



Socialist Labour

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Socialist Labour - Who We Are

Socialist Labour is a new bulletin issued by a wide range of Labour Party socialists and trade union militants who want to see the working-class take power in society and create a socialist Britain and world. We welcome any socialists to our discussion groups and open editorial board. If you would like to join the discussion group or find out more about Socialist Labour contact:

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Osborne's Waterloo!

Take action now to force the Tories out

By Graham Durham, Brent Central CLP, Unite the Union shop steward and Editor Socialist Labour

The rich man in his castle,
the poor man at his gate,
God made them high and lowly,
and ordered their estate

THE TORIES SEEK to create a Britain that resembles the Christian hymn, except all things are anything but bright and beautiful. Everywhere in Europe and across the world an underclass on low wages, uncertain hours and diminished benefits is being created in a desperate neo-liberal attempt to drive down wages and increase the falling rate of profits in a flagging late capitalist economy.

The sight of Lord Lloyd-Webber jetting back to hit the working poor, of the Bishop of Chester reconciling his Christianity with voting with the Tories and of that treacherous Blairite, Derry Irvine, being the only Labour peer to join the class enemy was truly illuminating for many.

The defeat for Osborne on tax credits was heartening and attributable to the strong lead given on this issue by Jeremy Corbyn and John McDonnell. Ignoring the so-called constitutional issue, Labour put the needs of workers first and suddenly even the Tory media are waking up to the challenge Labour as an anti-austerity party.

Elsewhere in Socialist Labour No. 2 we examine Corbynomics with a critical eye asking if it can create a true alternative to the world crisis of capitalism. On this page we explore how the defiance

in the House of Lords, led by Labour, despite Tory cries of illegality can be extended.

The truth is that Labour cannot just wait five years for a Parliamentary majority, we must take action now to build a movement to force the Tories out much quicker. The closure of the steel mills in Redcar and elsewhere shows that international corporations have no interest in workers lives as they chase profit and the inaction of the Tories drives this home.

The news that the Fire Brigades Union has a re-call conference to consider reaffiliating to Labour and the sight of leading militants and socialists in the RMT and other unions rejoining Labour is a sign of a renewed class confidence and rebuilding of our movement. Socialist Labour believes every socialist and militant should be in the Labour Party and we call for the various parties of the left to disband, stop standing against Labour, and fight for their politics in the mass party of workers, the Labour Party.

Important as voter registration is, and Socialist Labour supporters have been out on the streets registering, what is really needed is a local force of socialists and trade unionists to fight evictions, protest privatisation and support direct action by trade unionists and community to make cuts unachievable. Many heroic struggles have already occurred; we must build local networks of support.

Momentum launched by the Corbyn election team is probably the best opportunity to achieve this. Although it is not a democratic organisation, local groups must welcome everyone and insist on common democratic decision making in supporting local and national campaigns. against cuts and privatisation.

Building on the defeat of Osborne on tax credits we must defy the law where necessary. Just as it was defiance of Thatcher on the poll tax and local council cuts that forced her out, so we must demand that our trade union leaders take a lead in calling strikes together, for example, against the Trade Union Bill.

Our class is rebuilding its confidence at a desperately crucial moment in history, we must all do everything we can to build direct opposition to Tory cuts.

Scotland Says No to Trident!

BOTH THE SNP and Scottish Labour will now oppose the renewal of Trident!

Socialist Labour No.3 will be an internationalist issue for upcoming events like the Stop Trident national demonstration, Saturday 20 February 2016, London.

The Scottish Labour party voted by 70% to scrap Trident on 31 October. Labour now holds different positions north and south of the border. Scottish leader Kezia Dugdale differs on defence but pledged to restore tax credits in Scotland. Both are victories for Corbyn who said:

“Scottish Labour Party members have spoken. That will now feed into the wider UK Labour debate and review of defence policy.”

Socialist Labour Says: Blair to The Hague!

