British enterprise tsar resigns after “never had it so good” remark

By Julie Hyland
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The comments of Lord Young, who has now resigned as enterprise adviser to British prime minister David Cameron, provide telling insight into the real thinking of the country’s ruling elite.

Young was forced out November 19 following an interview he gave the *Daily Telegraph*, in which he stated, “For the vast majority of people in the country today, they have never had it so good ever since this recession—this so-called recession—started, because anybody, most people with a mortgage who were paying a lot of money each month, suddenly started paying very little each month.”

Young’s claim was intended to evoke Prime Minister Harold Macmillan’s statement in 1957 that the British people had “never had it so good”. Macmillan’s assertion could be made with considerably more justification. After decades of austerity and the war years, the British economy was in an upturn and many had experienced a rise in their living standards. In contrast, Young’s remarks are made at a time of global economic crisis and under conditions in which the Conservative-Liberal Democrat coalition government—like its counterparts across Europe—are imposing austerity measures.

In October, the new government announced £83 billion of cuts in public spending that will devastate jobs, wages and living standards. Referring to the coalition’s austerity package, Young dismissed the slashing of at least 100,000 public sector jobs as within “the margin of error” in the context of the overall labour market. In a few years time, he opined, “People will wonder what all the fuss was about”.

“Of course, there will be people who complain”, he continued, “but these are people who think they have a right for the state to support them.”

After a storm of criticism, Cameron reluctantly accepted Young’s resignation over his “insensitive” comments. Just days before, the prime minister had presented Young with the Tory *Spectator* magazine “Peer of the Year” award.

Young was forced to resign because his remarks exposed the lie behind the government’s claim that “we are all in this together”. It revealed the cold indifference of the British elite to the plight now facing millions, conditions from which the wealthy are entirely insulated.

While interest rates have been cut by the Bank of England to 0.5 percent, this has only benefited a small number of those on “tracker” mortgages. The banks have used the cut to inflate their profits, while keeping borrowing rates for their customers at a much higher level. As a result, some 150,000 people have had their homes repossessed since 2008, while 3 million households are struggling to pay their mortgages—up by 80 percent in the last year. According to the housing charity Shelter, almost one fifth of mortgage holders are finding it difficult to fund the monthly repayment.

Millions more are priced out of the housing market altogether. With the average house price in the northeast of England at £150,000 and in London at £329,200, taking on a mortgage is beyond the means of many.

The housing crisis will be exacerbated by the government’s decision to slash housing benefit payments for private rented accommodation by £1.8 billion per annum. The decreased weekly payments—to those on low income—will mean many having to try and make up the shortfall or face eviction.

More fundamentally, the current low rates barely compensate for rising joblessness, declining wages and the impact of spending cuts. In July, UKJobs.net reported that the average annual salary had dropped by more than £2,600 in the past six months, with across-the-board wages falling from £28,207 to £25,543.

Large numbers of employers have implemented wage cuts and pay freezes. Across the private and public sectors, the average wage rose by just 1.7 percent in the year to August 2010, well below the Retail Prices Index, which includes mortgage costs, and which stands at 4.6 percent.

Now, unemployment benefit is being savaged. Under measures announced earlier this month, the unemployed—who currently number 2.5 million—will lose their benefits for months and even years if they refuse community work or the offer of a low-paid job.

The government is also introducing compulsory US-style "workfare", under the threat of withdrawing benefits to entire families. Those forced into this work will receive benefit plus a £1-an-hour top-up—creating a new benchmark for pay that is substantially less than the present £5.93 an hour minimum wage.

In addition, poorer students are to lose their £30 a week Education Maintenance Allowance, while existing student tuition fees are set to almost treble. The retirement age is to be hiked to 67 years of age.

Against this background, Young's comments bring to mind, not Macmillan's words, but the infamous comment attributed to Marie Antoinette, the wife of Louis XVI of France, who, when told that people were starving for want of bread, replied "Let them eat cake."

Although their fortunes do not in any way match those of the financial oligarchy they serve, the political class, to which Lord Young belongs, reflect the growth of wealth at one pole of society at the expense of the impoverishment of the millions lower down the social order. A multimillionaire, Young is only one of 23 out of 29 ministers entitled to attend Cabinet meetings with assets and investments estimated to be worth more than £1 million.

The *Sunday Times* estimated that 18 of the 23 full-time cabinet members have seven-figure fortunes, collectively worth about £50 million. They include Prime Minister David Cameron, as well as a number of Liberal Democrats such as Deputy Prime Minister Nick Clegg and Energy Secretary Chris Huhne. As for the previous Labour Party government, Gordon Brown's cabinet is thought to have included about 10 millionaires and was collectively worth an estimated £35 million.

It is the financial elite who are the "people who think they have a right for the state to support them". It is they who alone have benefited from the massive infusion of taxpayers' money into the banks and financial institutions.

According to the pay-monitoring group Incomes Data Services, directors of the FTSE 100 companies have seen their total earnings climb by an average of 55 percent during the past year. FTSE 100 chief executives were paid an average of £4.9 million in total in the year to June.

The average take-home pay of a FTSE chief executive is now 88 times the average pay of a full-time worker—up from 47 times 10 years ago. Even this is a gross underestimation, as CEOs' incomes also include large sums in bonuses, share option gains and long-term incentive plans. When these are factored in, a top CEO makes 180 times the average worker's pay.