

UK Tories and Lib-Dems insist no retreat on austerity in Queen's speech

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Britain's Conservative/Liberal Democrat coalition laid out its legislative programme for the year in the Queen's speech to parliament on Wednesday.

It came less than a week after local elections marked by widespread disaffection, as turnout fell to fewer than one in three. Those who did vote registered their opposition to government policy, with the Conservative Party losing more than 800 councillors and the Liberal Democrats reduced to an historic low.

In the wake of the results, Prime Minister David Cameron has faced calls from leading right-wing Tory MPs for more "traditional" Conservative policies. The unofficial *Conservative Home* web site published an alternative Queen's speech, containing contributions from former ministers such as John Redwood and David Davies, demanding a referendum on British membership on the European Union, a further crackdown on welfare and immigration, and more "law and order" measures.

Any attempt by Cameron to meet such demands was seen by most media commentators as a threat to the coalition. This wilfully ignores the fact that the fundamental issue uniting the two parties is that there must be no retreat from austerity in the face of popular opposition.

In a joint appearance prior to the Queen's speech, Cameron insisted that the "damage done by the [2008] crisis was greater than anyone thought" and that "a tough task [is] getting even tougher." But, he insisted, there could be no going back.

Referring to talk of a new "growth pact" for the European Union, Deputy Prime Minister Nick Clegg said there was no disagreement on the need to "grow our economies," but this could not be done on "shifting sands of debt".

These are all weasel words. The coalition is currently

implementing cuts worth £155 billion. With much of this yet to feed through, unemployment and poverty are already soaring and the UK has officially entered a double-dip recession.

The government's response is further austerity, stretching over a longer period—at least to 2017, beyond the time-span of this parliament.

This agenda is insisted on by the City of London. Stuart Gulliver, chief executive of HSBC, insisted that austerity was supported by the markets, which were rewarding the UK with low interest rates and a strong pound. "The UK should continue with its austerity policies, as tough as it is," he insisted.

To this end, the Queen's speech set out that the government's "first priority" is to "reduce the deficit and restore economic stability" by creating the "right conditions for economic recovery."

Central to this is a frontal assault on employment rights. An enterprise and regulatory bill will make it easier for employers to hire and fire workers. Reports indicate that it will include plans to scrap the right of workers in small firms to claim unfair dismissal. This will enable Britain to be "one of the most-business-friendly countries in the world," the coalition claims.

A public service pensions bill raises contributions while making workers work longer for less. Emboldened by the abject capitulation of the trade unions over this attack, which saw strike action against the plans reduced to just a handful of unions on Thursday, the government intends legislation to raise the state pension age to 67 from 2026 and to continue to raise the retirement age as required. The state pension is to be "streamlined" into a flat-rate payment set at around £140 a week, in what is described as the biggest shake-up of pensions since the creation of the welfare state in 1948.

In contrast, only the most minimal measures to regulate the banks were put forward. Following on from recommendations made by the Vickers review of the banking system in the wake of the 2008 collapse, legislation is to be enacted to enable retail banking to be “ring-fenced” from investment banking. But this is not expected to be effective until 2015.

As for supposed plans to limit executive pay, details of this will not be available until the government has “consulted” on the matter—presumably with the executives and shareholders involved.

In the name of facilitating consumer choice, the coalition has prepared legislation for reforms in the energy and water industries that will only protect private monopolies while—especially in the case of the electricity industry—saddling already struggling households with the cost of developing low-carbon generators.

The plan to establish an ombudsman to protect small suppliers from “abuse” by large supermarkets is another meaningless sop.

Plans to reform Britain’s notorious libel laws are window dressing for a significant extension of state repression. The government is to press ahead with a communications data bill that will make it easier for security agencies to access and monitor e-mails, phone calls and Internet use. A justice and security bill will allow for secret court hearings in intelligence-related civil cases, with the aim of concealing the involvement of Britain’s security agencies with the US authorities in torture and rendition.

While the Queen’s speech included plans for the reform of the House of Lords—vigorously opposed by the Tory right—most agree that the legislation is unlikely to see the light of day. All three parties are formally committed to plans to make Britain’s second chamber—currently comprising 92 hereditary peers, bishops and hundreds of others appointed by the various parties—largely “elected by the people”.

Again the details are vague, with no timetable put forward. In an interview with the pro-Tory *Daily Mail*, Cameron indicated that the matter might be put to a referendum to avoid the government becoming “bogged down” on the issue. The interview was a pitch to Cameron’s disaffected right-wing critics, in which he empathised with their “frustrations” over the pace of reforms but urged them to concentrate on the

government’s success—“reforming student finance, reforming public sector pensions, freezing public sector pay.”

With the same constituency in mind, the Queen’s speech did not mention a previous pledge by Cameron to legislate in favour of gay marriage but did propose a European Union (Approval of Treaty Amendment Decision) Bill that will remove “UK liabilities for future EU bailouts”.

The response of Labour leader Ed Miliband was instructive.

The legislative agenda proved the government was “out of touch”, he said. It was ignoring the message from the local elections that it was “not standing up for the right people,” but for the “millionaires”.

So what is Miliband’s response to this message? The most important lesson he had drawn, he said, was not to “make false promises because people are so used to politicians making promises.... That means I will be cautious about the promises I make.”

He could say little more, under conditions in which Labour supports the austerity measures and has said they would continue under a government it heads.



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