

Britain: Tories pledge “age of austerity”

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The British Conservative Party at its spring conference over the weekend outlined its response to the global economic crisis. In what he described as his “gloomiest” speech since taking over as Tory leader in 2005, David Cameron set out the dire circumstances facing the country.

“Deep, dark clouds” had gathered over the British economy, he said, and the UK now faced an “age of austerity.”

But behind the doom-laden words, nothing could disguise the feeling of liberation amongst the Tory faithful. This is a party that has barely been able to recover any popular support since it was booted out of power 12 years ago. Even popular hostility towards Labour’s big business agenda, its support for the Iraq war and, more recently, its multi-billion-pound bank bailouts hardly worked in the Tories’ favour, since such policies differ little from their own.

Nevertheless, following Labour Party Chancellor Alistair Darling’s budget last week, the Conservative Party feels that the wind might finally be changing in its direction, at least as far as the bankers in London are concerned.

The Tories calculate that the economic downturn may offer them the opportunity to finally ditch their supposedly “compassionate” brand of conservatism and return to Thatcherite basics. It is a measure of how far to the right official politics have moved in Britain that the Conservatives, with media encouragement, believe this to be the case.

In his budget, Darling admitted that government borrowing had risen to £175 billion, almost double last year’s record. He forecast that the UK economy would shrink by 3.5 percent this year, the largest contraction since World War II.

Not surprisingly, Darling made no acknowledgement of the cause of this crisis, which lies in the “free market

economy” based upon private ownership and the drive for profit. In recent decades, this drive for profit has had less and less to do with socially useful production than with a massive transfer of social wealth to the coffers of a few powerful financial institutions and the super-rich, carried out on the basis of semi-criminal forms of speculation.

Nor did the chancellor acknowledge that much of the increase in the national debt results from the huge tranches of taxpayers’ money used to bail out the banks (some £150 billion of the net debt), not to mention the cost to the public purse resulting from the destruction of jobs and pensions caused by corporate bankruptcies.

Rather, he insinuated that overly generous public spending was to blame, setting out a programme of £15 billion in “efficiency savings” and pledging that current spending would be almost half the figure forecast in November.

At the same time, as part of Labour’s effort to deflect public anger against the banks and the financial elite, Darling announced a hike in the top tax rate to 50 pence per pound for all those earning £150,000 or more per annum.

Just 300,000 people are expected to be affected by the increase, an estimated 2.1 percent of taxpayers—if that term can be properly used, as most commentators admit that the higher end of earners are unlikely to pay their tax bills.

But the hike caused an uproar in ruling circles and the media, with Labour being charged with “class warfare.”

Writing in the *Times* of London, William Rees-Mogg complained that under conditions where the UK needed to guard its position as a leading centre for international finance, “you cannot afford to spit in the faces of those who have millions to lend.”

With its tax hike, this is just what the government has done, he continued, claiming that “Labour looks

uncomfortably close to the semi-socialist trade union party that can be remembered from the 20th century.”

The *Economist* thundered that the budget was a “dishonest piece of pre-election politicking” and warned that it was “losing patience” with the government.

It was against this background that Cameron felt emboldened to present his party as the one prepared to administer the necessary bitter dose of medicine.

“We need a complete change of direction,” he said. “I’m not just talking about changing one group of ministers for another or one set of policies, plans and proposals for another. I’m talking about a whole new, never-been-done-before approach to the way this country is run.”

Far from being new, his solution is in keeping with that proposed by the media, as well as the government itself—cutting “profligate” public spending.

Pledging to replace “Labour’s spendaholic government with a new government of thrift,” he warned that failure to do so would once again relegate Britain to the status of “sick man of Europe.” This coded reference to 1970s Britain is intended to stir right-wing memories, not only of economic crisis but, more pertinently, the militant class battles that accompanied it.

“Over the next few years, we will have to take some incredibly difficult decisions on taxation, spending, borrowing—things that really affect people’s lives,” Cameron said. “The days of easy money are over, and we have no option but to weed out spending that is not essential.”

The Tory leader was intentionally vague in defining what he considers to be “non-essential.” But the “easy money” handed over to the banks and other financial institutions is certainly not his target.

Cameron bemoaned the rise in tax for top earners as a “pathetic piece of class war posturing,” while setting out his own policy—a pledge to cut access to tax credits, essentially subsidies for low pay, affecting some 100,000 households.

In one particularly bizarre proposal, he said that money could be saved by cutting back on the escalating cost—paid to a private company—for a new National Health Service computerised patient record system. This would be accomplished by people uploading their own patient records to Google- or Yahoo-based

systems.

In keeping with plans to shrink the welfare state, the Tory leader proposed publishing every item of government expenditure over £25,000 online so that it could be subject to “public” challenge.

In a display of political theatrics, Cameron turned to face his shadow cabinet on the platform and warned that their positions in government would depend on how far they were prepared to slash their departments’ budgets.

“With a Conservative government, if ministers want to impress the boss, they’ll have to make their budgets smaller, not bigger. On my watch it will be simple: If you do more for less, you get promoted; if you do less for more, you get sacked.”

“Got it?” he continued.

Cameron may need to be circumspect for now in detailing his austerity measures, but others feel less restricted. In the days leading up to the conference, the pro-Tory Reform think tank outlined proposals for nearly £30 billion of spending cuts. These include abolishing universal child benefit payments and winter fuel payments to pensioners, cutting doctors’ pay, making graduates repay student loans at the market rate, and scrapping job training plans.

Writing in the *Telegraph*, Nigel Lawson, chancellor of the exchequer under Margaret Thatcher, opined, “The success of the Thatcher government, first elected 30 years ago next month, was that it extended the bounds of the politically possible. That is what the next Conservative government will have to do, starting on day one.”



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