

Britain now facing crisis on all fronts

Peter Taaffe
Socialist Party general secretary

If splits at the top denote opposition from below, then the character of the divisions between the alleged 'partners' in the Con-Dem government means that a massive social and political revolt is brewing in Britain.

"We should stab them [the Liberal Democrats] in the eye before they stab us in the back," one Tory MP told a Financial Times correspondent. Vince Cable, Lib Dem business secretary in the coalition, replied in kind and attacked the Tories for being "ruthless, calculating and very tribal".

The reason for the mudslinging can be found in the results of the local government elections and the referendum on the alternative vote (AV) electoral reform. The outcome represented a damning verdict, in particular on the Lib Dems' decision to share power in the last year with the Tories.

Lib Dem leader Nick Clegg insisted that the party should 'own' fully the vicious anti-working class austerity programme of the Tories. Voters took him at his word and ruthlessly punished his party. From a 'radical' alleged protest party, the Lib Dems – and particularly their ministers in government – have acted as human shields for the Tories.

The consequence of this is that the Lib Dems have been pushed back from the urban areas in the North, Scotland and Wales and are now largely a party of the 'shires'. Their strategists admit that when voters heard "Lib Dems" it immediately connected in their minds with "Conservatives" and "cuts".

In Liverpool, the Liberal Democrats, who have acted historically as the hatchet men for big business and the Tories, saw one of their former leaders, Mike Storey, defeated by an 18-year-old! The Tories generally did better, although they merely held the ground gained in the 2010 election, flat-lining electorally.

Could the coalition then fall apart given the internecine conflict in its ranks? This is unlikely in the short-term. The Liberal Democrats are in no fit state to fight an election, particularly this year. Among other things, the loss of 700 council seats is a heavy financial blow, particularly as councillors are now paid by the state. They are part of a new caste or 'salariat'



On the recent pro-cuts rally photo Paul Mattsson

with a material stake in capturing and holding council positions. The same also applies to councillors from the other main parties.

Gone are the days when Labour councillors, although they did not always stand on the left, nevertheless tended to be volunteers dedicating themselves to defending their communities and class. As Labour has been transformed from a workers' party at bottom into another capitalist party, so workers have dropped out of Labour Party membership. In their place have come careerists and place seekers, devoid of any sympathy or susceptibility to the worsening plight of ordinary working class people.

So the Liberal Democrats are unlikely to jump ship and Cameron's Tories are unlikely to push them out of the government at this stage. As the defeated Tory leadership contender David Davies commented: "They are passengers on the aeroplane but without parachutes."

The Tories did not calculate nor wish for a coalition with the Liberal Democrats originally. But it has dawned on them that this is probably the best government through which their draconian cuts policy could be carried out. A Tory government ruling by itself but not yet 'decontaminated' from Thatcherism – the "nasty party", in the words of present Home Secretary Theresa May – would have attracted much greater opposition than this one, where Clegg is taking the hit for the unpopular policies.

Hence the campaign to 'save the whale' is dwarfed by the noisy attempt of Cameron and even Osborne to 'save the Lib Dems'. Forgotten temporarily are the spats within the Cabinet as Lib Dem minister Chris Huhne assailed the "dishonest" role of the Tories and particularly Cameron in the 'No' campaign against the AV proposal.

Actually, Cameron originally wished to remain relatively neutral in the referendum campaign. But as former Tory minister in the Thatcher government Michael Portillo has revealed, Cameron was in effect forced to come out strongly in opposition to AV. He was confronted by a rebellion of Tory MPs, who would have probably lost their seats under AV, threatening to unseat him as Tory leader unless he led the charge for the 'No' campaign.

This, in turn, is a reflection that incipient splits are not restricted to the Lib Dems alone. Under the impact of the economic and social situation in Britain, the Tory party can be riven with big splits and even a trend towards disintegration.

Economic crisis

It is the dire economic situation of British capitalism – against the background of an intractable world crisis of capitalism – that is driving this government to launch an offensive against the rights and conditions of the working class which is unprecedented in the modern era.

The justification of Osborne and Cameron, with the discredited Clegg in tow, for inflicting so much misery, is that 'it will be all right on the night'; the government cuts will do their job in laying the basis for the economy's revival and, happily for them, the victory of the Tories or the Con-Dem coalition in the next election.