THE DESPERATE PLIGHT of refugees from Syria, Afghanistan, Somalia, Eritrea, Sudan, Congo, and Iraq demonstrates most graphically the chaos that imperialism has spawned in these lands. Refugees are “cockroaches” says the *Sun*’s Katie Hopkins, a “swarm” says David Cameron. Ukip and fascist groups are also bolstered by the *Mail* and *Express* in hyping up racism and chauvinism to cover up for the wars on a neo-liberal agenda which are the direct cause of this appalling human tragedy.

The “dodgy dossier” and the lies of George Bush, Tony Blair and the whole US/UK establishment that justified the 2003 Iraq invasion resulted in a million dead.

This was for many a turning point in Labour’s history, the ultimate betrayal of its socialist aims and values which Corbyn is now reasserting. In resigning as Chair of Stop the War on 20 September he said: “I want to make absolutely clear my continuing solidarity with the Coalition and its work against wars of intervention.”

In an article for *The Morning Star* on 4 June he wrote: “War is not inevitable, but unless we understand the commercial, military and xenophobic forces that are able to promote war, we will have great difficulty in stopping the wars of the future.” We suggest that once we understand these forces we will still have a very difficult revolutionary task to defeat them.

Such was the opposition to the Iraq war that between 3 January and 12 April 2003 36 million people across the globe took part in almost 3,000 protests against the invasion.

However the 36 million had no real means to put their anti-war political feelings into effect. Their own working class organisations, the trade unions and, more importantly, the Labour and Social Democratic parties internationally, were so dominated by pro-imperialist leaders and so devoid of internal democratic structures due to Blair-type ‘reforms’ that they could not be an expression of that popular outrage.

The Chilcot Inquiry into the Iraq debacle began in July 2009 but won’t report until July 2016. Many of those now returning to the Labour party cite this gross act of political treachery by Tony Blair and those who supported him as the reason they resigned and its reversal under Jeremy Corbyn as the reason they are now returning.

They will now demand from Corbyn an internal democracy that allows a real accounting which Blair denied them in 2003. Corbyn must facilitate them by bringing the war criminal Blair, who admits responsibility for Isis but not the lies that justified the war, before the International Criminal Court in The Hague.

Imperialism’s Chaos in Syria and Turkey

By Frank Conroy,
Leeds East CLP 4-11-2015

No bombing of Syria!

THE INFAMOUS INTERVIEW a few weeks after 9/11 with General Wesley Clark, Supreme Allied Commander of NATO during the 1999 war on Yugoslavia, says it all:

“I just got this down from upstairs”- meaning the Secretary of Defense’s office - “today. This is a memo that describes how we’re going to take out seven countries in five years, starting with Iraq, and then Syria, Lebanon, Libya, Somalia, Sudan and, finishing off, Iran.”

A bit of slippage in time and targets, but clearly that is still the US strategy. Syria surpassed Afghanistan in 2014 as the major source of refugees. Some 11 million are internally displaced, 4 million have fled the country and 250,000 dead since the start of the war in early 2011. Socialist must oppose the US and EU bombing of Syria and Iraq and they must oppose their proxies, the Free Syrian Army, the al Qaeda affiliated al Nusrah Front and the Islamic State (IS, Isis) supplied via Jordan, Turkey, Saudi Arabia and Qatar, etc. The notion that the Southern Front, supplied via Amman and Riyadh, is leading a ‘democratic!! revolution’ is beyond ridicule.

If US/Isis thieves have fallen out now it is because Isis ventured into the Iraqi oilfields controlled by the Israeli/US stooge, the Iraqi Kurd leader Barzani, and because there is huge revulsion in the US and EU at the mass beheadings and general genocidal strategy of the Syrian ‘rebels’ in pursuit of a Caliphate or an Islamic state ruled by sharia law.

