

UK Chancellor Hunt presents austerity budget as Labour pledges “iron discipline” over spending

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The Conservative government deepened its 14-year austerity offensive against the working class in the Spring Budget delivered by Chancellor Jeremy Hunt Wednesday.

There has been speculation for weeks that the content of Hunt’s budget would indicate whether there would be a general election called sooner in the year than expected. The few “giveaways” to working people, such as a 2 percent reduction in National Insurance tax contributions, a 5p cut to fuel duty, and the freeze on alcohol duty extended until February 2025 strongly suggest an autumn election.

The changes to National Insurance are regressive, benefitting the higher-paid most. Those on a £20,000 salary will get just £148.60 extra a year, £2.80 a week, while those earning £50,000 will get an additional £748.60. The very low-paid, thanks to the freezing of tax thresholds, will lose almost £500 a year. The cut in fuel duty saves the average motorist less than £1 a week.

The government has ended its cost-of-living payments made to the poorest families over the last 18 months to offset rampant food, energy and fuel price rises. All Hunt was able to announce Wednesday was that the Household Support Fund, which councils are able to deliver on a means tested basis to the poorest families, will be kept at its current level for six additional months.

Whatever is packaged as a giveaway in another, pre-election budget later this year, the main takeaway from the Spring Budget was that the austerity offensive must and will continue. Further measures planned by the government will be targeted at the Tories’ main constituency: business and the more prosperous

sections of the population.

Sir Keir Starmer’s response to the budget, in which he complained that the Tories had “maxed out the nation’s credit card”, confirmed that the election of a Labour government would bring no respite from the economic and social war waged against the working class. Starmer and Shadow Chancellor Rachel Reeves have spent the last four years courting big business on the promise that Labour in power will see no policy change that prevents them continuing to pile up massive profits.

Among his many overtures to big business, Starmer pledged that a Labour government would not “turn on the spending taps” (December 2023) nor open the “big government cheque book” (January 2024).

Moreover, in the next six to eight months, when an election is likely to be held, the social crisis will have deepened considerably.

Paul Johnson, the Director of the Institute for Fiscal Studies, commented on Hunt’s claim of “borrowing falling over next five years to just 1.2% of GDP.... Take this with a pinch of salt. Will depend on implementing extremely tight spending plans which will imply cuts for many public services.”

The consummate cynic Starmer said in response to Hunt that “People... know that a Tory stealth tax is coming their way in the shape of their next council tax bill”—to compensate for continued savage cuts to central government spending.

The reality known by workers who live in most major urban areas is that Labour-controlled local authorities have done nothing to oppose the most brutal central government spending reduction in history. Data compiled by the *Guardian* in January revealed that in

England, “Between 2010-11 and 2022-23, net spending per person on cultural services was cut by 43% in real terms, on roads and transport spending by 40%, on housing by 35%.”

The newspaper found, “Spending on community centres and public halls was cut by 39% and library spending has halved since 2010-11. Museum and gallery spending was cut by two-fifths, while spending on theatres and other public entertainment was cut by 38%.” Since 2010, over 1,400 children’s centres have closed and more than 17 percent of public libraries (773). Almost 400 swimming pools have been closed.

The GMB general union reported in 2019, five years ago, “Across the UK, an estimated 876,000 jobs have been lost in local government since June 2010—a reduction of 30 percent” due to the austerity drive.

Huge increases in council tax to be paid by workers from April will be imposed by Labour-run councils to demonstrate the party’s “ironclad discipline” (Reeves, 2022) in ensuring public sector spending cuts.

Interviewed by the *Sun on Sunday*, owned by the Murdoch dynasty, the newspaper wrote that Reeves “likened herself to Margaret Thatcher [the Iron Lady] by declaring she is the ‘iron’ Shadow Chancellor who is intensely ‘relaxed about people being rich’”. This echoed Tony Blair’s chief adviser Peter Mandelson, who stated as “New Labour” came to office that he was “intensely relaxed” about people getting “filthy rich”.

This agenda is shared by the entire party, and embraced by what remains of its left rump. Jeremy Corbyn and his Shadow Chancellor John McDonnell, within weeks of taking the Labour leadership in September 2015 on a mandate to oppose austerity, instructed local Labour councils to abide by the law and impose savage cuts demanded by the Conservative government.

This abject capitulation has resulted in fully half of all councils teetering on the brink of bankruptcy and preparing more and deeper cuts, joining others that have already gone bust and begun punishing “restructuring” (Birmingham, Nottingham, Woking, Thurrock and Croydon).

Twenty-four hours before Hunt’s budget, the Labour-run council of Britain’s second city, Birmingham, approved a further £300 million in cuts to key services and a 21 percent council tax increase over the next two years—the largest cut ever imposed in the history of

local government.

The cuts are a staggering onslaught against an already often impoverished population. Up to 600 council jobs will go, bin collections will be reduced to once every two weeks and libraries will be closed. Cuts are being made to the city’s adult social care, children’s services, flood defences and highway maintenance and almost all funding for the arts is being scrapped. Public assets worth £1.25 billion will be sold off to repay a government “bailout” loan.

What is never touched on in the acres of space given over by the media to UK budgets is the broader reality of deepening global economic crisis—expressed in the fact that, despite talk of economic revival and inflation falling, Britain has already entered a recession.

Moreover, British imperialism is up to its neck in NATO’s escalating war against Russia in Ukraine. And the single Tory/Labour party of war is doubling down on support for Israel’s genocide against Gaza, while backing the US in a military build-up in the Middle East targeting Iran and China.

One warmongering spokesperson after another has made clear the implications of this eruption of militarism—the “end of the peace dividend” as society is put on a war footing.

The urgent necessity is the building of an alternative socialist political leadership in the working class. This will be the perspective fought for by the Socialist Equality Party and its candidates in the upcoming general election.



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