But that promise lies in tatters, due to the British economy's miserable performance in the last few months. Moreover, the worsening of the European and world economic crisis – described elsewhere in this issue of the Socialist – will dampen further any lingering hopes.

Even the miserly 2% growth rate envis-

The Tories did not calculate nor wish for a coalition with the Liberal Democrats originally. But it has dawned on them that this is probably the best government through which their draconian cuts policy could be carried out.



The TUC demo on 26 March photo Senan

aged for this year has been downgraded to a miserable 1.7%. This undermines any hopes of a sustained recovery; instead, we have what capitalist economists now call a "growth recession". This means that the growth rate is so low as to be almost invisible and utterly incapable of making serious inroads into unemployment levels.

In fact there has been no real substantial drop in unemployment in the last six months. Consequently the Governor of the Bank of England, Mervyn King, now says there will be slow if any growth at all and a "protracted fall in living standards" is now most likely. Britain's economic performance is worse than any of the advanced industrial countries with economic output 4% below pre-recession levels.

Downward spiral

Added to the woes of the working people, who are called upon to pay the bill for this crisis, are the spiralling price increases. There is the looming prospect of a period of stagflation, with little or no growth combined with price rises. Fuel could increase by anything from 20% to 30% in the next period, which will feed through to vital household items, including food.

This economic scenario could be considerably worsened if, because of rising prices, the government pressurises the Bank of England to increase the rate of interest, which is possible sometime later this year.

This, combined with the severe depressionary effects of Osborne's £81 billion worth of cuts over four years could send the economy, and with it the lives of working people, into a further downward spiral. This has led to a chorus of leading capitalist economists, alarmed at the consequence of the British government's policies, condemning Osborne and Cameron. Will Hutton, Nouriel Roubini, and even former US financial secretary Larry Summers have lacerated them.

In fact, capitalist economists outdo each other to describe the severity of the present crisis. Comparisons with the 1930s depression have even given way to economists like Roger Bootle, managing director of Capital Economics, predicting that this crisis' severity and duration will be the most severe "since the Great Depression of the 1870s".

This holds out the prospect of decades of 'eternal austerity' for Britain's working people. Such a system, with mass unemployment and the tendency for this to become permanent, widening economic divisions and inequalities, is signified in Britain with the publication of the recent Rich List, indicating a system that is sick unto death.

This alone guarantees a massive collision between the classes in Britain which is in its first stages, signified by the mighty demonstration of 26 March. Not just nations but also classes fight more ferociously over contracting incomes than when the economic pie is expanding. This is the situation in Britain today.

Under the cover of the crisis an unprecedented offensive against the rights and conditions of the working class is underway. Even where there is no economic justification for cuts – as with the teachers' pension scheme which can presently meet all future claims on it – this government is determined to wield the axe. There are cuts in local government and the state sector.

'Mini-Greeces'

So severe are these projected cuts that in the 400 or so local authorities in Britain, 'mini-Greeces' can develop. Those who carry out these cuts at local level could be besieged on the same scale locally as has the Greek government on a national level. Nine general strikes have taken place in Greece because of the determination of the bosses to inflict greater and greater pain on the Greek workers. An element of barbarism, the tendency to-

wards disintegration, is therefore taking place alongside heroic attempts by the working class – despite the leaders' cowardice – to fight back.

Britain is not yet at the stage of Greece. We have not yet experienced the big events – apart from 26 March and the student revolt against tuition fees – which Greece and other countries have faced. But such events are decisive in changing the industrial and political consciousness of working class people. But if Osborne, Cameron and Clegg get their way, such a mass revolt or a series of revolts are on the way here as well.

The explosion of anger in the so-called 'Tesco riot' in Bristol indicates the gathering force of opposition from below. The causes of this event were many: police violence, unemployment, as well as resentment against big business in the form of opening new superstores. Such inchoate revolts, only on a bigger scale, will take place elsewhere as the widespread uprisings of the 1980s under Thatcherism showed.

Of even greater significance – because of the colossal difficulties facing the participants – was the tremendous demonstration in London on 11 May of the sick and disabled against the government's barbaric attack on them. Over 10% of the £81 billion that Osborne intends to cut – a total of £9 billion – is directed against this most vulnerable section of society. As one demonstrator said: "Once we were poor dears. Now we are the benefit cheats."

