

UK Tories outline next phase of their war on working class

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Britain's ruling Conservative Party launched its bid to win the May 2015 general election on a class war program of deepening austerity.

With a message directed exclusively to the wealthy and the business elite, Chancellor George Osborne outlined a fresh round of devastating public spending cuts and attacks on the living standards of millions of workers.

His set-piece announcement, at this week's Conservatives annual conference in Birmingham, was a freeze in benefits paid to people of working age for two years. This will save £3.2 billion as part of a planned £12 billion in further welfare reductions Osborne previously said would be enforced in a new parliament under the Tories. The freeze will affect 10 million households, half of which are the working poor. Welfare benefits to be frozen are Job Seeker's Allowance, Income Support, Child Tax Credit, Working Tax Credit, Child Benefit and Employment Support Allowance.

Those working but in receipt of welfare payments earn wages so low that it is impossible to live. Many work for the national minimum wage of just £6.31 an hour. The freeze would mean a couple with one child, both earning £13,000 a year, would be £354.20 a year worse off through the loss of child benefit and tax credits. Even someone on £25,000, with two children, would be £495 a year worse off.

In response to Osborne's announcements, Alison Garnham, chief executive of the Child Poverty Action Group, noted, "A couple both working full-time on the minimum wage are nearly a fifth short of the money they need for basics; another freeze will make it a whole lot harder for them."

The benefits freeze demonstrates the commitment of the ruling class to permanent austerity. It would come

into effect in 2016, if the Tories win the 2015 election. A two-year freeze until 2018 would mark one decade since the global financial crash, which resulted in a looting of the UK's treasury in order to bail out the banks to the tune of more than one trillion pounds.

Another cut unveiled was a reduction in the total amount of state benefits a household can receive, from its current level of £26,000 to £23,000. As a large chunk of this is comprised of housing benefits, many people will no longer be able to afford to pay rents.

Osborne primed his speech with an announcement the day before that young people are to lose their right to unemployment benefits. Job Seeker's Allowance (just £50.95 per week for those aged 16 to 24) is to be scrapped and replaced with a "youth allowance" for those aged 18 to 21. This will only be available for six months, with those who have not found a job or a training scheme, forced to do "community work" in order to receive the new allowance.

The targeting of the "working poor" for further cuts is politically significant. In the first phase of austerity imposed by the Labour Party from 2008 to 2010, and continued by the Conservative/Liberal Democrat coalition, those receiving welfare payments were denounced as "skivers" who were an intolerable burden on hard working "strivers." Now the strivers have themselves become skivers as all workers are to be targeted for a lifetime of cuts in living standards.

Osborne announced that millions of public sector workers are to suffer a further freeze in pay until 2017. Since the onset of the financial crisis, public sector workers have not had a single pay increase, with their pay held below inflation for seven years.

These cuts are just the tip of a gigantic iceberg. Billions more are being prepared, with Osborne telling the conference, "The budget deficit is approaching half

what it was when we came to office, but it is still far too high. So we will see through our plan to eliminate it.”

Treasury estimates projected that a further extra £25 billion of permanent savings would be needed to eliminate the UK’s deficit. “We have already found £100 billion of savings in this Parliament, so we have the track record to show it can be done if you have discipline and grip,” said Osborne.

Osborne’s speech was made after strident criticisms of both the Labour and Tories by sections of big business who are insisting that the austerity agenda be accelerated. Ahead of the speech, the *Daily Telegraph* alluded to the Tories’ ongoing political crisis, due to the defection of another of its MPs to the right-wing nationalist United Kingdom Independence Party and the resignation of a minister following a sex scandal. It warned, “They must lift their sights from this political flotsam and tell the country what to expect after 2015. Mr. Osborne’s speech on Monday must include large and specific savings, not symbolic gestures.”

Assuring the super-rich that all savings would come from attacks on the working class and not out of their bulging pockets, Osborne said, “I tell you in all candour, that the option of taxing your way out of a deficit no longer exists, if it ever did.”

“Britain will have the lowest, most competitive business taxes of any large country in the world,” he said, adding that the UK “must be the place where business invests and businesses thrive.”

The *Daily Mail* editorialized that while Osborne’s speech was a “strong dose of reality,” he “failed to spell out where he hopes to find the alarming extra £37.6 billion needed to eliminate the annual shortfall by 2017-18 (and that’s before we even start paying off our accumulated debts).”

Carl Emmerson, deputy director of the Institute for Fiscal Studies, also insisted on the need to impose far more stringent austerity, pointing out that by next March the government would be just over halfway to the budget surplus. “There is no way we are four-fifths of the way through the cuts,” he complained.

The *Financial Times* said Osborne wanted “to remind voters of the tough times still to come,” and pointed to recent analysis from the Office of Budget Responsibility which estimated that the government’s current plans required cutting “day-to-day public

service spending by at least another 4 percent of national income—which amounts to almost £70 billion in today’s prices.”

After more than half a decade in which unprecedented social devastation has been forced through with no popular mandate, Osborne’s speech was a moment of monumental hubris. All the cuts have gone through so far, only due to the collaboration of the trade union bureaucracy and its backers in the various pseudo-left outfits such as the Socialist Workers Party and Socialist Party.

The Scottish independence referendum last month revealed the mass discontent with all three parties of big business, with a post-referendum survey finding that 74 percent of those who voted Yes to independence cited “disaffection with Westminster politics” as one of the main reasons for how they voted. Those who voted No also did so with no love for the major parties. Moreover, hatred of these parties is not a Scottish phenomenon. It extends from Land’s End to John o’Groats.



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