

## TV review

# Britain's trillion pound horror story

EVER SINCE the worldwide economic recession started in 2008, Britain's bankers and big business have been trying to avoid responsibility for the crisis. They prefer to put the blame on what they label a 'bloated' public sector. On 11 November free-marketeer Martin Durkin was allowed 90 minutes of TV airtime by Channel 4 to broadcast a pro-capitalist propaganda film. SEAN FIGG reviews Britain's Trillion Pound Horror Story.

**T**HE FILM argues for low taxes and an end to redistributive policies by abolishing or severely cutting such taxation as inheritance tax and corporation tax. This strategy of minimum government, Durkin claims, will stimulate economic recovery and stop Britain drowning in its £4.8 trillion public debt. In the context of the Con-Dem government's spending cuts this was a thoroughly reactionary broadcast.

Many people are worried about the cuts and would prefer them not to happen, but see no alternative. Durkin provided economic arguments for this 'no alternative' camp which will be used to bamboozle the rest of us. So it's worth replying to some points.

Durkin casts the public sector as a wasteful bureaucracy that does nothing but 'burden' the private - 'productive' - sector of the economy. He says the public sector is paid for by taxing the private sector and that wealth is only created in the private sector. He argues that unless the public sector is scaled back and the private sector expands - as Cameron and Osborne promise us - UK public debt will continue to rise and the country will go bankrupt.

### False argument

FIRSTLY, IT is false to paint the sources of wealth in such a black and white way. Public sector workers provide services that society generally cannot do without. Also, Durkin presents this 'parasitic' character of the public sector as intrinsic to public ownership. It is not.

This 'division' is a policy choice by pro-big business governments over decades. They chose to allow 'wealth-creating' enterprises to exist almost exclusively in the private sector to the profit of politicians' rich mates. Before the 1980s Thatcher privatisation spree, 'wealth generating' industries such as shipbuilding, steel, coal and telecoms were run in the public sector. This is true today in many countries.

Durkin's argument only holds up if the current division of what is 'public' and what is 'private' in Britain is viewed as fixed forever. Socialists argue for the commanding heights of the economy - the 'wealth-generating' parts - to be taken into public ownership too.



On the march against cuts in Edinburgh.

photo Ray Smith

Society could then use the wealth created by these enterprises directly rather than just a portion through taxation. Such policy is anathema to Durkin's free-market prejudices.

Durkin blames the huge public debt on politicians who "spent money they didn't have". The film shows that governments borrow money from "financial markets and pension funds" (amongst others) who will whack up the interest on these loans to insure themselves against making a loss if they become less confident about a government's ability to pay them back.

One question is completely ignored: how come these people have all this money to loan in the first place? The capitalist system piles up huge wealth on the plates of a tiny minority. At root this happens because working people are paid less than the value of the wealth they create by working.

Who are the bigger thieves here? For Durkin the super-rich have a sacred right to hold entire countries to ransom and demand spending



'Big sister' Thatcher started a privatisation spree. photo The Socialist

cuts. But isn't the money loaned to governments ours as well? Durkin just points the finger at one gang of thieves so that another far bigger gang can make a quick getaway.

Durkin's film doesn't deal with the

reality of capitalism. His analysis, diagnosis and proposed treatments are mere abstractions plucked straight out of a capitalist economics textbook. For example Durkin tries to prove the efficiency of capi-

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talism over state intervention. He remarks, "inefficient companies go bankrupt" because customers can "take their business elsewhere". But this did not happen to the banks.

Capitalism has moved beyond this textbook myth of equal competition amongst many competing individuals and firms on a level playing field. The reality of 21st century capitalism is monopoly and companies 'too big to fail'. Marxists pointed to this development and its causes - deep in the internal contradictions of capitalism - over a century ago, but Durkin hasn't caught up with us yet.

But if Durkin could enact his low tax, minimal state 'utopia' tomorrow, would any of these reforms have prevented the economic crisis? The answer has to be a resounding no.

Allowing even more of the economy to be driven purely for profit by scaling back the state and letting the wealth gap reach ever more staggering heights through minimal taxation would have blown the same bubbles that led to the world economic crisis.

None of the contradictions of capitalism that make crises inevitable can be 'fixed' by Durkin's proposals. To iron out these contradictions, socialist policies of public ownership of 'wealth-generating' industry and democratic planning would be necessary.

Economic crises never feature in the capitalists' textbooks. They don't understand them because they don't understand how their own system works.

Durkin completely misses the point. He won't end boom and bust by tinkering with tax and it was the bust - the economic crisis and resulting bank bailouts - that massively contributed to the sky-rocketing of the public debt he worries about. More of the same definitely won't help!

## Reader's comment: Poppies and hypocritical politicians

**A**FTER WORLD War One, a weary population greeted the end of the war and celebrated peace. Armistice Day became a day for commemoration of those who had died in that senseless slaughter. The Flanders poppy was a symbol of that. Millions still commemorate the fallen in that way.

Derek McMillan

The politicians who send better people than themselves off to die have a different view. For them remembrance is a celebration of war and hypocrisy.

At the same time as they stand in the House of Commons patriotically wearing their poppies and grieving for the fallen, they vote to cut the pensions of all public service workers, including of course the gallant heroes they pretend to celebrate.

By switching from one measure of prices to another (RPI to CPI) they intend, by sleight of hand, to attack those most vulnerable and cut thousands of pounds from the widows of war and those who have retired injured from the field of glory and many others.

The shadowy Labour defence spokesman Jim Murphy was called out of a remembrance service. Proudly wearing his poppy he didn't speak about ending war or putting an end to the killing.

No, he protested about the cutting of the Harrier jump jet, saying: "Serious people have raised serious concerns about the government's decision to scrap Harriers and all ministers have succeeded in doing is add to the confusion."

Obviously in place of "blessed are the peacemakers" his service included "blessed are the warmakers" and more particular the merchants

of death who produce these horrible weapons for profit.

It is all grist to the mill for this star in the New Labour firmament. More weapons, more deaths, more

heroes for him to shed crocodile tears over.

Socialists take no issue with those who genuinely want to commemorate the fallen or celebrate the end of

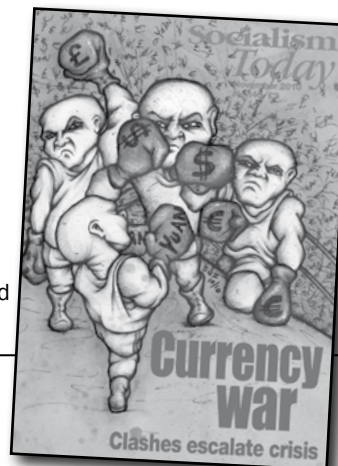
a war. Those who use remembrance to score cheap political points, while having voted for ongoing wars in Iraq and Afghanistan, are beneath contempt.

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