For every one of the 5,000 who participated in the London demo, there were 100 or more behind them either too sick or too poor to travel to the capital. A battle royal will open on this issue alongside many other crucial social questions in the next period. But the Tories will press ahead unless they meet resistance.

How many times have we said that the Tories don't preach class struggle because they are too busy practising it? Yet that is not strictly true today. Witness George Osborne speaking to the Institute

of Directors (IoD) recently, in which he mapped out, under the guise of eliminating 'red tape' in industry, a programme for dismantling hard-won trade union rights; on tribunal appeals, raising the percentage of workers who must participate before a union ballot is 'valid', etc.

He concluded with the rallying cry of a committed capitalist class warrior, telling the IoD to 'get stuck in'. His sidekick Cameron has become so bellicose, including assertive insults in the House of Commons, that he is now being compared to the fictional toff and bully "Flashman" in the book Tom Brown's Schooldays!

U-turns

And yet the Tories are not as confident as they appear on the surface. The sound of screeching rubber – arising from u-turns and projected changes in policy – has dominated the political arena in the last period. This is because they have met with a wall of resistance to their proposals to effectively 'privatise' the NHS.

So popular is the NHS, with massive opposition to Lansley's proposals from the Royal College of GPs, doctors in the BMA, etc, as well as users of the NHS, that the plans are discredited. Even the Financial Times urges Cameron to withdraw the Bill completely. However it would be a mistake to conclude from this that the government will completely abandon measures to privatise the NHS.

Therefore Cameron's promises, alongside those of Francis Maude, the Con-Dem coalition's 'privatisation general', not to go down the road of privatisation on the scale of the 1980s are not worth the paper they are written on. Cuts including disguised and open privatisation are taking place in the NHS and will only be fully defeated by mass resistance of the health trade unions together with the trade union movement as a whole and users in the working and middle classes.

The government's u-turn on the sale of forests, followed in recent weeks by their



The coalition will face growing resistance photo Sarah Wrack

backtracking on their sneaky proposals to privatise allotments, shows the government can be defeated and brought down. Such is the scale of the growing opposition in Britain that is not excluded that the government will be forced into another general election this year.

The local election results do not indicate that victory is guaranteed for the Tories and certainly not if they have the Liberal Democrats on board. The Lib Dems face political extinction, as we pointed out previously. Already there are calls, after the election debacle, for Nick Clegg to walk the plank!

But New Labour is no real alternative. The election results were disastrous for its leader Ed Miliband, particularly in Scotland. In a general election, however, Scotland is not guaranteed necessarily to vote in such heavy numbers for the SNP.

Some ground could be gained, not that the mass of working people hold out much prospects for radical change. But such is the fear of this government and the proposals in the pipeline there could be an electoral swing towards New Labour. However there is no prospect of any movement of working people into the party.

Mass workers' party

It is incredible that, as the situation worsens, New Labour shifts even further towards the right, offering even to rescue the Liberal Democrats in an alternative coalition to that of the present Tory-led coalition! New Labour's leadership made this grand gesture for two reasons.

Firstly Miliband, because of the reduction to 600 MPs introduced by the gov-

ernment, obviously no longer believes that Labour can be victorious in future electoral contests. At the same time, given the overall economic and social situation Miliband is probably now afraid or half afraid of actually ruling alone and is preparing like Cameron to hide behind the Liberal Democrats if necessary in a new coalition government.

Yet they totally underestimate the scale of the crisis in Britain and its political repercussions in future. Canada's general election result shows, particularly in the near destruction of the Liberal Party and the discrediting of its leader Michael Ignatieff, that this could take place in Britain in the period opening up.

Cameron's scenario – that after four years of 'difficulties', in reality savage cuts, the Tories alone or in coalition with the Liberal Democrats could carry through tax cuts on the eve of the next general election and ride back into power – is very far-fetched to say the least.

The Tories will need at least an 8% lead in opinion polls to guarantee a majority government and they are far from that at the present time. This is one reason why Cameron will be reluctant to go towards an early election even in the medium-term. Particularly as, given the damage which will be inflicted on the living standards of working people, the Tories would be unlikely to win.

However, for working class people the rocking of the Parliamentary cradle from right to 'left' will not fundamentally change their conditions. The local election results and the situation that flows from this require a stepped-up campaign to lay the foundations for the new mass socialist alternative, a new mass workers' party.