

# Britain: Labour scapegoats immigrants for the financial crash

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Phil Woolas has made clear how the Brown Labour government intends to try and divert attention from its multibillion pay-out for Britain's banks and the super-rich by scapegoating migrants.

The comments by the newly-appointed immigration minister were made just days before Britain is officially to be confirmed as being in recession, prompting the *Guardian* to forecast that "Rising unemployment is expected to trigger a wave of mortgage defaults as people who lose their jobs find themselves unable to keep up payments on their homes."

In the *Times*, Woolas claimed that the economic crisis meant that the number of migrants entering the UK needed to be curbed. He had been brought in as immigration minister "to be tougher and to change perceptions," he said.

"Clearly if people are being made unemployed, then the question of immigration becomes extremely thorny," he continued. "It's been too easy to get into this country in the past and it's going to get harder," he went on, adding that a cap on immigration would be needed should numbers rise above a certain point.

The assertions by Woolas are a barefaced attempt to inculcate anti-immigrant prejudice.

For more than a decade the Labour government, building on the policies of the Conservative governments before it, has done everything to encourage the speculative binge on the international financial markets. Public sector spending was gutted and basic welfare provision run down in order to force working people into taking out their own unemployment, health and pension provision—investment then harvested on the stock markets where it reaped massive dividends for the super-rich.

The Bank of England was made independent so as to

free it from any form of "political pressure" and make it wholly responsive to the "free market", while the government actively opposed demands for tighter regulation.

While the wealthiest layers of the population have enjoyed a financial bonanza as a result, social inequality has grown as millions of workers and their families have plunged into greater levels of debt to make up for declining wages in real terms.

Woolas is well aware that the collapse of this speculative house of cards has caused widespread anger amongst millions of working people. Not only are their jobs, savings, pensions and living standards now severely jeopardised, but the government has insisted on handing over hundreds of billions of taxpayers' money to bail-out the banks, with barely any preconditions.

This is truly parasitism on a gargantuan scale. Under conditions of worsening economic uncertainty, an unprecedented transfer of social wealth away from the mass of the population is being engineered in order to benefit a tiny minority.

What the government and the official parties fear above all, is the inevitable rise in social and political tensions that will fuel a left-wing, socialist challenge to their free-market dogma. That is why Woolas sought to divert responsibility for the crisis onto migrants claiming that, "In times of economic difficulties, racial stereotyping becomes stronger but also if you've got skills shortages you should, as a government, attempt to fill those skills shortages with your indigenous population."

Such efforts are hardly new. Prime Minister Gordon Brown has, in the last months, become ever more strident in his promotion of "Britishness" under conditions of a widening social chasm.

But in his latest remarks, Woolas was only following in the footsteps of New Labour's political masters—the likes of Rupert Murdoch and the financial oligarchy which forms the government's real social constituency.

Consider the response of Murdoch's *Sun* newspaper to the unfolding crisis.

The weeks leading up to October 10 had seen major falls on the international stock markets, threatening a complete breakdown of the banking system—particularly in the United States. On September 29, Wall Street suffered its biggest one-day point fall in history, after the House of Representatives voted down the proposal to give US Treasury Secretary Henry Paulson unprecedented power to use at least \$700 billion clawed from working people buying up largely worthless paper assets.

The defeat was, at least in part, the outcome of enormous popular opposition to the plan. But, in the next days, every effort was made—particularly by the Democratic Party—to insist that public opinion must not impede the Paulson bail-out, which was approved on a second vote only a matter of days later.

Also on September 29, the British government announced it would take over the Bradford and Bingley building society at the cost of some £55 billion. This was in addition to its earlier take-over of the Northern Rock bank at the cost of approximately £100 billion.

The measures failed to halt the financial meltdown and, on October 6, the European stock markets crashed, and trading in Iceland was halted completely. In the subsequent days, not even the pledges of even more billions in public monies—including a £500 billion pledge from the British government to leading high street banks—gave stability to the markets.

In amidst this epochal financial turmoil, the *Sun* chose to focus its attention on an Afghan asylum seeker, a mother of seven, whose extortionate rent on her West London home was being paid by the local authority.

"While millions worry about the prospect of losing their jobs, their homes, their savings and their pensions", the *Sun* ranted, Toorpakai Saiedi was "luxuriating" in her home at the expense of the "British taxpayer".

There followed days of coverage on the Afghan family, the size of their television set and the largesse of Britain's public services.

Commenting on the same "news" story *Daily the Mail*, Richard Littlejohn opined, without any trace of embarrassment, "I sometimes think there are two Britains—one where most of us live and another which the government runs."

Once again the target was not the bankers and super-rich, but a supposedly too generous welfare state. According to Littlejohn, the problem is that there is too much spending on the public sector, which is "awash with cash" and where "the party never ends".

Just days later, the *Sun* followed up with an attack on pensions paid to workers in the public sector. Hard pressed taxpayers were "bankrolling" "very generous, guaranteed schemes", it complained, at an anticipated cost of £20 billion.

The newspaper cited Conservative Treasury Chief Secretary Philip Hammond complaining that the revelations would "cause serious concern to hard-pressed taxpayers."

It is no surprise that the likes of the *Sun* newspaper would join with Labour and the Tories in seeking to divert attention from the massive bankrolling of the City of London by working people.

The policies of deregulation and privatisation were geared to satisfying the demands for self-enrichment by the likes of Murdoch. And it is this imperative that has determined the actions of the Brown government over the last weeks.

As the *Sun* newspaper put it regarding the massive amounts of "hard-pressed taxpayers" money being handed over to the banks, there was no alternative. There is no "Plan B" it stated. When it comes to cutting back the public provision on which millions of workers depend, however, all options are on the table.



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