

# Scottish Socialist VOICE

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# HOW SCOTLAND CAN AVOID THE CUTS



**Exclusive: new local tax system could:**

■ Raise £1.6 billion extra

■ Close the wealth gap

■ Revive the Scottish economy

For full details see pages 2 & 3

# SCRAP THE COUNCIL TAX

1.5billion reasons to move to a Scottish Service Tax

**Revealed: Alan McCombes** looks at the new figures that show how Scotland can be shielded from ConDem council cuts

**IT'S** the biggest political fraud since the Blair government fabricated dodgy documents to prove the existence of imaginary weapons of mass destruction.

But in contrast to the impassioned debate over the Iraq war, the myth that savage cuts in jobs and services are unavoidable has been swallowed whole by the media and by opposition parties.

So far, the debate Britain's budget deficit has focused narrowly on the scale and tempo of the proposed cuts. No mainstream political party has presented any serious alternative.

None have dared suggest that the solution to the debt crisis lies in raising revenues rather than slashing spending.

Now the Scottish Socialist Voice can reveal new figures that show how Scotland could avoid axing services, slashing jobs and cutting pay.

## Research

Our research – verified by accountants and economists – shows that by replacing the Council Tax with a new income-based Scottish Service, with a sliding scale of payments based on income, the Scottish Government could raise an

additional £1.5billion a year.

This stunning statistic is based on the Inland Revenue's own figures for individual income in Scotland during the financial year 2007-2008 (the latest available). If the Scottish Service Tax model had been implemented during that financial year, it would have generated £3.4billion.

This compares to the Scottish Government's projection for 2010-2011 of a total £1.8billion yield from the Council Tax - including, crucially Council Tax benefits.

That means a Scottish Service Tax, set at the rates suggested by the SSP, could raise up to £1.5billion extra for local jobs and services.

## Council Tax

Under the old rates system, which existed in Scotland until the end of the 1980s, the differential between the highest and the lowest bills was 14 to 1.

The Poll Tax, introduced by the Thatcher government in 1989, abolished all differentials in favour of a flat rate, per capita, local tax.

After the Poll Tax was swept away by a mass non-payment campaign, the Tory government hurriedly cobbled together a fallback.



PHOTO: Simon Whittle

The Council Tax substituted a single flat payment for a new tax, based - like the old rates system - on property.

But the differential in Council Tax bills between the highest and lowest valued properties was now just three to one, even though the gap in Scottish salaries can reach 100 to one and more.

Measured against the Poll Tax, it was the lesser of two evils – the equivalent at the time of a heavy smoker switching from Capstan Full Strength to Silk Cut.

But it is essentially a regressive Tory tax, designed for the express purpose of

protecting the wealthier social classes from paying their fair share of local taxes.

## Scottish Service Tax

The idea of a redistributive local tax system to replace the Council Tax was first raised in the founding 16-point programme of the SSP back in late 1998.

Over the next few years, the detail of the policy was refined by economists from Paisley University Business School. Based on the principle of progressive taxation, the Scottish Service Tax proposed a rising scale of tax bands based on income.

Under the latest version of the plan, all individual income would be taxed at the following rates:

<p><b>Under £10,000</b> – zero. <b>£10k-£30,000</b> – 4.5 per cent <b>£30k-£50,000</b> – 10 per cent <b>£50k-£70,000</b> – 15 per cent <b>£70k-£100k</b> – 18 per cent <b>Over £100,000</b> – 20 per cent.</p>
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In concrete terms, an individual earning £25,000 would pay an annual bill of £675 in Scottish Service Tax. This is because the first £10,000 of their income would be exempt, and the remaining income would be taxed at 4.5 per cent.

Someone on £32,000 would pay a total bill of £1,100. The first £10,000 of their income would be exempt; the next £20,000 would be taxed at £900; the final £2,000 would be taxed at £200 (i.e. 10 per cent).

## Surplus

When it was first launched, and subsequently updated, the Scottish Service Tax model produced a modest surplus.

Over time, incomes in Scotland rose substantially, especially at the upper levels. For example, in 1999-2000, there were 60,000 people in Scotland with an income above £50,000 a year. By 2008-2009, this figured had tripled to 187,000.

As a result the total tax Scottish Service Tax yield on incomes over £50,000 now stands at over £2billion, compared to

under £600million in 1999-2000.

Over the same period, because of political pressure, Council Tax rises were held to a minimum, rising by less than one third during the same period (even before the Council Tax freeze introduced by the SNP Government).

## Pittance

Many people on lower incomes benefited. But one unfortunate side effect of the curb on Council Tax levels is that the wealthy now pay an increasingly paltry fraction of their income in local taxes.

In 2007, for example, Fred Goodwin, paid a Council Tax bill of just £2,338 out of his £4million income.

A basic grade nurse living in a modest council house in the same city faced a bill of £1,169. As a percentage of her income, she had to pay 120 times more than Fred Goodwin, the banker who managed to lose £24billion.

