

Britain: Labour government awards itself a large pay rise

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In the early 1980s, the then Conservative Prime Minister Margaret Thatcher railed against progressive rates of taxation and fiscal redistribution with the quip “you don’t make poor people richer by making rich people poorer”. Twenty years later, and yet another case of political *déjà vu* during the recent election campaign. Asked about the acceleration of income and wealth inequality under his government, Labour Prime Minister Tony Blair parroted Thatcher stating, “My job is not to make rich people poorer, but to make poor people richer”.

Asked repeatedly on a BBC *Newsnight* programme on the eve of the June 7 general election whether he found the growth of inequality unacceptable, Blair made little effort to hide his irritation and refused to answer the question. Just five days later, having won a second term in office, Blair declared he would take his full pay entitlement for the first time. The prime minister’s salary will rise by £47,000 to £163,500 per annum, an increase of 40 percent. The pay of Cabinet ministers will rise from approximately £100,000 to £118,000 a year, after being held down for the previous electoral term at Blair’s behest. Four years ago, this measure was declared to be setting a superlative example of public pay restraint. In March this year, Blair’s office had said it had no plans to end that arrangement during a possible second Labour term.

Some commentators in the British media have been mildly critical of Blair’s timing, while others have rushed to his defence, comparing Cabinet pay to that of corporate CEOs. Experts at Incomes Data Services (IDS) say Blair’s salary is far below those commanded by the UK’s top chief executives. IDS figures show the CEO of Britain’s largest company Vodafone receives a basic salary of £837,000.

The prime minister is not struggling to survive, by

any means. His wife Cherie Booth earns approximately £250,000 a year as a senior barrister. Their combined salaries place them easily in the top 10 percent of the UK population.

Nevertheless, Blair has recently taken to complaining about the “low level” of his pay, the cost of maintaining his wife’s wardrobe and the cramped conditions in his Whitehall home. In recent interviews he has jealously spoken of his friends from university who have since gone on to make a big noise and even bigger salaries in the City of London.

New Labour’s spin-doctors have previously denounced calls for a fairer and more equal society as “the politics of envy”. In doing so, they speak for a layer of money grubbers from the upper middle class, whose principal aim in life is their own self-enrichment, and who are acutely sensitive and envious of any one appearing to do better than themselves.

The average British wage is £21,000 a year, but like all averages this is highly misleading. The minimum wage in Britain is just £3.70 an hour, and is paid to some 1.5 million. Calculated over a 40-hour week this amounts to just over a third of the so-called average wage. According to the Low Pay Unit, those receiving less than half the average UK household income, the commonly accepted measure of poverty, amount to 14 million, including some 4 million children.

Labour expects public sector employees, some of the lowest paid workers in Britain, to accept below the rate of inflation pay rises again this year.

Blair’s salary—like that of the CEOs whose interests he represents—does not include other generous fringe benefits. Blair has opted to use the aircraft of the Royal Flight, which more usually transports the monarchy on official engagements. Last year, the prime minister was involved in a row for using one of the Royal Flight

aircraft for a family holiday in Tuscany, Italy. The estimated cost of that flight was £40,000. Blair defended his behaviour by claiming he paid the commercial equivalent for his family's seats on the flight.

The prime minister's official country residence, Chequers, occupies 1,250-acres of prime land in leafy Buckinghamshire. The 16th-century house, once valued at £8 million, boasts a large array of luxury facilities. The swimming pool, mothballed by Thatcher for being too costly to heat, is open for business again. The annual wage bill for staff comes to around £300,000.



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