

# Con-Dems' autumn statement:



## 'Pain now, pain tomorrow and more pain for longer'

**Hannah Sell**

Socialist Party deputy general secretary

"The train is heading over the cliff", declared one Tory MP as the OECD announced that Britain would shortly be back in recession, if it wasn't there already. In reality, this is the continuation of the 'great recession' of 2008/2009, interrupted only by a very feeble 'recovery' in 2010. The Socialist Party has repeatedly predicted what is now unfolding.

Osborne has been forced to admit that borrowing is expected to be £112 billion higher over the next four years than he had previously predicted. It could be more. Savage cuts - resulting in misery for millions - have considerably exacerbated the economic crisis. GDP stands 14% below where it would have been by now without the recession. Far from filling the gap, the private sector is set to contract as demand shrinks.

The myth that Britain could 'export its way out of the crisis' - along with every other country in the world - has been shattered. The autumn statement represents a desperate attempt to address the escalating crisis. But 'Plan B' it is not.

Nick Robinson, BBC political editor, summed the statement up as: "more pain now, more pain tomorrow and more pain for longer than we'd previously been told".

### More cuts

Osborne announced cuts in desperately-needed working tax credits; a two-year 1% cap on public sector pay, ie continuing the pay freeze; measures to make it easier to sack workers; and the bringing forward of the increase in the retirement age from 66 to 67 by ten years to 2026. Meanwhile it's predicted that 710,000 public sector jobs are to go.

Alongside the pain, Osborne also had to be seen to include some limited attempts to stimulate the economy. These include six-month work placements for unemployed youth. However, these do not promise real

training or jobs at the end. What is more it will be funded by lowering families' incomes via the cuts to working tax credits.

The other, much-trailed, proposal designed to increase growth is the £30 billion promised for projects designed to 'rebuild Britain's crumbling infrastructure' and to create jobs. With over 200,000 building workers unemployed many will welcome this proposal.

However, it is largely smoke and mirrors. Only £5 billion is to be put up by the government now (with a further £5 billion promised after 2015). The rest of the money is meant to come from private investors, particularly UK pension funds. This is another version of the Private Finance Initiative - where the government mortgages our future by paying the private sector to build far more expensively than if the state had funded the projects directly.

### Pain can be stopped

A determined mass movement, with a clear strategy, can force this weak Con-Dem government to retreat. In opinion polls a large majority of the population now opposes the government's cuts. Nonetheless, the Tories at this stage remain more trusted on the economy than Labour.

This is because of Labour's lack of credibility not support for Con-Dem policies. In addition to Ed Miliband's ineffectualness, Labour is undermined because it does not put forward a clear alternative, instead only arguing that they would 'cut slower'.

The trade union movement demonstrated its industrial strength on 30 November. However, alongside this, the working class also needs its own mass political party - which opposes all cuts in public services and workers' pay, conditions and pensions.

A break with capitalism and the building of a socialist society that is driven by meeting the needs of all instead of making profits for a few is also required.

See [www.socialistparty.org.uk](http://www.socialistparty.org.uk) for the full version of this article

# Them & Us

## Scroungers

There are today in Britain a group of well-paid public sector workers who are bleeding the economy dry, not creating any wealth and just contributing to the debt. They consistently underperform yet have seen a 4,000% pay increase in the last 30 years. We are of course talking about the directors of publicly owned banks. The director of Lloyds, for example, earns 75 times the average pay of a Lloyds bank employee. It is important that we remember these merchant bankers (and it's not cockney rhyming slang for nothing) after N30 because it can be easy to get sucked in by the right-wing propaganda. We need to remind ourselves there is a public sector deficit because of the debt not the other way around.

## And more scroungers

There are gold plated public sector pension schemes: MPs can retire at 65 (we wish a few would), they receive an employer's contribution of 28.7% of their salary (compared to 14% for teachers) and they can accrue up to two-thirds of their £65,000 minimum salary as an annual pension (£42,000). Finally theirs is a still a final salary scheme and is £51 million in the red! Let's compare this to teachers. The average public sector pension is £5,600, life expectancy for a head teacher who retires at 65 is only 18 months and the teachers' pension scheme has been a net contributor to the state by the tune of £46 billion.

