

# Britain: Labour government sets out its election manifesto

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The Queen opened the new session of parliament last week with a speech that listed a package of bills meant to recoup the Labour government's popularity in the opinion polls, and provide some ammunition for its supporters in the media.

Polly Toynbee in the *Guardian* exclaimed delightedly that Labour had painted "a thick red line" between itself and the Tories with the proposals outlined in the Queen's speech. Seumas Milne, another *Guardian* columnist, welcomed the proposals as evidence of the "government's deathbed conversion to a more recognisably social democratic agenda."

The attempt to create the impression that Labour had returned to its social democratic origins was reinforced by a party political broadcast showing scenes of working class history and social struggle. "It's the fighters and believers who change our world," the voice-over said against a background of the Jarrow hunger marchers, Suffragettes, shipyard workers and miners.

The video spoke of "the bright shining vision of a National Health Service."

Former Labour leader Michael Foot was shown marching against apartheid, and current Prime Minister Gordon Brown standing alongside Nelson Mandela.

It was a shameless appeal to the working class social base that the Labour Party has so ostentatiously rejected in favour of currying favour with the financial oligarchy that runs the City.

"They said that working people were not fit to govern, so we formed the Labour Party ... They said the son of a miner could never become a minister, but no one told Nye Bevan," the voice over continued. The superficiality and falsity of the message was exposed when the video showed an image not of the Labour left-winger, Aneurin Bevan, but of the party's foremost right-winger, Ernest Bevin.

There was no mention of either the deeply unpopular Afghan or Iraq war and occupation. Unemployment did not figure in the broadcast, nor did the fact that Britain, alone among the major industrial economies, is still officially in recession.

The air of unreality complemented that generated by the legislative proposals the Queen had announced earlier that day, and which the broadcast was meant to reflect upon.

Her government, she said, would make one-to-one tuition available for children in primary schools and the first years of high school if they were falling behind on literacy and numeracy. Children will be given a legal right to a good education. The government intends to bring in legislation to make it mandatory for any future government to eradicate child poverty by 2020. More than a quarter of a million of the poorest elderly people will get help with personal care in their own homes free of charge. Places in education or training will be made available for the young unemployed, and internships will be provided for the growing number of unemployed graduates. The banks will be subject to tighter regulation to prevent a repeat of the banking crisis.

These proposals are all entirely without substance. Few, if any, could be legislated within the six months remaining to this government. Brown must call an election by June 2010 at the latest.

Even if they were enacted, moreover, there is no indication how the bills could be paid for, with Britain running its largest deficit in modern history, outside of a hike in taxation on businesses and the rich—a measure Labour will not even contemplate.

Only the plans for youth unemployment had a price tag attached. The government suggested that it could finance the scheme through savings it had made because joblessness has not risen as rapidly as expected. But this hope was rapidly dashed when it became clear that tax revenues were lower than expected.

## Secretary of State for Children, Schools and Families

Ed Balls admitted that the legislation giving children the right to a good education might see parents taking schools to court. But he did not indicate how schools were to fulfil this new legal requirement on their existing budgets. No extra funding has been made available to pay for the extra schooling.

Enshrining the right to a good education in law is no more likely to improve the educational system than making the abolition of child poverty legally binding. Labour promised to reduce child poverty by half by 2010. After 12 years in government it has not reached this target. Present estimates are that 2.3 million children will be living in poverty next year. All the government needs to do to reach its own goal is to inject an extra £4 billion into social budgets directed at child poverty. This is a tiny fraction of what it gave to the banks. But it shows no sign of doing so.

Child poverty is in fact likely to rise in the coming year as more adults are thrown out of work. The number of children living in jobless household rose by 170,000 last year. According to a recent UNICEF study, any couple with two children living on welfare benefits in the UK has a weekly income that is £115 lower than the official poverty level.

Labour promises on care for the elderly and disabled are equally bogus. Labour peer Lord Lipsey, who served on the Royal Commission on Long Term Care, described the government's proposals on care of the elderly as a "gimmick." The Queen's speech offered no indication of how the provision of care would be paid for and nor did it explain the impact on the existing benefit system. Many elderly and disabled people could easily find themselves worse off if the new scheme were introduced.

More immediately, every one of Labour's promises on social spending is negated by its pledge to introduce a new law binding a future government to halve the deficit by 2014. The reality is that a future Labour government would continue to make savage cuts in the welfare state they have now adopted the pose of guarding.

The International Monetary Fund estimates that the UK's general government deficit will reach 11.6 percent of gross domestic product this year and 13.2 percent next year. By 2014 the IMF expects Britain's ratio of net public debt to GDP to be 92 percent. It is entirely possible that even this figure is an underestimate since government borrowing is increasing faster than was expected. Last month's figures showed a further deterioration in the public finances. The government had to borrow £11.4

billion rather than the £7 billion which the experts had predicted would be necessary.

So far this year the UK government has borrowed £86.9 billion. The OECD has warned that Britain will borrow proportionately more than any other country in 2010.

The City complained about the government's rather timid threat to regulate the banks. But Will Hutton, chief executive of the Work Foundation and *Guardian* columnist, put the proposals in context and indicated the real scale of the problem:

"British banking assets are five times our national output; they were twice national output 20 years ago. Capital underpinning those assets has shrunk by five times. The City claimed it could manage the enormous risk through fanciful new techniques. It could not. As a result Britain has spent an astonishing £1.3tn in guarantees, liquidity provision and recapitalisation to avoid depression—with scant recognition or apology from the City at the scale of the mistake."

Labour's proposals do not begin to address the domination of the economy by finance capital. The City's protest only confirms that the financiers reject even token regulation of their speculative activities by government.

Throughout its period of office, Labour has shown itself to be subservient to the City and has favoured the growth of London as a base for the most speculative forms of finance. The massive handouts it has given to the banks have had the effect of tying the government even more closely to the interests of finance capital. All the speculative practices that led to the banking crash have resumed with full force, with the banks safe in the knowledge that having bailed them out once the government cannot let them fail again.



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