The Scottish Service Tax would redress the incongruity of individuals on sky-high salaries paying a pittance towards local services, while low paid workers pay a sizeable chunk of their income.

But most important of all, because of rising incomes at the top, the Scottish Service Tax now has the potential to turn the Scottish budget deficit into a spectacular surplus.

## Recession

The recession of the past two years has meant rising unemployment and a drop in real earnings for many low-paid workers.

But high inflation and a modest growth in overall income levels – especially among higher earners –

means that the Scottish Service Tax would raise even more money next year than in 2007-2008.

A fair new local tax system would also help propel Scotland out of recession by transferring idle cash from wealthy bank accounts to the low paid.

As a general rule people on low incomes tend to spend their money, while the more prosperous tend to hoard it. Thus, the Scottish Service Tax would provide an vital stimulus to the wider economy.

## Viable

The Scottish Service Tax offers a constructive and viable way forward. Those who have opposed it in the past should reconsider their position in the light of the changes of the past two years.

At a UK level, we can plead and demand that the Westminster Government tax the rich fairly and scrap Trident to plug the deficit. We might as well present a petition to the bronze statues of Lloyd George and Benjamin Disraeli in Parliament Square.

In Scotland, the balance of forces is different. Out of a total of 129 MSPs, 93 represent either the SNP or Labour, both of whose support base is strongly rooted in the public sector.

With cross-party party support, a version of the Scottish Service Tax could be implemented by the Scottish Parliament within a year.

## United Front

For its part, the Scottish Socialist Party has always been prepared to co-operate with other parties and independents to bring about progressive change.

Although the Scottish

Service Tax was developed by the SSP and remains a flagship policy, the general idea has attracted much broader support.

Without demanding 100 per cent agreement on every detail of the policy, the SSP would be prepared to open up discussions with other political parties, councils, local authority trade unions, COSLA and the STUC.

Our goal would be to build a Scotland-wide united front to stop the cuts by moving towards a progressive system of local taxation.

## Sacrifices

When the idea of Scottish Service Tax was first publicly launched in 2000, it was an idea ahead of its time. Most mainstream politicians ran scared of any policy that smacked of wealth redistribution.

The rich would flee the country, shrieked the Labour Party in a briefing document against the Scottish Service Tax.

It would lead to a brain drain, they warned: people like Fred Goodwin and the other directors of HBOS and RBS would be packing their Mercs and speeding south down the A1 to avoid the tax. It should've seemed like a great idea at the time...

Today, such touching concern for the welfare of the rich looks even more tasteless. Everyone has to make sacrifices, say the politicians and the economists.

If that's the case, then let the biggest sacrifices be made by those who can afford to tighten their belts.

■ *For more information on the research see [www.scottishsocialistparty.org](http://www.scottishsocialistparty.org)*

# THE CLIMATE OF POVERTY

by Roz Paterson

**THE** waters are receding at last, but Pakistan will feel the Aftershocks of its worst flooding in 80 years for a long time to come.

Homes, fields, bridges, villages, towns...whole swathes of infrastructure were obliterated by the freak monsoon, which killed at least 1600 and affected the lives of up to 20 million people.

Compounding the problem was the government's slow and weak response, which has left hundreds of thousands without food, clean water, or access to medical treatment.

The poor, the weak, the very young and the very old will suffer most, the fit and wealthy, the least.

Ring any bells?

Five years ago, climate change visited another part of the world, with equally devastating results.



**HURRICANE KATRINA**

response to this domestic disaster, beating his chest about the phantom menace in the Middle East while his fellow Americans clung to rooftops or died of curable diseases in a giant sports centre.

When the government did wake up to the bad PR of the situation, the first notable 'help' came in the form of

soldiers, who patrolled the streets, not to rescue victims, but to prevent looting.

The masses who descended on the Louisiana Superdome, home of the Saints football team, were left

to fend for themselves, with precious little food, water or medicine.

Women were raped, corpses were stored alongside the living, and children cried and cried.

An estimated 1836 people died and \$18billion of damage was sustained, and when the flood waters receded and the stinking ruins of the city emerged, the world held its

breath.

Five years on, the Mardi Gras is in full swing, the French Quarter swanks with the smell of new paint and the sound of dollars, and the Saints are riding high in the leagues.

But New Orleans is not the city it used to be.

In the great rebuild, a significant minority has been stonewalled; the minority that is too poor, too young, too old or just too black to have any political clout in Bush's rich, white America.

And given that Pakistan's economy has been built in its image, the flood victims of 2010 could have a bitter future indeed.

New Orleans' Lower Ninth Ward, once a busy, important working-class neighbourhood, the home of Fats Domino and the famous Desire jazz nightclub, has become something of a tourist destination lately.