The US merely wants to clip the wings of Isis as demonstrated by their support for Turkey’s bombing of the Kurdish People’s Protection Units (YPG) in northern Syria, by far the most effective opponents of the Isis, the ineffectiveness of their 18 month-long bombing of Isis and the effectiveness of the Russian bombing after a few weeks. Regime change in Syria is still their goal. Robert Fisk, writing in *The Independent* on 4 October, exposes some mass media hypocrisy over the Russian bombing: “American officials claim that the Syrian army does not fight Isis. If true, who on earth killed the 56,000 Syrian soldiers who have so far died in the Syrian war? The preposterous Free Syrian Army (FSA)? This rubbish has reached its crescendo in the on-again off-again saga of the Syrian “moderates”. These men were originally military defectors to the FSA, which America and European countries regarded as a possible pro-Western force to be used against the Syrian government army. But the FSA fell to pieces, corrupted, and the “moderates” defected all over again, this time to the Islamist Nusrah Front or to Isis... A few days ago, a White House spokesman even told us that Russian bombing “drives moderate elements... into the hands of extremists”. Who’s writing this fiction? “Moderate elements” indeed...”

Turkish general election and the Kurds

The 1920 punitive Treaty of Sèvres recognised a Kurdish state but totally humiliated Turkey (‘revenge for Gallipoli’). The 1923 Treaty of Lausanne recognised a viable Turkish state following Atatürk’s victorious secular but brutally anti-Muslim War of Independence but denied the Kurds their own state. Socialists support Kurdish right to self-determination; at almost 30 million they are the largest nation in the planet without a state. Socialist should oppose the bombing of Isis in Syria or Iraq but if the Kurds take advantage of that to defend Kobane and other territories that are a legitimate part of a real Kurdish nation we should not object.

But Iraqi Kurdish leader Barzani and his Kurdistan Democratic Party (KDP) are puppets of Israel and the US, they collaborated with Turkey against the Turkish Kurdistan Workers Party (PKK) and their allies in the civil war of the mid-1990s and still do. Kurds make up some 20% of Turkey’s population.

The Syrian allies of the PKK, the Democratic Union Party (PYD) and their militias, the YPG, are the best fighters and the dominant forces on the ground in Syrian Kurdistan. Other militias are not allowed in their territory and some of their units have massacred and ethnically cleaned civilians. Between late 2014 and June 2015 the YPG advanced westward along the Turkish border beyond Kobane to the Euphrates river with the assistance of



After 10/10 Ankara bombing of the HDP peace march: “A few streets down, it’s all AKP, and further down the hill are the nationalists. They have been pitting us against each other for years, but never before have divisions been as sharp. Now it’s like south pole and north pole”.

both the US and Assad!

However on 20 July 33 Socialist Youth Federation members on their way to rebuild Kobane were massacred in Suruç by what many suspect was a joint Isis/Turkish deep state operation. The Turkish government had just ended the ceasefire with the PKK and begun a bombing campaign against both Isis and the PKK. In fact it bombed Isis only a few token times but launched hundreds of strikes on the PKK in exile in Iraq and on the YPG in Syria. Less than a week later Isis massacred upwards of 200 in Kobane in the most barbaric manner.

On 24 October Erdogan said Turkey would not let the Kurds “entirely” seize northern Syria. On the 25th Turkey fired on the YPG across the border. Prime Minister Davutoglu said; “the PYD will not go west of the Euphrates and we hit it the moment it did”. Turkey is protecting the last crossing point for arms and international jihadist fighters including Chechens at Jarabulus. On 1 Jan. a truck was stopped on route to Syria by the police but about 15 members of the National Intelligence Organization (MIT) prevented a search on the grounds that the contents constituted a “state secret.” Regional prosecutor Ozcan Sisman, who had ordered the search, has since been replaced and all involved in the search now face prosecution on allegations of “attempting to overthrow the state”.

The YPG would close that crossing by linking up with their western enclave around Afrin (Efrin), relieving the pressure on Aleppo and assisting Assad militarily and politically by exposing the scale of Turkish and US assistance to Isis and al Nusrah. The YPG would then control a fully contiguous Rojava territory, making a wider Kurdish state a viable project. US opportunist support for the YPG could not go as far as that against Turkey. Erdogan allowed the US to use Incirlik airbase in return for its support, showing the PYD leaders the limitations of their localist semi-anarchist ‘third path’ of making no allies with or against imperialism; in practice they have opportunistically allied with the US, the FSA, jihadists and Assad against Isis and al Nusrah.