**Dan Gillman, Waltham Forest teacher**

## Where's the support gone?

The Con-Dems spent the weekend before N30 using the BBC as a mouthpiece for peddling their anti-union propaganda. Education minister Michael Gove talked about "militants itching for a fight".

So trade unionists were pleased to read on Monday morning that Gove and Co had put the case so well that support for the strike was up to 61% generally, 67% among women and 79% among young people according to a Comres poll. However, it seems that the BBC got cold feet about actually reporting the mood among ordinary people. The article disappeared from view at about 3pm and no links to it could be seen. Luckily this is not a reflection of reality where support for this vital step in the fight against all the cuts is growing. A Metro poll has so far found over 85% (at time of writing) think public sector workers are justified in striking to defend their pensions.

## No to divide and rule!

The arrogant cheek of millionaire government ministers is breathtaking. They talk about how unfair it is that public sector workers are striking to defend pensions while those of us working for private firms have already been stripped of most of our pension rights. I say good luck to teachers, civil servants and local government workers - fight to hang on to what you've got. Bus workers joining since the privatisation of the industry a couple of decades ago have no significant pension to look forward to. But we won't benefit if others lose their modest pensions. The attitude of many bus workers towards the big strike is - it's about time our union stood up for our futures, too!

**Andy, south London bus worker**



## The housing ladder

At 1 Hyde Park one of the parking spaces sold for an eye-watering £250,000. Three units of storage space sold for £150,000, £157,000 and £50,000. Total sales so far add up to £1.424 billion. Great for the economy that all these houses are being sold you might think - but of the 62 flats only nine are paying council tax. Meanwhile more than 360,000 London households - about one-tenth of them - are on borough housing waiting lists, nearly double the number at the start of the century and 200,000 London households with children don't have sufficient space.



## Confused - you will be!

According to the Independent newspaper - the Labour leader Ed Miliband appeared to harden his position before N30, saying he did not support strikes because they were "always a sign of failure". But he insisted he would not "demonise" those taking action... Hmmmm...

## Poison profits

The London 2012 Olympic Games is facing a boycott from the Indian Olympic Association after Lord Coe, chair of the London Organising Committee for the Olympic Games (Locog), accepted a £7 million sponsorship deal from US multinational Dow Chemicals. Dow wants to 'wrap' the Olympic Stadium in its company fabric.

Dow, which manufactured the toxic Agent Orange defoliant widely sprayed by US forces in the Vietnam War, took over the Union Carbide Corporation in 2001. Union Carbide's Indian subsidiary was responsible for the 1984 Bhopal disaster in which a lethal gas leak at its Bhopal plant in India killed up to 25,000 people and injured hundreds of thousands.

Lord Coe has defended the deal and maintains that Dow cannot be held responsible for the disaster and subsequent suffering of thousands of Indians.

Coe himself is no stranger to controversy, not least because of his personal gain from the games. As chair of Locog he receives a £365,507 salary and thousands of pounds more for attending meetings. He also benefits by charging upwards of £10,000 for each speech he delivers and makes hundreds of thousands of pounds from consultancy fees, sponsorship deals and 'image rights'.

**Dave Carr, east London**

## What We Heard...

### Happy customers!

It was lovely to chat to you this morning and that one Socialist paper has travelled a long way around my student cafe! I will be taking part in the march on Wednesday - my tiny Uni will be wearing red, making banners and joining up with Kings for the day.

**Hannah by email**

A worker bought the Socialist this morning because she said: "I am sick of hearing from the media that this is not the right time to strike". She wanted to read a paper that supports the strike action she was taking.

**Martin Reynolds, Walthamstow Socialist Party**



## Facebook favourites this week

### What have the unions ever done for us?

Unions: the people who brought you the weekend. And capped working hours. And employment rights and protections. And fair wages. And pensions. And ended child labour. What a bunch of greedy b\*\*\*\*\*s.

### Royal swindle

When the government decides we can have a day off for the royal wedding it doesn't damage the economy but when the workers decide to strike for a day it costs the UK economy half a billion... Is there something funny going on?

### Who got us into this mess?

Remember when teachers, civil servants, police, ambulance staff, nurses, midwives, doctors and firefighters crashed the stock market, wiped out banks, took billions in bonuses and paid no tax? No, me neither.