Not because, like the French Quarter, it is dripping in hanging baskets and groovy shops, but because its shattered homes, daubed with FEMA graffiti from 2005 indicating the presence of dead bodies, its wildly overgrown roads and walkways, and its air of wretched abandonment and

despair, passes for entertainment these days.

It sustained some of the worst damage during Katrina, with some homes ripped right off their foundations when a barge broke through one of the breaches in the levee, and all homes declared uninhabitable after the storm.

It was the last area of the city to have its curfew lifted and even now, there are those calling for it to be levelled and made into a park.

But some people did return, despite the absence of even basic Facilities, such as streetlights and schools, and of shops and neighbours, yet with hope, nails and a hammer.

Only a handful of NGOs came to help them rebuild their smashed-up houses, despite the fact that many of these residents paid taxes all their damned lives, and were entitled, surely, to some recompense, some assistance.

In truth, barely a dollar has trickled down to the Lower Ninth, where only one tenth of the 18,000, mainly black residents came home.

Rick Prose of Lowerninth.org, an NGO dedicated to helping rebuild the area, states bleakly that the Saints may have beaten the odds, but the displaced residents of areas like this most assuredly have not.

Yet New Orleans is a rich city, in the midst of the richest country in the world.

How come 125,000 people never returned here, and its poor, black areas remain in a permanent state of emergency?

Because they're working-class? Members of a political underclass? Ethnic minority? You bet.

The brunt of climate change is always felt by the poor. The rich will see to that.



**PAKISTAN FLOODS**

Hurricane Katrina ripped into the Gulf of Mexico, reaching landfall on 30 August 2005, where it burst the levees of New Orleans, turning this once charismatic and vibrant city into a no-go zone of disease and filthy floodwater, matchwood houses and refugees.

The US president of the day, George W Bush, was slow to the point of obscurity in his

# CAMPERS TAKE ON BANKERS

by Jack Ferguson

**I**N the largest gathering of anti-capitalists in Scotland since the G8 protests 5 years ago, around 1000 activists recently came together near Edinburgh to take successful direct action against the Royal Bank of Scotland.

Climate Camp established a massive base camp on the grounds surrounding the bank's headquarters at Gogarburn, where we had several days of political discussion and workshops, alongside direct action.

Climate Camp has previously targeted the massive coal-fired power station at Kingsnorth, and been part of the successful campaign to stop a third runway being built at Heathrow.

This year the target was less obvious, but just as relevant.

RBS helped cause the current economic crisis through their fuelling the economy by debt. When this illusion collapsed, the UK government gave them huge amounts of taxpayers money to keep them operating, allowing RBS to return to profit this year.

This money is now being invested in some of the most environmentally destructive projects on Earth by "the oil and gas bank", most significantly the Alberta tar sands in Canada, where huge destruction

is being caused by ripping oil out of the soil of indigenous peoples' land.

Although this is a complicated message to communicate, it's welcome to see climate activists making the links towards our economic system, dominated by finance capital, and the ecological crisis.

The camp itself was incredibly impressive.



PHOTO: Liam Turbett

The land was taken, and then kitchens set up (which cooked delicious food!), a plumbing system put in place to provide drinking and washing water, solar panels and wind turbines set up to provide renewable electricity, and a security system put in place of monitoring the points of entry to the site to prevent attack by the police.

This last step was absolutely necessary when you hear about some of the brutal repression previous camps have faced, with virtually nightly attacks and beatings from riot cops.

Over the course of weekend there were many important political discussions, perhaps the most important for me personally being a workshop that brought together local trade unionists from Edinburgh trades union council, the local UNISON branch and the Scottish Hazards health and safety campaign, with activists from Workers' Climate action.

WCA brings together socialists, anarchists and trade unionists to link class based struggles with the fight against climate change. Some of the most important work they did was in solidarity with Vestas workers who made wind turbines on the Isle of Wight

and were laid off by their Danish bosses.

These workers are now relaunching the factory themselves, with the support of the RMT union.

On the Sunday afternoon a massive piece of relatively unplanned direct action took place, as hundreds of activists broke through police lines and made it over to the building. The police were completely unprepared and caught off guard.

A couple of windows got smashed, but unfortunately our numbers were forced back before we were able to get in the building and occupy it. A weakness of this action was perhaps lack of preparation and planning – with slightly different action we could at this point have taken the building, potentially forcing the bank into negotiations with us.

The following day, billed as a day of mass action to shut down the bank, saw greatly increased police numbers, and despite the presence of a homemade siege tower (!) we were unable to make it across to the building again.

However, our aim for the day had already been achieved, as RBS had told its workers to stay at home or work

elsewhere, meaning the building was shut down.

The fact that the SSP had a small but active delegation at the camp is incredibly important.

We managed to make important links with climate activists who want a long term dialogue about building a left wing movement against the ecological destruction of capitalism.

There are definitely criticisms we could make of the movement.

