

Britain: Tory budget gambles on class war - we can beat them

Sunday 25 September 2022, by [WILSON Colin](#) (Date first published: 23 September 2022).

The rich and big business got billions in handouts. Part-time workers on benefits have been told to increase their hours, while unions face further attacks. We need to prepare for major battles, writes Colin Wilson - but this is a big gamble for the Tories, and they can lose.

The Truss government has launched an attack on working people on a scale we've not seen for decades.

For the rich and big business

- *Huge tax cuts for the rich*

Kwarteng has abolished higher taxes for those paid more than £150,000. Someone paid £1 million a year will gain £55,220 from the proposed changes - someone on £20,000 will gain only £157, and a pensioner on that income will get less than half of that. Almost two thirds of the gains from the tax cuts will go to the richest 5 percent of households.

- *Abolition of limits on city fat cats' bonuses*

Bonuses were capped at twice annual pay across the EU. The cap was introduced because big bonuses are a reward for big profits, and big profits result from the kind of risk-taking that led to financial crisis in 2008.

Cuts in corporation tax

Planned rises in corporation tax are cancelled. Kwarteng boasts that Britain has the lowest rate of corporation tax in the G20 - businesses here pay less tax than in the US, or even lower than in Bolsonaro's Brazil.

- **For workers**

Cuts in part-time work benefits

Around 120,000 people are being told that they must increase their pay - by getting a better-paid job or increasing their hours - or their benefits will be reduced.

More attacks on union rights

Unions will be legally forced to provide 'minimum service levels', which in other countries means,

for example, running 100% train services during rush hours. And they will have to go through the time-consuming procedure of putting all pay offers, including revised offers, to the ballot – so all management have to do to stop a strike is to make a slightly improved offer as the strike is about to start.

Bosses on the attack

Royal Mail management is withdrawing from all legal agreements with the CWU, the mail workers' union. CWU General Secretary Dave Ward [writes](#) that 'this is probably the biggest attack on workers and their shopfloor representatives that this union has ever seen.'

Fuel, food and housing costs continue to rise

The government talks about a 'freeze' on fuel costs – but they are still due to go up substantially on 1 October. Food prices are still rising, with the [price of fresh food](#) going up by over 10 percent in the year to August. [Rents have risen](#) by almost 16 percent in London and almost 12 percent elsewhere, while rising interest rates will increase mortgage payments.

NHS and climate crisis

NHS

From GP appointments to finding an NHS dentist, from over 6 million on hospital waiting lists to the hour it takes an ambulance to reach someone who has had a heart attack or stroke, the NHS and care services are in crisis. Taxes are cut by billions, but they get no extra funding.

Climate

Fracking is back in England – as Gareth Dale writes in our [analysis today](#), the Tories are happy to 'trash the environment'. Several Tory MPs have already [publicly criticised](#) the fracking plans. Kwarteng has committed to accelerating infrastructure projects – from a total of 138 projects, [almost two thirds](#) are road schemes. Just two are for decarbonisation.

An economic gamble...

This is a very serious attack, but it's also a high-risk strategy for Truss – and it's not just the left saying so. [Financial Times journalist Robert Shrimmsley](#) comments that 'this is an enormous gamble with the public finances' and business site Bloomberg also believes that the 'plans represent a major gamble'. The package involves borrowing on a bigger scale than has ever happened before – £411 billion – with very little detail about how the books will be balanced. The claim is that increased growth can pay this back – but there is no guarantee that growth will happen. Tories have condemned anyone expressing doubts as 'talking down Britain', and claim it's untrue that Britain is in decline. But the death of the queen has [highlighted comparisons](#) with the year she came to the throne, 1952. Then Britain was the world's third-largest economy – now it's at number 8, and on track to fall even further behind. Even a business organisation like the CBI calls British growth in the last 15 years 'anaemic'.

... and a political one

As well as an economic gamble, Truss's strategy is a political one. It relies on a specific analysis of the 2016 Brexit referendum and the 2019 Johnson election victory, which claims that what Leave

and Tory supporters were voting for on both occasions were hard right, Thatcherite policies. In this view, Theresa May betrayed voters' backing for a deregulated, small-state 'Singapore on Thames', and Boris Johnson went further with his 'big state' furlough scheme and payments towards fuel bills.

This is a misunderstanding of both votes. People voted Leave for a variety of reasons which had nothing to do with the economy, both bad (racism) and good (a rejection of the neoliberal status quo). Voters elected Johnson because he presented himself as an outsider at a time when people held politicians in contempt, and because he claimed he would 'get Brexit done' at a time when everyone was sick of the tedious saga it had become. Support for Thatcherite policies is much weaker than Truss and *Telegraph* columnists believe.

It's also worth remembering that in the first round of Tory leadership voting, Truss was backed by only 1 in 7 MPs. So it's unremarkable that some Tory backbenchers are already expressing concerns, with veteran Sir Roger Gale suggesting that Kwarteng's plans are 'foolhardy', and a Sunak-supporting [Tory backbencher](#) telling the *Guardian* that they are 'politically toxic and economically dubious'. The finance markets who will have to lend the government huge sums were unconvinced that growth targets would be achieved, as the pound fell to its lowest levels against the dollar since the 1980s. One [city analyst](#) stated on Friday afternoon that 'this is the worst day I've ever seen in the markets from a British perspective' and commented on Kwarteng's performance with a meme of a house burning down.

Build the protests and strikes

As well as the weakness and division on the Tories' and bosses' side, there are real strengths on ours. Over 190,000 people have pledged to cancel their fuel payments on 1 October. Enough is Enough is planning protests in 13 cities across Britain on that day, with details to be announced on Monday. The [People's Assembly](#) is organising a major demo at Tory conference on 2 October. All these protests and campaigns can be huge and angry, and make it clear how little support Truss has.

Finally, the key struggles for working people are those in workplaces. National strikes continue on the rail, in Royal Mail, BT and Openreach, with hundreds of thousands walking out on 1 October. Strike action begins on Monday in 26 further education colleges and on Tuesday in Felixtowe docks. Groups from oil workers to nurses are balloting. Many local strikes are winning - bus workers at First Cymru, members of Unite, have this week won a [14 percent](#) pay rise. But with Royal Mail management on the attack and Truss in Number Ten, the national RMT and CWU disputes won't be easily won. Union leaders need to match the attacks from the bosses and Tories, and go beyond one-day actions - that can beat Truss and Kwarteng within weeks.

Colin Wilson

P.S.

- Rs21. 23 September 2022:
<https://www.rs21.org.uk/2022/09/23/tory-budget-gambles-on-class-war-we-can-beat-them/>