy is a rational and natural system that if left untouched by human hands tends to produce price and employment stability. What both refer to as the "natural level of unemployment" is however simply the degree to which Capital dominates the labour supply.

[18] Leo Strauss (1899 – 1973), professor of political science at the University of Chicago for most of his career. A 1932 fellowship from the Rockefeller Foundation saved him for neo-conservative/ liberal posterity. He was essentially the political science pendant to Milton Friedman in economics and drew

the same kind of students.

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