Thatcher has only turned back the clock

By BERT BROOKES

IT IS not every Prime Minister who personally supplies the brand name for an "ism". No one has heard of Macmillanism, Wilsonism or Callaghanism, and even Lloyd George and Churchill, the outstanding leaders of the first half of this century, were never honoured – if that is the right word – by having their name-tags tied to a specific political or social doctrine.

But Margaret Thatcher, against all the portents when she knew her place as an unremarkable member of Edward Heath's cabinet, has undeniably given birth to a vigorous and controversial political cult. Indeed, Thatcherism has so changed the political and social face of Great Britain that the process can well be termed a revolution.

That, at least, is the view of Peter Jenkins, former political columnist of the *Guardian* (now with the *Independent*). His book *Mrs. Thatcher's Revolution* traces the history of Thatcherism from the laying down of its seed bed in the post-war Keynesian years, its germination during the long rise of the Welfare State, to the various stages of its vigorous growth since it emerged into the daylight in 1979.

And it would be churlish not to recognise Margaret Thatcher's achievements or to deny that, in these eight short years, she has been the driving force behind a wave of political change that has certainly seemed more sweeping than anything seen in this country since the Liberal heyday eight decades ago.

Inflation down from 13% to 3.3% (January 1988) yet so-called pay policies dead and buried; exchange controls abolished; trade unions cut down to size; the miners ground to defeat and their power to topple governments (e.g. Heath in 1973) swept away; £200-billion-worth of national assets sold off to the public; one million council homes sold to tenants; an Argentine invader defeated and humiliated; socialism in near-terminal decline with the Labour Party rendered impotent in three consecutive elections.

It all seems most impressive, but Mr Jenkins puts it into perspective when he argues that the rise of Thatcherism was not so much the *cause* of the decline of socialism as of its consequence.

IT WAS not Mrs Thatcher who demonstrated the tyrannical proclivities of the Left; this was achieved by the antics of Arthur Scargill, the London "loony" councils and the Liverpool militants.

It was not the grocer's daughter who engineered the decline of the "old manual working class"; this was a world-wide phenomenon which coincided with her rise to power.

It was not the Iron Lady who saddled the Labour Party with a non-nuclear defence policy; this was a self-inflicted wound which, says Jenkins, proved decisive in its defeats of 1983 and 1987.

And he goes further. He insists that the Thatcher policies have not been novel. "A property-owning democracy" was a catch-phrase of Anthony Eden in the 1950's. It was Edward Heath who first sold council houses to their tenants.

Privatisation is new in name but de-nationalisation was around long before the 1980s. Both Wilson and Heath had taken steps to bridle the trade unions. And Denis Healey had been Britain's first monetarist Chancellor. Perhaps, suggests Mr Jenkins, it is simply Margaret Thatcher's will to get things done, to press forward where others have drawn back, that marks her out from her predecessors.

Except for the outrageous "monetarist" claim for Denis Healey (who, when Chancellor [1974-79] in Harold Wilson's cabinet, presided over an inflation of 108%) there is much in what Mr Jenkins says.

Indeed, an examination of the Thatcher performance shows that her principle successes have been in carrying through measures of pure-blooded Toryism rather than in introducing fundamental social reform. Moreover, her changes have largely been of a "reversion" type.

Monetarism, for example, is a reversion to the pre-Keynsian days of 1930s: the abolition of exchange controls is a return to the era before the Labour Party's deficit financing required the pound to be propped up overseas; privatisation is a return to the days before the Labour Party got the bit of nationalisation between its teeth.

Moreover, despite the glowing record in the eyes of the "dry" Tories, the failures are there for all to see. Unemployment rose from one million to three million; poverty still widespread – 10 million people living on or below the poverty line and 1.3 million families, although working, still having incomes below dole level; many blighted inner cities and areas of derelict industrial land all over the country.

Cost of accountability

ABOLITION of the domestic property tax in 1990 (a year earlier in Scotland) will further deepen the North-South chasm that divides Britain, *writes Peter Poole*.

But the Conservative Government's determination to substitute a Poll Tax (which it calls a community charge) on the head of each citizen over the age of 18 will not just have a geographically biased effect.

