

Labour's Shadow Chancellor Rachel Reeves promises more austerity for workers and no more taxes for the wealthy

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Workers' eyes will have glazed over on reading the many headlines reporting that Labour's shadow chancellor Rachel Reeves has ruled out a wealth tax. This is like reporting the Pope has ruled out atheism. The Labour Party has made clear its total commitment to preserving the wealth of the super-rich.

But in making this pledge, Reeves goes further than any shadow chancellor running for office in living memory, Labour or Conservative, in promising austerity for the working class.

Her comments were given to the rabidly right-wing *Sunday Telegraph*. Party leader Sir Keir Starmer has contributed 12 articles to the *Telegraph*, known as the house organ of the Tory right, since taking office. Shadow Health Secretary Wes Streeting has used the pro-private healthcare paper as a platform to attack the National Health Service.

Labour's plans for total war on the working class

Reeves explains in Sunday's interview that Labour's ruling out a wealth tax is part of a rejection of any tax rises for the rich—with only minor tinkering to close loopholes for private schools, private equity executives and non domiciled residents. "We have no plans for a wealth tax. We don't have any plans to increase taxes outside of what we've said."

The paper reports, "Asked whether Sir Keir's pledge during the 2020 leadership contest to increase the top rate of income tax has been ditched, Ms Reeves replies: 'Yeah. The tax burden is its highest in 60, maybe even 70, years... I don't see a route towards having more money for public services that is through taxing our way there.'"

Explaining her comment two years ago that "People who get their income through wealth should have to pay more", Reeves protests that this was only said in the context of the Conservative government's seeking to raise £12 billion for the National Health Service and social care through National Insurance hikes.

Labour, however, "*don't have any spending plans that require us to raise £12 billion* [emphasis added]. So I don't need a wealth tax or any of those things."

In fact, writes the *Telegraph*, Reeves encourages shadow cabinet colleagues "to come up with reforms and identify schemes that could be scrapped so that the money can be spent elsewhere" because "the money is simply not going to be there."

She goes on, "I say to my colleagues all the time, don't come to me with plans to spend more money. Are there other ways to do things? Is there reform that you can do? And then the next thing is, are there things that your department is spending money on that aren't priorities?"

Measures of social crisis are off the charts, with spending on services further behind the level of need in the population than at any time since the end of the Second World War and incomes ravaged by inflation. Meanwhile the wealth and incomes of the rich pile ever higher.

But Labour is preparing for office with the promise to change absolutely nothing—except to enforce more "efficiencies" of the kind that have already flattened the health service, local authorities and schools. It has already made clear it will keep in place the raft of regressive legislation passed by the Tories in their last 13 years in power.

Reeves reports seeking advice from former Labour chancellor under Tony Blair—Gordon Brown—later prime minister himself, and his chancellor Alistair Darling, who between them orchestrated the post-2008 trillion pound bailout of the banks. She also has "the odd conversation" with Tory George Osborne, a fan of hers and the architect of austerity so vicious it resulted in hundreds of thousands of excess deaths and put the health of the population into a staggering reverse.

An alternative party of big business

According to the *Telegraph*, one of Reeves' priorities is to "bring companies closer to decision-making processes, ending what she claims is Whitehall's 'minister knows best' approach." Shareholders and CEOs are already at the centre of Labour Party policymaking, with Reeves stating that her preparations for office include "spending an awful lot of time with businesses".

According to the latest accounts published by the Electoral Commission, Labour pulled in one of its highest non-election-year funding hauls in 2022, despite a 25,000 fall in membership. The party brought in over £47 million, 50 percent more than the Tories, thanks to an increase in donations, "commercial income" and "fundraising".

There are 200 delegates due to attend the party's business forum at its annual conference this October, versus 130 last year, with another

150 on the waiting list. The *Financial Times* reports a poll of 525 “business decision-makers” by Lodestone Communications which found 64 percent were either optimistic or very optimistic about a Labour government.

The paper adds that Reeves herself, a former Bank of England official, has personally met with 400 chairmen and chief executives, with Tory rivals finding her “annoyingly convincing”.