The participation was pretty middle class, and it seemed like not enough had been done to involve local people and get more participation from people from Scotland.

But the flipside of this is that there should have been far more participation from the Scottish left in what was a major anti-capitalist event.

Politically most of the activists of climate camp are miles ahead of the "mainstream" environmental movement.

They understand that capitalism, with its need for infinite economic expansion on a finite planet, is destroying the basis of human survival and must be replaced.

What the socialist left can contribute is a fuller understanding of the importance of making the movement for an ecological/social transformation focused on the working class. That said, they are already reaching many of these same conclusions on their own, and the feedback we've had from some of the activists involved has shown that they're interested in a long term dialogue. A good place to continue this work would be a follow up meeting scheduled for 13 September at the Digger's Pub in Edinburgh.

# A PLAN FOR ACTION

## Set a People's Budget – defy the Tories!

by *Richie Venton*

A Scottish government or local councils worth their salt would hammer the lies of the ConDems, expose the myth that cuts are unavoidable, and lead Scotland's 620,000 public sector workers alongside pensioners, young people and communities in a mass rebellion against a government that has no mandate for its cuts in the first place.

With 85 per cent of Scots voting against the Tories, there is a ready-made basis for building resistance to the Millionaires' Cabinet.

Instead of sharpening their own axes at Holyrood and the various Council chambers, SNP and Labour politicians should set People's Budgets, Defiance Budgets that refuse to pass on Tory-LibDem cuts, and mount a campaign of public rallies and demonstrations demanding the money off the Twin Tories to protect every job, service and pay packet.

### **Liverpool beat Thatcher's Tories**

It has been done before. In 1983-4, the socialist council in Liverpool mounted such a campaign in one city, built mass public support, demanded the funding off the hard-nosed 'undefeated' Thatcher Tory government to defend and expand jobs and services, without rent or rate (Council Tax) rises.

They built a movement of trade unionists, communities and students, alongside the socialist councillors, with



PHOTO: Simon Whittle

one-day regional general strikes and rallies of 50,000 (in a city much smaller than Glasgow), and forced the arch-reactionary Tory government to concede £65million in June 1984, which allowed the council to build 5,000 new quality council houses for rent; create thousands of new jobs and apprenticeships; expand all sectors of education and social services; introduce a 35 hour week for council workers; and freeze rents, with only pennies extra on the rates (council tax).

### **For a Scottish rebellion**

If that was achievable in one isolated city, imagine the possibilities if the government of the entire Scottish nation took such a path of defiance and mass resistance? Or if even a

majority of Scotland's 32 councils had the courage to do so?

And those councillors who whimper that they are not prepared to "go to jail in March" for setting People's Budgets, No-Cuts budgets, should be reminded that not a single one of the Liverpool socialist councillors was either jailed or made bankrupt. After the unelected judges fined the councillors for their defiance of the Tories, we conducted a defence campaign across the UK that won massive financial backing from ordinary workers, including in Scotland, which stopped any of their belongings ever being seized; because they had the courage to give a lead in the first place, workers responded far beyond the boundaries of Liverpool city council.

### **Light the bonfires!**

Trade unionists and communities cannot afford to wait passively whilst Labour or SNP councillors and MSPs discover a collective spine, to put up such a fight. But we need to light bonfires of resistance beneath them, demanding they take this stance.

In doing so, an enormous additional weapon is the case for the Scottish Service Tax, which shatters the lie that cuts are unavoidable, that there is no 'legal' road to defy the cuts, that the funding is not available to protect jobs, pay and services. Instead of punishing working class people through further cuts due to the SNP's council tax freeze, or punishing the very same people with hikes in the unfair council tax bills - as demanded by Labour and COSLA - there is a well

researched alternative that would boost funds by an additional £1.5 billion a year AND re-distribute the burden of payment from the vast majority to the rich elite few.

### Street Rallies and mass demos

Trade unionists and community groups need to take to the streets to rattle the politicians, put councillors and the SNP government on the spot – as well as in defiance of the upper-class Westminster

boot-boys.

That is why a demo of tens of thousands on the STUC's 23 October march is essential.

In turn that is why those trade unions and community groups that have called a Street Rally against the cuts on Saturday 2 October deserve a massive response, a united show of determination before either the Westminster or Holyrood governments finalise their butchery. That could be Scotland's best contribution

to the European TUC's day of action against cuts at this stage; a Saturday street rally that could maximize involvement by union members and others, to in turn mobilize them in building in every workplace and community for a monster march on 23 October.

Further down the line, united industrial action across the public sector will be a necessary part of the resistance. The bigger the Street Rally and the STUC

demo, the more courage workers will feel to prepare for such action.

And the better the socialist economic case against each and every cut, adopted by the unions and community campaigns, the more people will feel confident to defy and defeat the cuts – whether by Westminster, Holyrood, councils or NHS Boards. Unity in action, welded to a clear socialist alternative to the cuts, could be an unbeatable force of resistance.

