

THE TORY PARTY IN BRITAIN COMMITS POLITICAL SUICIDE.

The Conservative Party held a vote of no confidence in their leader Boris Johnson. This was inevitable. After all it was humiliating to see their leader jeered by a royal and loyal gathering of feudalists auspiciously celebrating their beloved Queen outside a cathedral. He survived.

This was a Prime Minister who barely two years ago lied his party to their biggest electoral victory in thirty years. Someone who received adoration at the Conservative Party Conference last year. It gives new meaning to the remark that Populists like Johnson can be compared to Sparklers. They burn brightly, furiously, and then go out quickly. Sometimes, when one stupidly holds onto the hot wire of the burnt out sparkler it sticks painfully to the fingers. That is Johnson and no doubt this is the sensation many of the more levelheaded Tory MPs and supporters must be feeling at the moment.

Contrary to the bravado of the populist, their [popularity](#) is based on the discrediting of their opponents. This is either done through material events or propaganda. Material events being the failed attempt by the previous elected reformist leader seeking to manage the unmanageable capitalist economy, leading to the ruination and recantation of their simplistic policies, to a subsequent political U-turn, and the inevitable betraying of their electoral base. Less frequently it is done by successfully discrediting the left reformist candidate in the run up to an election. This is the case of Jeremy Corbyn, the then accidental leader of the Labour Party. He was unable to withstand the vicious and dishonest onslaught of the media, the establishment, and the traitors in his own party.

And so this disorientated country, worn down by a stuttering economy, rampant cuts, and suffering extensive blight, was susceptible to the lies and charms of a politician going by the name of Alexander Boris de Pfeffel Johnson. Someone who had as much in common with the majority of the electorate as plutonium has to chocolate. Johnson may use discordant language and appear disheveled, but he is a cunning, conniving and manipulative leader.

He realizes that his win was due to dire economic conditions. So while he talks about levelling up, or putting the Great back into Great Britain, he is preparing for the economic catastrophe. He knows what is coming and his priorities are two-fold. To hold onto power in the face of rising Tory unpopularity as economic conditions deteriorate while strengthening the organs of repression. In the first instance, the Tories have introduced 'Republican' style photo I.D. in order to vote, they have and are changing boundaries, they have neutered the Electoral Commission and they have raised the threshold for legal challenges. So much for the British people 'taking back control' from Brussels. It seems Brexit really meant less not more democracy. And of course Britain is now saddled with the *Police, Crime, Sentencing and Courts Bill* which virtually outlaws all protest and assembly while increasing penalties. The mother of democracy is in chains.

Careful what you wish or reach for!

Johnson using the deflection so typical of the self-entitled, blamed the media for the obsession over Partygate, not his conduct. He called for the country to 'move on' from the scandal so he could deal with the issues which the electorate care about such as the cost of living crisis and levelling up. Poor old Johnson, does this fool not know there is no herd immunity to hunger, no herd immunity to being cold, no herd immunity to not being able to clothe your children? Does he not know that there is no immunity to rising poverty only rising anger?!

Johnson may brag about his successes, particularly the success of the vaccination programs but actually countries with lower vaccination rates like South Africa during the Omicron spread, fared far better. In the end it was infection induced immunity wot did it, not the hyped vaccinations. [Study after study](#) on the immune responses and the durability to these responses proves this to be the case. Of course Big Pharma and their huge advertising spend and clout is obscuring the whole debate.

Seems Johnson is so keen to move on, that he wants to move past the Public Enquiry into the government's response to the pandemic. In [May 2021 Johnson announced](#) it would begin in the first half of 2022. A year later, in May 2021 Baroness Hallett, its chair, urged Johnson to approve the expanded terms of reference for the enquiry so she could proceed behind closed doors to gather up information. The enquiry cannot begin until Johnson has approved the new terms of reference which emerged from the consultation process. To date there is no evidence he has approved them. So with only a few weeks left in the first half of 2022, nothing. This means that the public hearing is unlikely to proceed before the middle of 2023 at the earliest.

In contrast the [Scottish Enquiry](#) publicly launched on the 25th May.

Inflation is both a fraud on the working class as well as a tax.