Under the cover of the 10 October state massacre in Ankara of some 104 peace marches Erdogan began a massive crackdown on his leftist political opponents to spread panic before the general election of 1 November. He fought the election on a peace and security platform, Turkey faced a descent into chaos and, with a faltering economy, the strongman, the new Atatürk, would bring renewed prosperity and peace against all its enemies, the PKK/HDP/Kurds, the Isis, the EU, the Americans, and the rest (hypocritically), he ranted.

This panic mongering saw the APG getting its majority of 317 seats out of 550. The Kemalists CHP got 134, the neo-fascist MHP (Grey Wolves) down to 40 from 80 and the Kurdish HDP to 59 from 80. The PKK attacked the “parliamentary road of the HDP” and counterposed the ‘armed struggle’, a Maoist orientation implicitly rejecting the ‘peace process’ ceasefire of Öcalan (but not his leadership). The HDP were only .7% above the 10% needed for parliamentary seats. The PKK attack almost handed Erdogan his two thirds supermajority which would have allowed him to assume even greater dictatorial powers.

- No imperialist bombing in Syria and Iraq!
- Self-determinations for the Kurdish people!

Corbynomics, from p. 4

bled; the bringing into play for the first time ever of the previously latent, but tremendous economic power of the United States; its rise to world dominance in the context of unparalleled victory in war on a global scale; that was the cause of the boom.

Keynesian economics were in part an ideological form, in part an economic tool used to 'tweak' an already booming capitalist economy to ensure the boom went on as long as possible. In that sense, Keynesian economics were not even particularly the preserve of the left; they became mainstream bourgeois economics for a while, falsely credited with bringing the world out of the Great Depression when in fact the cause of that was the war. In fact, it was Cold War military expenditures, and the nuclear arms race, that also undoubtedly gave capitalist economies more of a shot in the arm than Keynesian economics *per se*.

And it was a developing crisis of profitability, the product of the tendency for the rate of profit to fall, that undermined the post-war boom and led the ruling classes to abandon Keynesianism. Attacking working class living standards to restore the rate of profit was the strategy adopted by capitalism to restore the rate of profit. But within the advanced countries, that had its limits.

Therefore, what followed was globalisation – the chase all over the world for cheaper and cheaper sources of labour. This going hand-in-hand with the massive growth of debt, the promotion of economic 'growth' through inflating asset bubbles, to produce a semblance

of economic dynamism in the advanced countries. Thus the falling rate of profit, and the offensive against all social gains, is a worldwide phenomenon of capitalism. This aspect of Marxist analysis therefore certainly fits the facts.

In the face of this, the Keynesianism of Corbyn and McDonnell, while a manifestation of resistance to neo-liberalism, will not solve the problem of capital's offensive against the working class. Rejecting neo-liberalism and inflicting defeats on its adherents in Labour is a step forward. But if we do not go further than Keynesian tinkering within the capitalist framework, and assimilate Marx's best and most revolutionary insights into the need to do away with capitalism itself by a revolutionary transformation and the abolition of private property in the means of production, and on an international scale at that, then retreats are a grave danger.

We need to concretise this by fighting for the working class movement, both its political and economic/trade union wings together, to use its combined political clout and economic/industrial muscle to force the capitalists to concede what the working class needs.

For instance, People's Quantitative Easing, whatever its economic basis, in its originally mooted form implied that the bourgeois state and the ruling class should pay for what the working class needs. This is a correct idea, we need decent pay for all, a real living wage decided by the workers, not the bosses. We need a real end of unemployment – real jobs for all, through a massive expansion of pub-

lic works and also shorter working hours with no loss in pay.

There are numerous similar demands that can be made: there is not space to discuss all that now. But all these things point to the need for the working class to take power away from the capitalists and their state, administering the economy collectively, democratically and in unity with workers elsewhere in the world – thus beginning the process of abolishing the state itself as a tool of the exploitation of some humans by others.

Reinstate the expelled Members!