## Voices from the frontline...

### A council worker's appeal

**THE** 4 September conference organised by UNISON Scotland offers a wonderful opportunity for trade unionists in the public sector to come together with their allies in the communities so that discussion can begin about how to fight plans at every level of government to decimate the public sector.

This will not happen just by bringing people together, but will require the type of political leadership that sprung up on the left of Scotland's political landscape at the time of the Tory's hated Poll Tax almost twenty years ago.

Just now the government thinks they have us on the run: the cynical maneuvering of Scotland's Council leaders to cut the pay of council workers gives the lie to any sympathy we might have expected from Scotland's main Labour and SNP politicians. They plan to cut the pay of council workers at the same time as they threaten thousands of jobs in obedience to their coalition paymasters in Westminster. We will remember their treachery when they ask for our votes for Holyrood in May 2011 and for the Councils in May 2012.

How then can we fight? No doubt we will hear at the UNISON conference of the very real alternatives there are to the austerity budget: about how fairer taxation and prioritised spending (ditching Trident and unwinnable foreign wars) could enrich us all without any need for cuts.

That's all fine, but will cut little ice with government department chiefs, council chiefs, or the bureaucrats who run what's left of public sector utilities in Scotland.

The likelihood of them agreeing to set illegal defiance budgets are slim unless they know that there is a fire beneath them that will leave them with no choice other than to stand up for the people they claim to serve.

Any action we take will effectively be in dispute with our employers and local Councils even though they will argue that it is the Westminster government who make the real decisions.

We therefore have to build confidence that they are the right targets because they do have a choice. Trade unionists in the public sector and the people who use their services can stand together and win - it happened in Poplar and the Vale of Leven

in the 1920s and it happened in Liverpool in the 1980s. Those prepared to make a stand then were isolated, but today we must ensure that the fight-back is general.

Those frightened of losing their jobs can be persuaded to stand up for themselves and their fellow workers - but only if they believe they can win.

**Colin Turbett**

*Chairperson North Ayrshire UNISON (personal capacity)*

### Support the 2 October Street Rally

**CUMBERNAULD** & Kilsyth Trades Council believe that it is vital for the trade union movement to take a lead and inspire confidence in our members and working people that the projected cuts are not inevitable.

We believe that if we can start building the resistance now prior to the Comprehensive Spending Review announcement on 20 October then we can send a warning to the rich elite who are presiding over this iniquitous wealth redistribution.

The need for demonstrations of working people and their representatives is urgent. Therefore we as a trades council are asking you to support a public demonstration against the cuts in Glasgow on Saturday 2 October.

Alongside the PCS union at the HMRC site and the local Unemployed Workers Centre we have built an active anti-cuts group that never existed before in a matter of weeks, lobbying our MP, MSPs and engaging with trade union members and the public through leafleting.

Think of the possibilities we have to start the process of building a legitimate working class campaign to augment and strengthen the turnout at the STUC event on Saturday 23 October.

We ask you to lend your organisation's support to the demonstration on 2 October and to begin the process of creating a campaign which starts to invest in the future.

**John Miller**

*Cumbernauld & Kilsyth District Trades Council Secretary*

# BIG SOCIETY - BIG CON!

by Ken Ferguson

**THE** *Voice* continues to look at the ‘brains’ behind the current drive to destroy the welfare state, the NHS and most collective provision in the name of the entirely fake ‘Big Society’.

The audacious full frontal attack launched by the Cameron Tories and his LibDem dupes is the culmination of a long term propaganda drive portraying the public sector and state as the enemy which must be cur sown to (small) size.

Perhaps the most significant of the so called ‘think tanks’ who pump out the pseudo academic case for Victorian style free markets is the Adam Smith Institute considered Thatcher’s favourite but also well patronised by New Labour.

## Populist stunts

As well as policy ideas they are also past masters at eye catching populist stunts beloved by, often willingly, gullible news editors.

One such example is their ever favourite Tax Freedom day which they announce well into the tax year with the claim that everything you have earned to this date was needed to pay your tax.

The unspoken message is that the government isn’t the one running the NHS but the greedy grasping monster sucking our cash from our pockets to waste.

Overall the idea is to reinforce the essential “private good public bad message” usually underpinned by our old favourites greedy public workers’ pensions, generous benefits for the lazy and health and safety gone mad.



**LEARNING LESSONS: Cameron’s Tories carry on Thatchers work.**

However although taking its name from the famous son of Kirkcaldy it was on the other side of the world in Chile that the brutal free market policies found their first test bed.

## Chile

In 1973 Chile’s treacherous generals - ably assisted by the CIA - staged a bloody coup against the socialist Popular Unity government of Salvador Allende elected in 1970.

Allende challenged the rich and moved to nationalise key resources such as copper. He died amidst the blazing ruins of

his presidential palace bombed with British made Hawker Hunter jets.