The class divide will also be accentuated. A family with an income of £100-150 a week will pay 4.6% of net income in poll tax compared with 1.7% for a family with an income of £500 or more*.

The spatial effects are also overlaid with complexities. The table shows that families in the poorer northern cities (Manchester, Liverpool, Newcastle) lose out, whereas families in the richer southern and midlands towns (Woking, Slough, Worcester) gain.

But there is also a city level divide: households in the depressed inner areas of London (Hackney, Lewisham, Camden) also turn out to be worse off under Mrs Thatcher's changes.

BRITAIN: Local taxation before and after imposition of community charges

District authority	Average rate bill per household 1987/8	Community charge per 2 person household	Gain or loss
Surrey Heath	519	280	+239
Woking	462	280	+182
Bromsgrove	433	270	+163
Slough	425	298	+127
Worcester	401	300	+101
Redditch	397	306	+ 91
Manchester	492	549	– 57
Liverpool	500	602	–102
Newcastle-upon-Tyne	479	584	–105
Hackney	765	1382	–614
Lewisham	684	1354	–670
Camden	843	1564	–721

Source: *The Guardian*, 7 July, 1987, derived from Dept. of the Environment statistics.

The attack on inner city families is not an accident. The Prime Minister explicitly regards these "reforms" as a means of making councillors accountable to the electorate. The logic is that the poll tax will make people cost-conscious, whereas under the property tax many of them were exempt from direct payments to their local authorities. This, according to the Conservative analysis, encouraged poorer families to endorse the programmes of spendthrift Labour councils.

In fact, councils will be less accountable to their electorates. For under the changes introduced by the Prime Minister, dependence on the authority of central government rises from 39% to 55% (1987) — the proportion of revenue spent by councils which they receive from the central Exchequer.

Mrs Thatcher, through the Whitehall machine, is tightening her grip on councils.

• The poll tax is an exceedingly unpopular policy with the electorate, but there is an alternative – site value rating. But the government resolutely refuses to consider this option.

Says Dr. Paul Balchin, an economic lecturer at Thames Polytechnic: "Site value rating could serve as a single tax for local authorities: it would raise enough revenue to finance all of a council's needs out of local land values."

*"*Ability to Pay?*" London: Assn. of Metropolitan Authorities, Feb. 1988.

Yet the failures are no surprise. Since the 1930s, the basic preoccupation of governments has been to maintain a high level of employment. Keynesianism (a recipe for inflation) with its associated panoply of controls on wages, prices and overseas spending, plus nationalising the "commanding heights of the economy", has been the means to that end.

In turning the clock back on this creaking apparatus, Margaret Thatcher has shown that she sees it all as a debilitating quack remedy, to be swept away as soon as possible.

In this she is right, but she has one small problem: she has nothing to put in its place. So now, just as in the 1930s, the working population of this country are at the mercy of the depression cycle, that sequence of booms and slumps that plagues those developed societies in which land and natural resources are dedicated to private profit rather than to the public interest.

In his final chapter, Peter Jenkins considers whether the Thatcher "revolution" is temporary or permanent. He suggests no answer but the reader will have no difficulty in forming his own. By virtue, primarily, of an ineffective Opposition, Mrs Thatcher has maintained her hold on the electorate for eight years.

Unless the opposition parties can find a real (i.e. non-Keynesian) remedy for unemployment and poverty she is probably set for another eight.

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their favourite think-tanks; the flim-flam artists of the Finance Department; the self-serving perfidy of certain of our important families; the judges who go along with the tortuous reasoning of investor tax-avoiders; the quick-flippers.

A whole caboodle of otherwise apparently smart and respectable persons are paraded. McQuaig suggests it might be better for us if these hard-working people went home early, and went "swimming or bowling or even carousing."

IN CANADA it is not Marx, but what the "experts" of the Finance Department have offered in the guise of tax reform that brings the idea into disrepute and makes it an object of derision.

As McQuaig says, although the tax laws are vast and complicated, the basic principles of taxation are not. We need more non-experts to get up and say something. Their presence could have a "dramatic and beneficial impact" on the current debate.

Speak! Speak! (But avoid Newspeak).