Socialist Labour condemns 'Operation Icepick', the obscenely named expulsion of Corbyn supporters during the course of the election for leadership. Long-standing members and new applications were auto-excluded on the basis that they had stood or supported candidates standing against Labour in the past and from their social media posts there were deemed contrary to the 'aims and values of the Labour party. We demand the immediate reversal of these expulsion to all who pledge not to stand and not to support any who stand against Labour in the future. Clearly the aims and values of Labour under Tony Blair and since are very different to the those under Jeremy Corbyn. Membership conditions should reflect that. As he said at Conference:

"Above all I want to welcome our new members to this party, everyone who's joined this party in this great endeavour. To change our party, change our country, change our politics and change the way we do things. Above all I want to speak to everyone in Britain about the tasks Labour has now turned to".



Shaker Aamer Free!

Here he is with daughter, Johnina (left), and son Michael (photo taken before his capture in 2001, released by his lawyer). He arrived back in England on 30-10-15 after 14 years detention without charge in Guantanamo bay. Since January 2002 780 men have been held there, almost all without charge or criminal trial. It is a part of the post 9/11 'war on terror' which the US used as an excuse to invade Afghanistan and Iraq and by-pass domestic US laws by characterising opponents and those against whom they had no evidence as 'enemy combatants'. They held them in the Cuban base which they declared not subject to US law. Torture of the most horrific nature was employed as those released testified. We can expect more gruesome details from Aamer soon.

Immediate and full Renationalisation of the Railways

By Steve Forrest, Harrow West CLP.

AT THE RECENT LABOUR Party conference a vote was overwhelmingly passed to commit the next Labour government to bring the railways back into public ownership. It is important to note that conference delegates were elected prior to the leadership election.

This is significant because it demonstrates the widespread support for rail renationalisation from both new members and long standing party members.

This is in particular a significant and marvellous policy victory as just 6 months ago the Labour Party went to the electorate with a manifesto commitment far different to the one adopted at September's conference.

Our manifesto pledged to:

"A new National Rail body will oversee and plan for the railways and give rail users a greater say in how trains operate. We will legislate so that a public sector operator is allowed to take on lines and challenge the private train operating companies on a level playing field." (The Labour Party Manifesto 2015)

This was the manifesto pledge that we all worked for in May and we were informed that Miliband was to left wing for the Party and the country. The conference vote has surely put an end to that myth and as for the public the renationalisation of the railways has been overwhelmingly supported in poll after poll. For example on 5 August this year a YouGov poll indicated 66% support for renationalisation with even a major-

ity of Tories supporting a public railway.

The conference vote was a tremendous endorsement of one of the key pledges of Jeremy Corbyn's leadership campaign. On 18 August Corbyn introduced a paper into the leadership debate entitled a Peoples Railway where he argued that:

"Our rail network suffers from massive underinvestment, recently cut again by this government, while larcenous levels of profiteering continue. We need to rebuild an integrated publicly owned railway network that is run by the people for the people. It is important for our economy, society and the environment that our railways are run in the public interest not for private profit. Under my leadership Labour will commit to public ownership, run by passengers, workers and government." (Jeremy Corbyn a Peoples Railway)

This policy document was welcomed with great enthusiasm by Corbyn supporters, trade unionists and the public. However as the old saying goes the devil is in the details. This policy document although as we have seen is indeed a radical departure from Miliband and although written with inspiring language its proposals although to be welcomed fall short of answering what we know and Corbyn outlines is an urgent crisis for our railway system.

The Corbyn policy statement that formed the basis of the NEC resolution to conference proposes only to bring

back into public ownership the existing franchises when they expire and the contract runs out.

Between 2020 and 2025 the term of office of the next Labour government only 5 of the 21 operating companies franchises expire. Therefore the policy of Jeremy Corbyn and endorsed by Party conference amounts to little more than a partial renationalisation at best.

Although in Socialist Labour we support Jeremy against attacks from the right in the Party and beyond we are critical friends when we need to be. This strategy doesn't go far enough or fast enough to solve the urgent crisis of our crumbling railways and the robbery of the public from the privateers.