The story thereafter is one of brutal repression, torture, murder with thousands exiled or killed.

This was the background - free of open opposition - in which saw the first implementation of full blooded privatisation of anything that moved, the destruction of services and the inevitable hunger, unemployment and misery.

## Thatcher

However if Chile was first, it was to be in Thatcher’s Britain that the ASI’s ideas

found their most important home.

Thatcher was a highly receptive ear for the menu of privatisation and individualism which neatly fitted into to her plans for a class war on trade unions and the welfare state.

What followed became a model for the rest of the capitalist world. Gas, electricity, telephones and in England water were all privatised accompanied by high profile propaganda claiming that ‘shareholders’ were a more democratic form of ownership than the state.

Market forces wrecking



the railways and the infamous Poll Tax also flowed from the pens of the ASI

Of course little was mentioned of the wholesale destruction of manufacturing industry and the huge levels of unemployment and the bitter attacks on trade unions culminating in the year long war on and defeat of the miners.

### Attacks

Throughout all this the ideas which justified the 'necessary' attacks - just like today's cuts - were supplied by the bow tie wearing 'thinkers' of the ASI.

Although highly influential some of its proposals were too much even for the Iron Lady

These included the introduction of charges in British public libraries the privatisation of the Forestry Commission the complete removal of arts subsidies and the abolition of restrictions on drinking.

However the key victory for the Institute and its fellow travellers lay not in individual privatisations but in the way their ideas changed the mainstream party's willingness to privatise and love the market.

### Thatcher's legacy

New Labour - described by Thatcher as her legacy - saw this carried on with widespread privatisation, praise for markets, competition and an entire genre of odious pro market TV show such as *Dragon's Den* and *The Apprentice*.

All this accompanied by a continuous soundtrack of praise for greed and individualism culminating in Gordon Brown's fawning praise to the achievements of the City speculators who went on to wreck the economy.

Indeed at one point New Labour was pumping large sums of cash into the institute for advice on overseas aid



**CLEGG: fully behind Cameron**

which saw their 'thinkers' receive more cash than some of the poorest countries on the planet.

However with the defeat of New Labour it is unlikely that the ladies and gentlemen at the Adam Smith Institute will starve.

### LibDems

It is important to understand that any idea that the presence of the Liberals in the Coalition will put the brakes on the loopy ideas of the free market fanatics in the millionaires cabinet are entirely forlorn.

Cameron's sound bite Big Society is a thinly disguised

cloak for a irreversible shift of power away from collective provision of health, education and benefits and it is entirely supported by Clegg and his colleagues.

Forget the election bluster, this government thinks it is time to axe services and jobs and provide as little as possible by way of collective services.

Cameron's statement to the Birmingham fire fighter that cuts will not be restored later confirms this.

Together they plan to finish off the work of Thatcher, Blair and Brown and dismantle what remains of collective

provision with Royal Mail - first identified for privatisation by the ASI in 1991 - an early target to be thrown to the profiteers.

### Media backing

As the cuts and sackings bite the ConDems will need all their resources to sell their unpopular policies and, of course, will be ably supported by the shrill wails of the *Daily Mail*, *Sun* and *Telegraph*.

However the policy 'justification' will come from the right wing think tanks with the ASI to the fore.

Indeed their latest idea is to marry an attack on the TV license with a pan for pay TV all of which fits in with bashing the BBC and putting fear into its bosses about challenging Cameron and Clegg's cuts.

Opponents of the ConDems need both to mobilise against their actions and renew the pressure for collective provision, unions and demands for more a better council homes and ideas like free public transport and an axing of the council tax.

Time is short and the need is urgent.

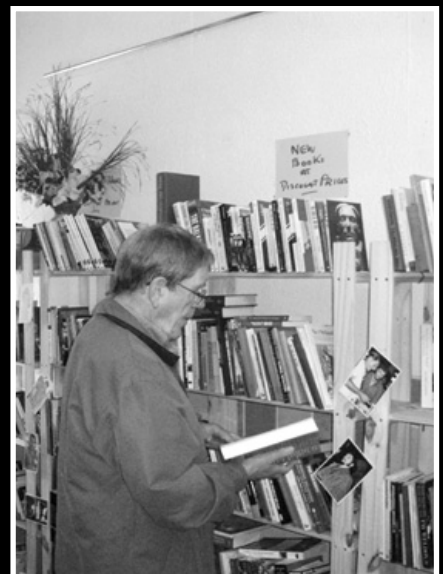
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# CUTS HIT THE POOR HARDEST

by *Raphie de Santos*

**THE** respected research body the non-political Institute for Fiscal Studies (IFS) has proved what we all knew intuitively: the cuts announced in the emergency budget will hit the poorest hardest.

This is their conclusion in their report issued at the end of August 2010 on the effects of the emergency budget.

