

Scottish Socialist VOICE

80P BUDGET RESPONSE SPECIAL

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STOP THE



UNITE AGAINST THE CONDEM CUTS TO JOBS AND SERVICES!

CAMERON'S COALITION OF MILLIONAIRES LAUNCH ATTACK ON THE WORKING CLASS

by Ken Ferguson

BENEATH the smiling smugness of the rich man's ConDem coalition a vicious assault by word and deed is being planned to protect the wealthy at the expense of everybody else.

Forget the soft soap about the "national interest" this is a government of the rich for the rich hell bent on making an irreversible shift of wealth and power to the speculators who caused the mess.

Of a cabinet of 29, 23 are millionaires and its collective wealth has seen it dubbed the £60million cabinet.

Top of the pile is the 2nd Baron Strathclyde who weighs in with a bulky £10million closely followed by Transport Minister Philip Hammond whose £7.5million probably means he is not a big bus user.

Prime Minister Cameron clocks up a modest £4million



BUTCHERS: ConDem coalition get ready to slash jobs and services

but between him and his wife is said to be in line to inherit £30million in due course.

But just because they are

junior partners it doesn't mean that the LibDem human shields are scrimping.

Chris Huhne former City man and Energy and Climate Change Secretary lists a modest £5million but is labelled as 'nine homes as he has five buy-to-lets in London and Oxford, a family home in the capital and a house in his Eastleigh constituency. He also has a share of a holiday homes in France and Greece.

Middle England poster boy and Cameron deputy Nick Clegg holds £1.9 million and has an impressive international property portfolio worth several million pounds.

Little wonder they felt able to take a modest 5% cut in their pay at their first meeting.

This is the government which will now set about a long term and determined

drive not just to cut jobs, benefits and services but , along with its many allies in the media launch a brainwashing offensive exposing the wickedness of public spending.

Their desire is not just cuts but a permanent reduction of hard won collective services in favour of an individualist model, US style.

An early indicator of this came with the little noticed announcement that all government spending over £35,000 will now be published, we are told, in the interests of transparency.

In reality this is aimed at allowing the salivating hacks of the Daily Mail, Express and Sun to trawl through spending and find examples of "waste" to manufacture into scandals.

Expect outrage as they find spending on head massage for ministerial poodles, fine

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wines served at dinners to foreigners and god knows what supposed pampering of immigrants.

If this sounds familiar to older Voice readers it is because it has been done before by Thatcher as part of the drive against so called “loony left” councils involving the same stories and the same media.

The ConDems know that they have a fight on their hands to get away with their slash and burn policies so an avalanche of propaganda about waste and scrounging will be wheeled out and duly parroted by the right wing media,

That was why the spin on the £6 billion cuts was about top civil servants travel perks going and a relentless drive on waste. It was the sugar coating on the bitter pills to follow in the Budget and in the Autumn statement.

It also underpins the tale that councils in England can spend money on their priorities - which means they get the cuts blame - and the Salmond government can put off cuts for a year.

The nod towards more power to Holyrood in the Queen’s speech and the visit to Salmond days after the election are also part of the coalition smokescreen.

Backing all this up they are about to change the rules to for removing a government in the Commons by requiring not a simple majority against it but a 55 per cent one,

Overall the ConDems have decided that the head on clashes of the Thatcher era are too dangerous and are opting for the twin track of ever escalating propaganda about waste and scroungers along with every tougher cuts.

The need to sky write



OPPOSITION: Time to build the fightback against cuts

PHOTO: Eddie Truman

their cuts plans to keep the international money lenders happy - described by LibDem cuts minister David Laws as a “shock wave” - while presenting a smiling face to the public is key to the approach.

Against this background communities, unions and the Left will have to counter attack with something better than just defending the present

inadequate level of jobs and services.

Defence of jobs and services while essential is not enough. The thousands on the dole and the thousands needing a decent homes, better services and health care need a programme that will meet these needs.

Faced with this Labour and the SNP will make fine speeches of rage and

opposition but this will be inadequate if not backed by action in workplaces and communities.

Asked why he changed his mid and now supported early spending cuts St Vince Cable paused to adjust his halo and replied that he had learned the lessons of Greece.

It wouldn’t be a bad start if unions and communities fighting cuts did the same.

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DEFY THE CUTS BUDGET

by *Raphie de Santos*

THE list of projects, services and support for the community that will be lost just from the announced spending cuts and suspended future programmes reach down into the very fabric of our society.

The cancelled projects of the last Labour government and the further cuts from this financial year amount to £8 billion.

