

What Labour's energy price pledge says about Britain

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The howls of outrage that greeted Labour leader Ed Miliband's timorous suggestion of some mild reforms starkly illustrates social reality in Britain.

Speaking at the Labour Party conference, Miliband pledged that if elected in 2015, his government would freeze gas and electricity prices until the start of 2017.

The pledge is hardly the return to "old-Labour-style" policies of "tax and spend", much less the full-blooded "socialism" claimed by Miliband's media critics and supporters alike.

Amounting to an average household saving of just £120, it is a drop in the ocean when compared to the Conservative/Liberal Democrat coalition's austerity measures, which have produced, as Miliband acknowledged, the longest fall in living standards since the 1870s.

For his conference speech, however, Miliband had to come up with some headline grabber. He is, after all, a man with his back against the wall.

Miliband leads a party that is all but destroyed by its long period of association in government with rampant free market speculation and colonial-style wars of aggression. Labour's vote collapsed to just 29 percent in the last election, and there is little sign of a revival.

Membership has fallen to just 180,000, and the most recent opinion polls give the Conservatives a slight lead on Labour despite the widespread hostility to Prime Minister David Cameron and his government. Almost half of voters think Labour would be better without Miliband, and nearly two thirds think he can't win an election.

With such odds, Miliband had to make some pitch for support, even if only to save his own leadership. Surrounded by images of the union flag, he again advanced Labour as the "One Nation" party, where "rich and poor alike" have "responsibilities to each

other".

Pointing out what everyone knows—that the so-called economic recovery has only been for the super-rich—he complained that this was the result of Conservative support for a "global race to the bottom" at the expense of wages, conditions and rights.

Miliband barely referenced the role of the Liberal Democrats in government. With little likelihood that Labour could win election outright, the Labour leader is banking on a coalition with the Tories' current partners—whose own poll ratings have fallen through the floor and whose membership numbers are below 50,000.

Miliband claimed that Labour stood for a "race to the top". What this consists of was not spelt out, but it was accompanied by promises of minimal reforms such as energy decarbonisation, overturning the coalition's tax break to big corporations in order to cut business taxes on small companies, breakfast clubs for primary schools, and a "look at whether there are some sectors where we can afford" a rise in the minimum wage.

Such a rise would only take place in agreement with business, Miliband stated.

His pledge to freeze energy prices for a period was also directed primarily at providing savings for small businesses, in keeping with his One Nation mantra. It was not possible to have a "dynamic market economy when one section of society does so well at the expense of others," he said, urging the energy giants to cooperate with his plan.

Miliband made clear that these limited measures were entirely within the framework of Labour's commitment to austerity. Being in government would be "tough," he said. Labour would have to "stick to strict spending limits...we are not going to be able to spend money we don't have."

Shadow Chancellor Ed Balls stressed the same message, making clear there would be no reversal in the coalition's cuts and that Labour would have to make more of its own. To underscore the point, he had written to the Office of Budget Responsibility requesting that it audit the party's manifesto commitments to prove its fiscal discipline.

Their statements underscore that the energy price freeze pledge is a mere reshuffling of a hand that will see working people lose every which way. Nonetheless, the response from the major corporations and much of the media was hysterical.

The *Financial Times* decried what it called the "whiff of Poujadiste populism" in the proposal—a reference to the 1950s French right-wing populist demagogue, Pierre Poujade.

For their part, the major energy companies threatened darkly of power blackouts and of pulling out of the UK altogether.

Centrica's chairman, Sir Roger Carr, described a price freeze as a "recipe for economic ruin," claiming that it would no longer be "economically viable to continue" in Britain.

Amid threats of an investment strike, Neil Woodford from the fund manager Invesco Perpetual denounced the plan as "economic vandalism." If the energy corporations "cannot make any money supplying electricity to the retail market then they won't supply it. The lights will go off, the economy will shut down," he said.

In reality, energy bills have almost doubled since 2000, with households spending an average of £1,339 on gas and electricity. According to the consumer group *Which?*, households have been paying £3.9 billion a year over the odds for their energy. Meanwhile, the annual profit made by the UK's big energy firms rose by 73 percent in the three years to 2012.

The *Guardian*'s environmental blogger, Damian Carrington, also pointed out: "Coalition policies to deliver new generation capacity will remain unchanged, which means the government will guarantee the price energy companies will be paid for 30-40 years. That's an extraordinarily good investment in an uncertain world."

In other words, while complaining about frozen prices for customers, corporations are more than happy

with decades of frozen prices for themselves.

This is a ruling elite that will not accept a few crumbs being tossed to working people, even if such a move is intended to help them keep plundering the economy for their personal enrichment.

Max Hastings summed up their attitude in the *Daily Mail*, when answering Miliband's rhetorical question as to whether it was satisfactory for "a country to be working harder and longer for less?"

The "fact is", Hastings stated, "all Western societies must do exactly that." Any politician who pretends that this can be avoided by "loading more tax on banks and millionaires, is either a fool or a liar," he wrote.

The angry response to Miliband's feeble attempt to gain some popularity testifies to the total grip of the major corporations and the super-rich over the entire political system. Absolutely nothing must be allowed to infringe on their interests and wealth. Even while billions of state funds are given over to maintaining their obscene lifestyles, the financial oligarchy openly declares that the maintenance of their system depends upon destroying the living standards of the mass of the population.

The continued existence of this parasitic layer is incompatible with the needs of society. But as events of the last days have underscored, its economic stranglehold will not be broken by appeals to its non-existent conscience, much less by its political lackeys in the moribund Labour Party.

It can only be achieved through the mobilisation of the working class in a revolutionary struggle for the overthrow of the capitalist profit system, and the fight for a workers' government based on socialist policies.



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