Johnson and his Tory ministers crowed about the £15 billion in support for hard working families to help them with their energy bills. More likely they were forced into this handout by M.I.5 and Special Branch who had warned them there would be riots and blood spilt on the streets if they did not do something. Parents do not take kindly to seeing their children going hungry.

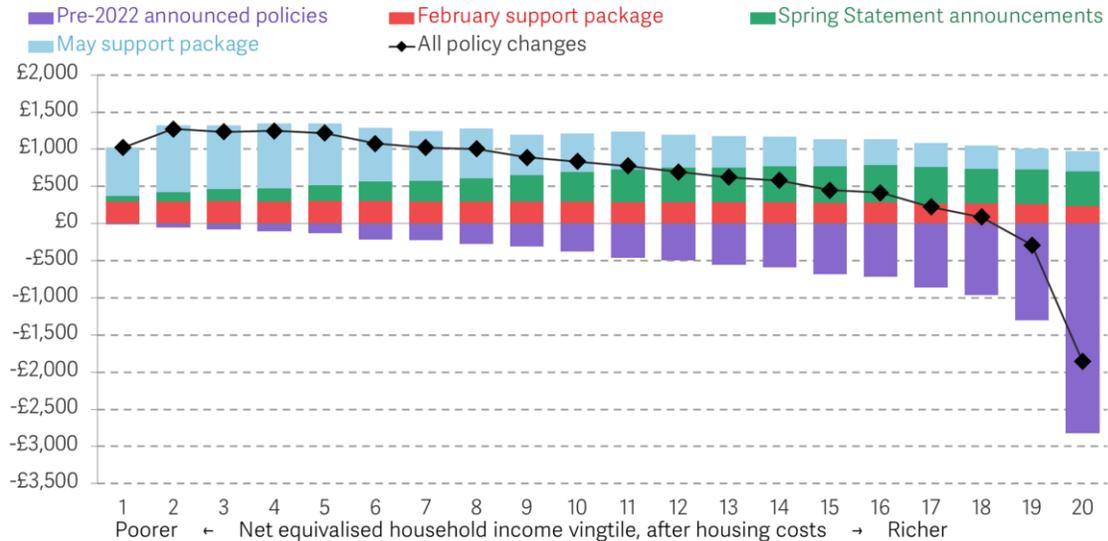
So how does this £15 billion handout, which brings total support to £37 billion, compare with total government spending and taxation. Looking first at benefit claimants. Claimants suffered a three year benefit freeze amounting to a cumulative loss of £800 p.a. before 2020. This was temporarily reversed by the £20 p.w. hike in benefits during the pandemic now taken away and sorely missed. Then there is inflation. The inflation rate is not a one size fits all, though it is presented as such. The poorer sections of society tend to suffer higher rates of inflation especially now that food and energy bills are soaring. [Unite the Union](#) has compiled a more representative rate which at 11.1% is currently 8% more than the 3.1% increase in benefits from April.

It is difficult to project inflation rates now that the world economy is diving into recession. But for the purposes of this article a recurring 10% rate of inflation for 2022 will be used. Sitting 7.1% above the increase in benefits this adds up to a loss of £1,633 for a family living on £23,000 (the maximum benefit cap). So the total loss including the previous loss of £1,840 in benefits (£800 loss due to freeze plus loss of £20 p.w. which covered 2021 inflation) and the loss this year of £1,633 amounts to £3,473. However, these families will only receive back £1,195 from the £37 billion handout as the graph taken from the left of center [Resolution Foundation](#) below shows. *"Because 2022-23 has also seen major tax rises for higher income households, the effect of all tax and benefit policies coming into play this year is highly progressive: households in the bottom quintile will gain on average £1,195, compared to £799 for households in the middle quintile, while the top quintile on average loses £456."*

Thus despite this largesse, claimants will be £2,278 worse off this year compared to 2017. They will have suffered a cumulative fall of 10% in their standard of existence. Life already hellish, will become unbearable.

Graph 1.