The increase in the personal tax allowances is roughly in line with inflation and the are offset by Labour's planned 1 per cent increase in national insurance for employees which the coalition have not rescinded.

We are faced with a further tax rise through the plan to raise VAT to 20 per cent from the start of 2011.

This tax rise hits the poorest hardest as a larger proportion of their income goes on purchasing goods than the better off.

Banks let off

The £2billion levy expected to be raised annually on banks is short change for the £375billion of public funds that has been pumped into them over the last three years.

In a vicious attack on the poorest in our society, the unemployed and the hundreds of thousands who will find themselves unemployed as a result of the cuts and the millions of others dependent on social security will see their already meagre benefits cut severely in real terms.

Those who keep their jobs in the public sector are being asked to take an effective



pay cut with the freeze in wages and inflation (RPI) running at just over 5 per cent a year and the increase in pension contributions while there will be a corresponding reduction in pension provision.

This unfortunately is only a taster of what is to come.

The Institute of Fiscal Studies (IFS) estimates that cuts and tax rises of £34billion a year for four years are needed to meet the Coalition's targets.

More to come

These will mainly come through future cuts, as Osborne indicated in the budget speech, and they would be in addition to the cuts of £51billion announced by the previous Labour government.

The cost to the average family estimated by the IFS is £1,000 year.

The scale of these cuts is

unimaginable to visualise.

The forecast for economic growth put forward by the previous Labour government's last budget were derided in the City – Darling forecast growth of 3.25 for 2011 while the consensus of City economists had the figure at 2.1 per cent.

The new Office for Budget Responsibility (OFR) estimate is 2.3 per cent still above the optimistic City figure which was made prior to the size of the cuts were known while their long-term growth is 2.8 per cent and 2.9 per cent for 2012 and 2013.

These are completely unrealistically figures. Average annual growth in the new millennium prior to the credit crunch was 0.6 per cent.

For the fifty years of the last century the average was 1 per cent.

As real growth comes in way below the OFR's figures, even the revised down post budget ones, the government will have to cut by even more to maintain the targets deficit levels.

In fact the cuts in public spending and tax rises will likely lead to a decade long slump in the economy.

Job loses

The Capital Economics group estimates that 750,000 public sector workers will loose their jobs over the next five years as result of the cuts.

The Oxford Economics consultancy estimates that 2.23million private sector jobs are at risk from the cuts in outsourcing of services and goods – in 2007/08 the public sector spent £220billion on services and goods from the private sector.

Research by Manchester

University has shown that over 60 per cent of new jobs created in the last ten years are connected directly or indirectly to the public sector.

Even US President Obama warned ahead of the G20 finance ministers meeting that what Europe needs and the UK in particular needs is stimulus spending, not cuts, to pull economies out of recession and avoid a possible slump.

Recession

Leading economists are warning the government that at a time of weak demand and limited credit, an austerity programme will push the economy back into recession.

Of course the coalition government are made up of free market economists. David Cameron was Norman Lamont's treasury adviser during Black Wednesday's Sterling collapse which helped lay the basis for Britain's credit bubble. Clegg, Cable and Laws wrote a pamphlet in 2004 urging New Labour to be even more free market and bring in less legislation to let the 'markets flourish'.

They believe that the private sector can thrive once again and pull the UK out of recession.

This flies in the face of reality where the Thatcher government destroyed our ability to produce goods and services and made us reliant on a speculative financial system which caused the current crisis.

In this recession our productive capacity has been further permanently damaged.

Investments do follow the law of the market; they flow from the least profitable parts of the global economy to the more profitable areas.

That is what we have seen

over the last 35 years; a flow of investments from the mature economies, with higher levels of automation and better working conditions and levels of pay of the West to the lower automated and paid economies of the East.

An economy based on cuts and the free market is doomed to fail.

What we really need

We need an economy capable of meeting peoples' needs and providing services and jobs and that is what an emergency budget should begin to deliver.

■ Rather than cut future projects that provide services we would cut Trident's replacement saving £80 billion of future spending.

■ We would reduce spending on defence by half and withdraw from the Afghanistan and Iraq saving up to £40 billion per year on expenditure.

■ Rather than raise national insurance we would introduce a minimum wage of £8 per hour.

■ Instead of raising indirect taxes or widening their scope we would raise taxes on corporations which have seen their tax rates halved under successive Conservative and Labour governments and a further 4 per cent cut is planned in the budget. This could raise an additional £50 billion a year in revenues.

■ Instead of the cuts in services we would close the loop holes in tax avoidance schemes - this would save £20 billion a year.