The only thing progressive about these cuts is that it the poorer you are the more you will bear the burden of the cuts. This puts to bed all the spin from Nick Clegg and George Osborne about making the better off take the greater share of the cuts.

The IFS describes as “not true” the government’s assertion that last June’s emergency Budget would hurt the richest more than the poorest, adding that cuts will fall disproportionately on households with the lowest incomes.

“The tax and benefits changes announced in the emergency Budget are clearly regressive as, on average, they hit the poorest households



**ATTACKS: Cameron and Osborne plan to hit the poor**

more than those in the upper-middle of the income distribution in cash, let alone percentage terms,” the IFS research report states.

The budget will take more than twice the income from the poorest 10 per cent of households as a share of their annual incomes than from the second-richest group (richest 80 per cent to 90 per cent) which has four times as much income a year after tax and benefits the report says. The richest 20 per cent of households has 16 times the income of the bottom 20 per cent of households before tax and benefits are taken into account.

While the poorest 10 per cent of households which have incomes inclusive of benefits of £9,900 on average will see their take home cash drop by 5 per cent by 2014, all other groups apart from the top 10 per cent will see their incomes drop less. The second top 10 per cent with an average income of £43,600 will only see their income drop by 2 per cent.

This analysis completely contradicts what George Osborne said in the emergency budget speech: “People at the bottom of the income scale will pay progressively less than the people at the top. It is a progressive budget”.

The coalition has also stressed that its plans for cuts seek to avoid exacerbating child poverty. Yet the cuts planned by 2014 fall much more on families with children than on the childless and pensioners.

The single beneficiaries of the budget the report concludes are childless households in the richest half of society. This to bed the lie Nick Clegg’s claim that what the coalition’s budget is setting out to do is create the opportunity for greater social mobility.

Poor families are being hit harder by the Budget cuts because they receive a larger share of welfare payments than other groups, while the new and higher personal tax allowances has no effects on the poorest groups, who do not pay income tax. The IFS calculations include the effect of post-Budget cuts in incapacity benefit allowance, housing benefits and tax credits.

As well as further limiting social mobility the cuts are likely to increase inequality. In the 1990s similar cuts to public spending where implemented to reduce public debt in Finland, Sweden and Canada.

Income inequality increased after the cuts by 12 per cent in Finland and Sweden and 16 per cent in Canada. The three countries had some of the highest levels of poverty in the developed nations of the world.

We must resist this happening in the UK by resisting the cuts and putting forward an alternative way of running the economy that focuses on wealth redistribution, taking the banks under public control as well as ownership and providing everyone with free basic services to enable them to lead a dignified and fulfilling life.

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# REVIVE THE FREE SCHOOL MEALS CAMPAIGN

by Fiz Garvie

**IS** it time to revive the free school meals demand and link it to a broader anti-poverty campaign?

## Tory Budget

The Tory budget will be one of the most brutal that working class families with children, and in particular women, have faced in generations.

According to the Institute for Fiscal Studies, “the poorest 10 per cent of families will lose over 5 per cent of their income ... as compared to a loss of less than 1 per cent for non-pensioner households without children in the richest 10 per cent of households” (The Guardian 27/8/10).

One of the first things Westminster Education Minister Michael Gove did was to axe the previous Labour government’s plans to extend free school meals to 500,000 children in deprived areas.

The Children’s Food Campaign, the English organisation which campaigns for more children from low income families to qualify for the free school meal, estimates that the shelving of these plans represents an effective “tax” on parents moving into work of around £300 per child each year. This is a huge blow.

## Legacy

What people in Scotland perhaps don’t know is that in September 2009 Labour started a programme of piloting healthy free school meals to all primary school children for 2 years in three local authority areas: Durham, Newham and Wolverhampton. This was after the Labour group on Hull City Council had run a 3-year pilot in 2004 that was very successful in increasing uptake of free healthy school meals.



Despite Scottish Labour shamefully voting down both the SSP’s Free School Meals Bills in 2003 and 2007, some of their English counterparts looked at the evidence and the growing obesity crisis amongst schoolchildren and took action.

On 1 April, Ed Balls, outgoing Labour’s Schools Minister, announced that five further local authorities would be included in the pilot from September 2010 onwards for one year. These are the ones Michael Gove axed. But one of them, Islington council, ignored him and went ahead with the programme, funding it itself. And guess what? Uptake of school meals increased from 58 per cent in 2007/8 to 82 per cent.

The SNP government’s pilot in five council areas in 2009, short-lived though it was, increased uptake from 53 per cent to 75 per cent, reduced stigma and ensured more children got one balanced meal a day, showing that the policy works.

## Cuts in Scotland

It’s already happening even though the cuts to the Scottish government have yet to be announced. Glasgow city council is set to axe free fruit for primary pupils to save £1.8million a year, and a free breakfast scheme has already

been cut.