Annual effects of all policy changes implemented in 2022 by equivalised after housing cost household income vingtile: 2022-23



Notes: Includes newly announced policies, 5p Fuel Duty cut and higher National Insurance thresholds, £150 Council Tax rebate, original £200 Energy Bills Support Scheme, Fuel Duty freeze, Health and Social Care Levy, and Income Tax threshold freeze. Source: RF analysis of DWP, HBAI; ONS, LCFS; and IPPR tax benefit model. © Resolution Foundation 2022 resolutionfoundation.org

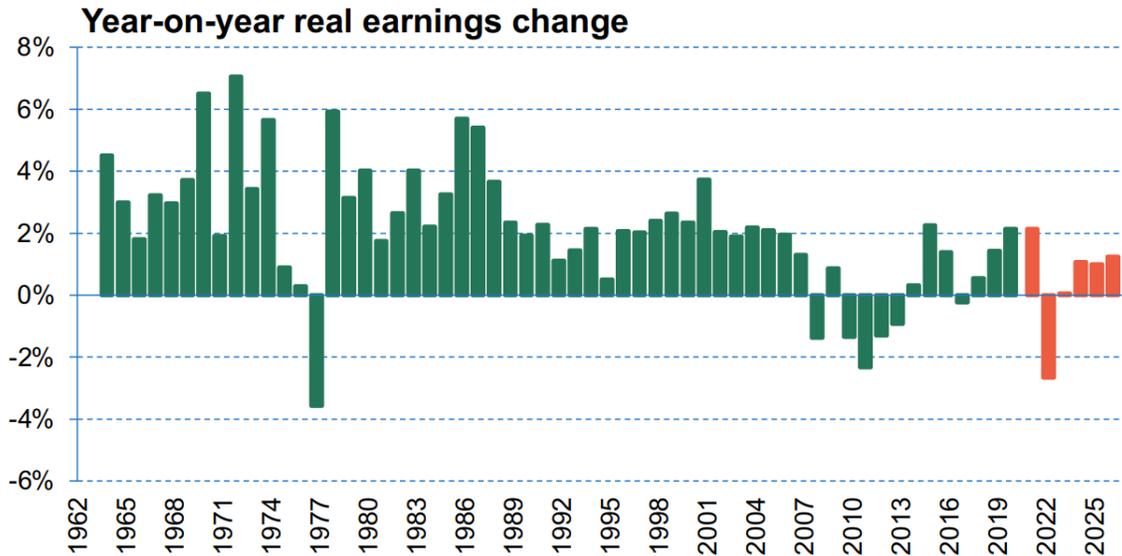
For those in work median pay rose by 5.6% in the year up to April or to £24,912. Average forward looking pay deals in April excluding bonuses amounted to 4%. This leaves a 6% inflation induced gap in real pay. According to the above graph, column 10, median earners will receive on average £799 in support after adjusting for tax. This compares to the loss of earnings due to inflation of £1495 meaning they are £696 worse off. Then there is £80 in [extra council tax](#) plus rent increases bringing the total loss to a minimum of £776, which is double the [IFS](#) figure of £360 because the IFS uses a lower inflation rate. The £776 loss yields a minimum 3% fall in the standard of living this year for the median worker provided they received a 4% pay rise.

The fall in living standards compiled by the IFS is shown in Graph 2 below. It is steeper than in 2010 and the steepest since 1977.

Then there is the issue of taxes. The £37 billion in handouts represents 1.5% of current GDP. Britain is already suffering the highest rate of taxation since the 1960s. However, the one tax that is often forgotten, and not included in tax rise calculations, but the one which hurts the unemployed, the lowest paid and pensioners the most, is sales tax especially VAT. (See Graph 3.) VAT for the year is expected to be around £180 billion on present trends. The higher inflation rises, the more VAT the government collects. For every 10 percent rise in prices, the government collects an additional 1.67% in VAT. In monetary terms, this amounts to an increase of £29 billion this year. This almost covers the entire £37 billion hand out.

Inflation always reduces debts including government debt. So despite the UK economy contracting in real terms, because of high inflation, nominal GDP continues to grow, and it is this inflated GDP which erodes debt. In reality, inflation makes workers pay off the debts incurred by others.