Labour’s “left” apologists

Less than four years ago, the Labour Party went into an election under a leadership championed by the pseudo-left as a threat to British capitalism and voice for the working class. Party leader Jeremy Corbyn’s “socialist” and “anti-imperialist” credentials were loudly proclaimed.

It is impossible to understand what has happened in the years since if this myth is believed. The truth is that Corbyn took hold of a leftward movement of workers and young people and strangled it, subordinating his supporters to a viciously hostile, right-wing Labour Party whose MPs he embraced as part of his “broad church”.

Reeves, Streeter and others were left untouched as they conspired against the membership and Corbyn’s leadership from the backbenches, and even as members of Corbyn’s shadow cabinet—despite mass support for a fight to throw the Blairites out of politics for good. Starmer was elevated to the shadow cabinet. Support was lent by Corbyn and his allies to a fraudulent campaign alleging antisemitism, aimed at tarring their own reputations and intimidating supporters.

Thrown out of the Parliamentary Labour Party for good, Corbyn now offers the occasional polite criticism on Twitter/X, framed as advice to the Blairites, while doing nothing to politically challenge the Labour Party. His response to Reeves’ interview was pathetic: “With the money raised from a 1-2% wealth tax on assets over £10 million, we could afford to scrap the 2-child benefit cap 17 times over. Politics is about choices—we should be on the side of those in need, not those with greed.”

Labour’s “choice” is blindingly clear. But Corbyn’s first principle is that no alternative to the Labour Party should be available to the working class. It is the same with leaders of the trade union bureaucracy touted as “left” or “militant”. Rail, Maritime and Transport (RMT) leader Mick Lynch has never wavered in advocating support for a Labour government under Starmer.

These are propagandists for a party whose line-up with the Tory party is overt.

Labour’s march to the right and the struggle of the working class

This August, regular *Financial Times* columnist Robert Shrimmsley noted Labour’s acceptance of “large parts of the Tory programme. In key areas, Starmer’s pitch will look a lot like Boris Johnson’s in 2019, partly due to the former prime minister’s innate interventionism. On Brexit, immigration, tax, China, regional policy, trans rights and even to a degree on net zero, Labour is on

Conservative ground (though some on the Tory right are keen to vacate it)...

“Labour has bought the bulk of the Johnson manifesto and, in its fear, can probably be pushed further. The upshot would be that even if the Tories lose power, they may still be setting the agenda.”

Workers would do better to read the *FT* than listen to Corbyn or the trade unions. There will be no honeymoon period with a Labour government; it will continue the Tories’ attacks on the working class in full and from day one. The political implications are explosive, threatening a direct confrontation between the working class and the Labour and trade union bureaucracy.

Knowing this, Shrimmsley tries to muddy the waters of his own argument by crediting Starmer with shrewd electioneering and attacking “the lazy criticism that there is no distinction between the parties.”

The *Times*, pleased as it is with Labour’s programme, shows the same concern, asking, “What is the party for? If it is being asked to scrap some of its more radical and costly proposals for better childcare, education or healthcare, or for dealing with immigration, what will it have that is distinctly left of centre and will appeal to those tired of long Tory rule? [...]”

“This is a challenge facing many left-of-centre parties in Europe today. They are all having to deal with a post-Covid global slowdown, high inflation, an energy crisis and a shortage of money. The left is in trouble in France, Germany, Italy, Spain and most of the continent.”

What is being identified is a hurtling to the right of all the capitalist parties and a political discrediting of social democracy and its pseudo-left supporters. Politicians in hock to a parasitic financial oligarchy and predatory imperialist interests are preparing to deepen their onslaught on workers as part of a programme of trade and military war and rampant exploitation.

This is preparing the ground for socialist politics to sink deep roots in the international working class and will fuel a renewed wave of anti-capitalist struggle. But that work can only be accomplished through the fight to build a new revolutionary leadership, the Socialist Equality Party, British section of the International Committee of the Fourth International, in political struggle against Labour, its backers and their international counterparts.



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