There are break clauses in each of the contracts of the 21 operating companies that if actioned could mean the immediate breaking of all the contracts not just when they naturally expire. This would open the way to full and immediate renationalisation.

At this point the hue and cry will be about compensation, well as socialists we will say to any of the railway companies we are in favour of compensation but only on the basis of proven need. I think Branson for one may struggle with our criteria for proven need.

We demand the immediate and full renationalisation of the railways. We urge Jeremy to take this step and end the chaos and profiteering.

“Corbynomics”, the solution to neo-liberalism?

By Ian D, Croydon

JEREMY CORBYN'S ASCENT to the leadership of the Labour Party in September marks a major break with the previous adherence of the core leadership of the Labour Party to the tenets of neo-liberal economics. With economics goes politics, as Lenin once noted, politics *is* concentrated economics. In Labour, this kind of political-economic trend goes back further than 1994, when Labour elected Blair. Though Blair formalised the Labour Party's joining the neo-liberal camp, particular by his abolition of the party's adherence to formal socialism via the old Clause 4, the acceptance in leading Labour circles of Thatcher's mantra that 'There Is No Alternative' goes back to the Wilson-Callaghan government's austerity programme in 1976 at the behest of the IMF, i.e. even before Thatcher.

Jeremy Corbyn's victory is the first time the outside left has ever won the leadership of the Labour Party outright in a contested election against the right wing. This occurred as a working class political rebellion against the consequences of Labour's decades long embrace of neo-liberalism, under Kinnock, Blair, Brown and the insipid soft-left Miliband.

Labour neo-liberalism led to the horrors of the Iraq War and the 'war on terror', and then the ravaging of working class living standards first of all by the credit crunch with its bailout of the financial system, and then the massive attack on the working class, the poor and the disabled, instituted by the Cameron/Clegg coalition government. For reasons that are well known, Ed Miliband's half-hearted leadership was not up to the job of opposing this politically. Corbyn has been put into the leadership by angry working class people demanding a real opposition to the capitalist offensive and Tory government. The idea that 'There is no alternative' has been debunked.

The economic alternative being put forward by Corbyn and John McDonnell as Shadow Chancellor is a form of Keynesianism, involving government borrowing to invest in new infrastructure, the restoration of public sector wages, benefits and services cut by the Tories, Liberals and indeed New Labour when they were in power during the first decade of this century. Corbyn's promise of a National Education Service alongside the NHS, the abolition of student fees and the restoration of grants, certainly comes under that category.

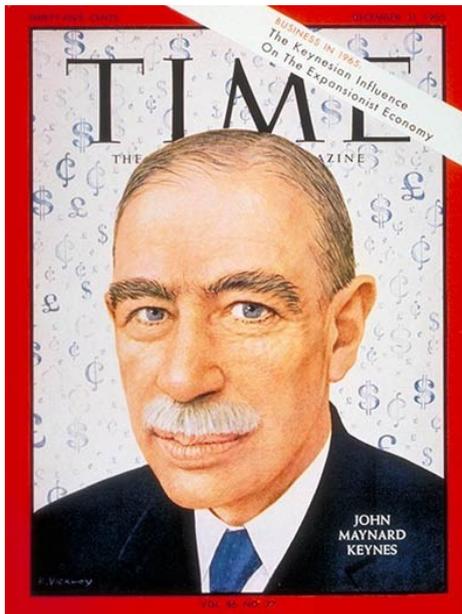
This is to be funded by taxation on the super-rich, a crackdown on tax-avoidance of multinational companies that is rampant throughout the UK and world economy, and the cancellation of expensive military items such as the renewal/upgrading of Trident. As part of Corbyn's campaign, much was made of the demand for 'People's Quantitative Easing': the Bank of England creating money by fiat to buy government bonds, providing the funding for increases in workers' pay, benefits and a whole range of other social provisions, on a formally similar basis to the scheme instituted after the Credit Crunch to stabilise banks with an enormous injection of new liquidity.

McDonnell has since clarified that this proposal will not simply be instituted by a Labour government straight away, but rather kept in reserve for an economic crisis, to create demand and act in the classic manner of a coun-

ter-cyclical, Keynesian policy. This turn by McDonnell to more orthodox Keynesianism was accompanied by the political/tactical error he made shortly after taking the Shadow Chancellorship.