Graph 2. IFS data on living standards

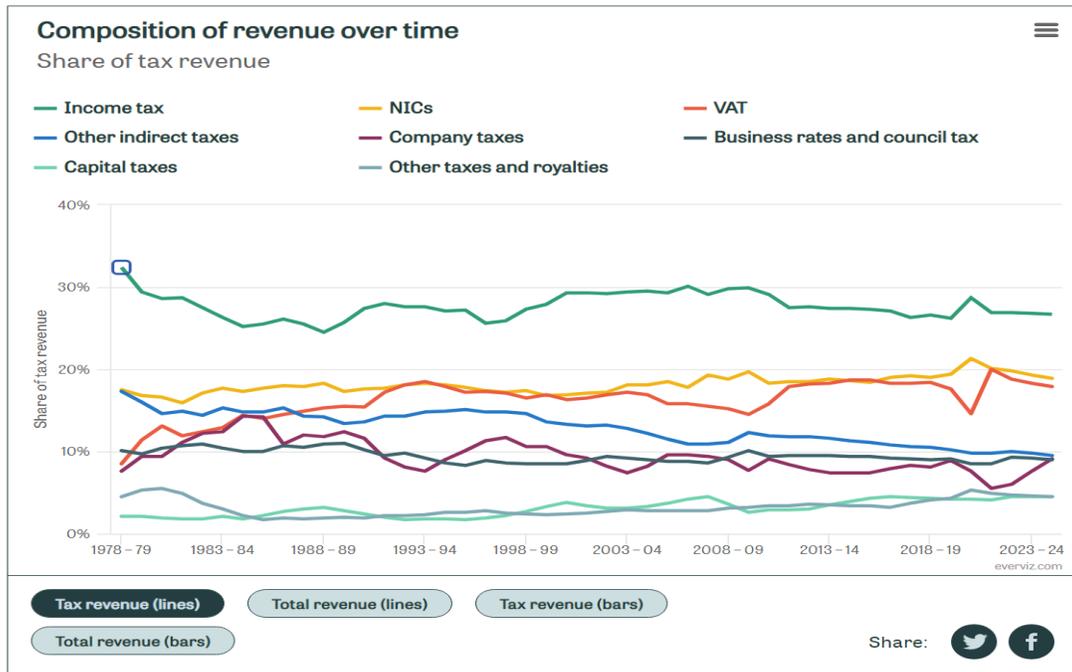


Source: ONS AWE and Historic AWE, OBR.
 Note: Rates are for the year beginning April. Adjusted for inflation. Historical series is deflated by CIP with an adjustment for housing costs. Forecast is deflated by OBR's CPI forecast.

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Graph 3.

VAT and NICs have become more important sources of revenue



IFS DATA

To underline this disparity in taxation which redistributes from the poor to the rich, this regressive tax, I have produced the most current data in the Tables below taken from the Office of National Statistics.

Table 1.

Government	April 2021	April 2022	Difference in £s	Difference in %
Total Expenditure	£82.7 billion	£76.0 billion	-£6.7 billion	-10.0%
Total Income	£60.3 billion	£70.2 billion	+£9.9 billion	+16.5%
Total Personal Tax	£44.7 billion	£50.2 billion	+£5.5 billion	+12.0%

ONS total income and spending

Please note the fall of 10% in government expenditure. While the two years are not directly comparable because of Covid related spending in 2021, some adjustments can be made. In April 2021 furlough cost £3.2 billion for the month and test and trace another £1.8 billion. Together they amounted to £5 billion still below the £6.7 billion in savings on total expenditure. Taking inflation of 10% into account, government spending after these adjustments is still down 10% in real terms, thanks to the cuts in benefits and all the rest of the other hidden cuts in government spending. It is unlikely that the £37 billion in handouts, £3 billion of which already appears in the April 2022 figure, will make much of a difference.

And then there is taxation. As Table 2 shows, VAT, PAYE and N.I. are all up in real terms, Corporate Tax is down, so much for the squeeze on companies. And as [Professor Prem Sikka](#) points out, the worst is yet to come: *“Regressive tax policies have further depleted people’s purchasing power. The poorest 10% of households pay 47.6% of their income in direct and indirect taxes, compared to 33.5% by the richest 10%. In April 2023, the government imposed another £7.5bn worth of tax increases, which by 2025/26, will remove £40bn from household budgets.”*

Table 2.