A council insider said “When we could afford to do it, it was good, but that’s no longer the case” (The Herald, 28/8/10). But it’s still a good thing to give all schoolchildren free fruit because it benefits their health and helps parents save money when they desperately need every penny.

“Because we can’t afford it” is not a good reason to stop doing it. In fact, all the arguments – economic as well as health-related – are more, not less relevant in hard times, with obesity levels growing inexorably in Scotland’s children.

The SSP doesn’t accept the Tory-Liberal mantra that the deficit has to be reduced at all costs, certainly not at the cost of the most vulnerable in society, who did not cause the economic crisis.

We don’t accept that the option of free school meals is no longer on the table. Quite the opposite! We should be banging loudly on the table and saying there is more reason now than ever to revive this and other SSP anti-poverty policies.

The question is, how to make them accessible to a wider audience that must exert huge pressure on councils and government in Scotland, not just to resist the cuts but go beyond to ensure that all

citizens have a decent standard of life.

## Build opposition

I’ve concentrated my focus on the free school meals idea because it captured the imagination of a huge number of charities, trade unions, campaigning organisations in the voluntary sector, doctors and families. Of course, it was invaluable to have MSPs who were able to gain the ear of the media through their efforts to get the policy legislated. The same goes for the free

prescriptions and Scottish Service Tax campaigns.

Do we believe we can revitalise these alliances again, using the budget and pre-election period to build support for a comprehensive anti-poverty campaign? If we do, we need to get going very soon.

An anti-poverty manifesto would have to be drawn up, and we could start by making a leaflet for the upcoming anti-cuts demonstrations asking people to sign up to it. We can use our website to canvass support. We would need to ask specific organisations and individuals who have expertise in the areas of health, housing, local taxation and transport to consider joining. Should we do this solely under the banner of the SSP, or form broader alliances that would be more inclusive and perhaps more approachable for the media; and do we have the resources to do this?

One thing is certain – capitalism’s determination to solve its crisis on the back of ordinary working class people will provoke opposition and we need to ensure our message gets heard. I hope this can be looked upon as one contribution as to how that could be done and that it triggers debate in the SSP.

# TORIES, LIBDEMS, SNP AND LABOUR UNITE TO ATTACK SCOTTISH EDUCATION

by a Voice Correspondent

**TEACHERS**, after suffering the blows of last years cuts in education, are being asked to work an extra half an hour a DAY in front of classes. In a cynical move, Labour run Glasgow City Council has proposed this as a reduction of 'marking time' and called for a re-negotiation of McCrone – the agreement that was supposed to ensure teaching staff worked a 35 hour week.

Teachers in Scotland already work an average of 10 hours unpaid overtime and have borne the brunt of cuts that have meant class sizes on the rise and fewer adults in the class. Glasgow has already cut support workers and assistants jobs that help with children needing extra educational input.

Glasgow has also quietly shed 500 teachers in the past two years, and the Labour council also presided over closures of 22 schools last year under the previous scandal riven Labour provost, Steven Purcell. All of this has impacted on teaching and learning. Children are being made to suffer because of the



neo-liberalist ideology of the combined forces of the Tories, Liberal Democrats and Labour and the apparent capitulation of the SNP.

Locally, this has been a complete capitulation to the Tories and Liberal Democrats by a so called Labour Glasgow Council. Not only have they quietly cut education provision through staffing, but now they are essentially asking teachers to take a pay cut.

Labour along with the Tories and Liberal Democrats are peddling the lie that cuts are necessary. The SNP are keeping a cynical silence and after Salmond and Cameron met shortly after the election of the most reactionary Government since Thatcher (and actually becoming more

reactionary by the hour), the SNP seem powerless to criticise the ideological cuts they are telling us are necessary. This is not true. There are huge amounts of money around – but in the hands of the bankers and billionaires who caused this crisis (including the RBS who recently have launched an incredible campaign saying they are giving thousands of pounds to Scottish Education, when in fact they were one of the major factors that have led to the crisis in Education over the past two years!)

SSP members in EIS wish to unite with other trade unionists in decisive campaigns – including coordinated industrial action – to defend jobs, pay, educational

expenditure, and national action to enforce maximum class sizes of 20 across the board, as a pre-requisite to improved education and better conditions of work.

How will this be paid for?

The SSP have long been campaigning for a Scottish Service Tax in place of the Council Tax (see pages 2&3). This would mean the poorest families would pay nothing, but the highest earners would pay more – a fair tax in other words. The richest would pay a modest extra 10 per cent in tax – which when you realise their income grew by 30 per cent last year alone – is a drop in the ocean. The revenue generated by this tax alone would save our Scottish Education System, save jobs in the Public Sector and ensure the Tories and Liberal Democrats do not return us to the eighties when Thatcher and Major had public education on it's knees.

The SSP support the ballot for strike action the EIS are calling in March – but urge the union to unite with other unions and stand together in solidarity against these attacks on the working class.



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