He initially said that Labour would back George Osborne's so-called Charter of Budget Responsibility, which involves a legal commitment on future governments to run a budget surplus in 'normal' times, i.e. outside of actual capitalist economic recessions. McDonnell said he would do this by attacking the wealthy, not starving the poor, as the Tories are doing, and would exclude borrowing for investment from the calculations.

When the Parliamentary vote approached on Osborne's Charter, he abruptly (and very late) changed his position, noting that the proposal



was a gimmick and a device to cement the principle of austerity for the benefit of the Tories' super-rich donors into an article of faith. This episode may seem like a mere tactical error, but more important is why it was made in the first place. The reason is similar to why People's Quantitative Easing idea was clarified by McDonnell as not a demand for the here and now.

This appeared to be the manner in which it was presented in Jeremy Corbyn's campaign, or at least many people may have gained this impression. But in terms of the logic of the presently dominant ideology on the left-wing of Labour, it was always the case that this could not be implemented, bar major events in the class struggle in an extra-parliamentary sense, until after 2020 and the election of a Labour government. It is not part of the outlook of the Labour left, Corbyn included, however much they are likely to express platonic 'solidarity' with struggles outside the parliamentary framework that may threaten to bring down a reactionary government, to actually seek to lead a movement. They always aimed to wait until the next parliamentary cycle to implement their economic policies.

So therefore there could be no infusion of money from 'People's Quantitative Easing' as an antidote to austerity now. This fits Keynesianism, which is not a radically anti-capitalist

programme, but an economic strategy that aims merely to stabilise capitalism and to even out its economic cycles to mitigate their effects on the working class. This fits in well enough with some formal aspects of Osborne's Charter that it was not completely outlandish for McDonnell to critically endorse it.

Keynesian counter-cyclical policies, in their ideal form, do indeed involve the building up of a surplus during an economic upswing which can be then spent to hopefully mitigate the effects of a recession or depression. Even Osborne pays lip service to that, in a completely hypocritical manner, as the Tories agenda is directed at a further massive attack on what is left of social provision in the UK, including the NHS.

So the questions then arise: does Keynesianism work? Can it really stabilise the capitalist boom-bust cycle to make the capitalist economy satisfy the needs of the working class? Is it true, as Keynesians claim, that Keynesian economics were responsible for the long boom in Western capitalism from the beginning of the 1950s to the end of the 1960s? If so, why were these policies abandoned, including by social democratic parties not just in Britain but in much of Europe, which became 'social-liberal' parties pursuing neo-liberalism 'with a human face' though most of the advanced capitalist world?

An important element in Keynesian ideology is underconsumptionism: the belief that the most important flaw of capitalism is its tendency to reduce demand in the economy through 'short-sighted' cutting of the living standards of the population, particularly the working class. According to Keynesianism, the use of state-stimuli to increase the purchasing power of workers should create a bigger market for products produced by capitalist firms, and thereby increase production and profitability, resulting in economic expansion.

The fundamental problem is that this fails to take account of what Karl Marx referred to as the 'most important' law of capitalism – the tendency of the rate of profit to fall as capitalist products involve a greater proportion of value embodying past labour, as opposed to the current, living labour of the working class.

Many Keynesians reject Marx's theory that the source of value in a capitalist economy is labour, and that the source of additional value, in turn the source of profit, is therefore the labour expended in production by today's working class.

But, abstracting from that disagreement for a moment, it is clear that if the Marxist theory is true, then as more and more investment is required in capital-intensive products of past labour, as distinct from wages and salaries (a product of the economy of labour time that capitalist innovation brings about), then the ratio of living labour (the source of profit) to dead labour, and hence the rate of profit, must fall.

This is what gradually happened during the long boom of the 1950s and 1960s. This boom was not caused by Keynesian economic policies, but rather was the result of the outcome of the Second World War. The destruction of the monopoly position of the European powers as their empires crum-

Continued on p. 3