Type of Tax	Billions	Percentage
Increase in VAT	£1.5 billions	12.3%
Increase in PAYE	£2.7 billions	18.3%
Increase in N.I.	£1.4 billions	11.4%
Increase in Corporate tax	£0.2 billions	3.9%

If profits represent legalized theft from the working class, then inflation represents a fraud on the working class designed to boost profits. We have seen how price rises have boosted the profits of the energy companies. For every person paying a higher price there is a seller receiving more money because of this. The same applies to taxation. Inflation, when rates of tax do not change, results in a surge of taxes filling the government’s coffers.

Zelensky happy that Johnson survived.

Zelensky congratulated Johnson on surviving the vote of no confidence. Clearly it takes one clown to recognise another. No doubt when they next spoke, Zelensky would have told Johnson’s his determination to hold on to office at any cost had strengthened his own resolve to hold onto the whole of Ukraine at any cost. Johnson was the first leader to visit Kyiv after Russia invaded the Ukraine. Johnson has been the de-facto NATO go-between. Less well known, but something I have pointed out to before, is that Johnson

loves to emulate Churchill's military exploits which led to such a loss of British lives in the 1940s. It was Johnson and British Intelligence, much to the annoyance of the Ukrainian General Staff, who egged Zelensky into his Black Sea Exploits culminating in the fiasco over Snake Island, replicating Churchill's 1941 Greek Campaign which almost cost Britain the whole of North Africa.

It is the same Johnson, twinned with Washington, who is providing medium range rockets to the Ukraine. Britain may have lost its Empire, but it remains a rabid imperialist and warmonger. Deliveries started on the same weekend that Ukrainian guns indiscriminately pounded Donetsk City killing dozens of civilians as they have done since 2014. Once again, the Western Press said little. Zelensky has promised to only use these missiles for military purposes in Ukraine. No doubt Johnson takes him at his word.

Like Biden, Johnson is determined to deepen and extend the war regardless of the cost to his own country, and to use his support for Zelensky for his own personal political advantage. It will be touch and go who remains in office the longest. In the Ukraine the military is growing restless with Zelensky and the cost in soldiers his policies are causing, while in the UK the establishment is growing increasingly tired of Johnson. Both excel at empty promises and bombast, but these always frizzle up when exposed to the light.

Conclusion.

Johnson may have appeared his old confident self when appearing in Parliament on Wednesday at Prime Minister's Question Time, but he is on probation. It is a blow to the standing of any Prime Minister or leader when 40% of their MPs vote against them despite widespread intimidation by the whips. The next test will come at the end of the month when the Tories fight two by-elections. Should the Tories lose these two seats, should they lose them badly, Johnson will find that his call to "move on" will have been undone as voters "move away" from the Tories. At least there is one positive, Johnson's personal quest is trashing the Tory Party, the capitalists' party of choice. The nasty party is facing its biggest post-war crisis..

I will not dignify this article with forecasts for the UK economy. All the forecasts given by the OECD, the IMF and the BOE have been proved wrong. These forecasts have become downcasts trailing behind the economy and are not worth the paper they are written on. Britain is in a recession and the recession will deepen. The same goes for the global economy. This kind of economic environment is hostile to empty promises and gestures made by populists. It takes no prisoners.

One would think that Johnson is a godsend to the Labour Party. But in Starmer they have an establishment figure unable to connect to workers. He is not trusted nor taken seriously by working class communities. The Labour Party should have the same interest in evicting Starmer as the Tories have in evicting Johnson. Both are electoral liabilities. This makes the capitalist class vulnerable because there is no leader who is believable, who is credible, therefore no one that can hold back workers as the summer of worker discontent grows. It is likely this hot summer will be measured not only in Fahrenheit, but in the number of strikes and protests.

Johnson will be remembered as the worst British Prime minister of the modern era, and his legacy will be toxic. In the end all he will have amounted to, is personifying a capitalist system in terminal decline.

Brian Green, 8th June 2022.