■ We would tax the rich and wealthy. A one off 10 per cent tax on Britain's richest people would raise £35 billion.

This would be used to provide millions of much needed houses through building conversion, building



renovation and housing insulation and all the jobs that would be needed to achieve that.

■ We would shift the burden of taxation from the poor and middle earners to the wealthiest 20 per cent in society who earn 16 times more than the poorest 20 per cent of society.

Per head of the population the UK is the third richest country in the world but the second most unequal. This could generate up to an extra £70 billion a year.

■ We would take the banks under full social ownership and control – they have £560 billion in liquid cash and £5 trillion of assets.

This would not only allow us to recoup the £375 billion that we have ploughed into them during the financial crisis but allow us to fund socially useful projects.

An example of this would be a renewable energy programme.

The design, administration, construction, maintenance, running, assembly,

commissioning and servicing of the programme would create hundreds of thousands of jobs and apprenticeships for our young and old.

■ Instead of cutting pensions and demanding people pay more towards their pensions we would look to provide an alternative retirement provision that is not dependent on the whims of the financial markets.

We would provide for all people over 60 free rented housing, electricity and gas, public transport and free access to cultural and sports facilities.

Oppose the cuts

The reasons for opposing the cuts are clear: why should we pay for a crisis and resultant recession created by governments, banks and capitalism itself?

This is a rationale alternative of hope compared to the austerity and economic slump that the coalition is offering. It is one that we should campaign for as we resist the cuts in years ahead.

UNITE AGAINST THE BUTCHERS' BUDGET

by *Richie Venton, SSP national workplace organiser*

THE Twin Tory Toffs, Cameron and Clegg, are trying to soften up the public for an onslaught against public services not experienced since the days of Thatcher at her most rampant.

Meantime, many trade unionists (SSP members prominent amongst them) are pressing the union leaderships to organise swift, united demonstrations of resistance to the carnage we face, to prevent the onset of a resigned, defeatist attitude in the teeth of horrendous attacks on jobs, incomes and frontline services.

Excuses for Butchery

The Tories and LibDems tell us the public debt is "far worse than they expected". We "all face tough decisions and hard choices". According to Eton-boy Cameron "we ALL face pain and suffering for years to come".

This propaganda is false to the core, a rotten lie designed to dupe people into thinking cuts are unavoidable, the medicine we all EQUALLY have to swallow for the good of "the nation's" health.

The bankers who enjoyed a bountiful handout from public funds don't face pain – for example, the hundred of them at RBS who recently awarded themselves a £1million bonus each.

The richest 1,000 individuals whose income rocketed by 30 per cent last year – up £77billion! – face no 'hard choices' or 'painful decisions'.

It is Scotland's 630,000 public sector workers, alongside workers in the private sector, our families



FIGHTBACK: Unite against the cuts

PHOTO: Craig MacLean

and communities, from the cradle to the grave, who face massacre – unless a united, determined, militant campaign of resistance is built, starting now.

Where are Scotland's 'Champions'?

Instead of initiating and leading such resistance in Scotland, the Scottish parliament's cross-party Finance Committee last week warned local authorities and other public bodies that they are "not taking the preparations for cuts seriously enough"!

The SNP made much noise about electing "Champions for Scotland" in the recent general election. What are these 'champions' doing to call the people of Scotland out into a rebellion on a scale not seen since the defeat of the hated poll tax?

True face of Labour

Despite their new-found taste for pretending to be an anti-cuts party, now they

have lost the power to carry out their cuts in both Westminster and Holyrood, Labour has displayed its true face in Glasgow.

In Glasgow Labour is showing just how 'serious' they are about implementing cuts – even before the Tories have got down to the details of just how much they are demanding!

Glasgow Labour council is dumping the experience of thousands of workers aged over 50 through a redundancy scheme, and aims to shed 4,000 by 2013.

They are busy slashing the wages and holidays of Culture and Sport Glasgow staff.

They are using obscure outlets like the official Journal of the European Union to seek private companies as 'partners' in the running of the bin collection service and several other aspects of public provision, with loud threats of cutting back bin collections to fortnightly.

Three of the city's libraries

are running without a librarian!

Last year they jacked up charges for nursery places. Now they plan to attack working class people at the other end of their lives by increasing the cost of council burials by 50 per cent to £808, with cremations to cost £521 (up £173).

What is to be done?

The litany of crimes against community services, and facilities, loss of jobs and attacks on pensions and pay is endless. And the big four parties trot out the same old lie that "cuts must come, we have to live within our means".

The critical question is what is done to combat, resist and defeat them.

EIS conference agreed to ballot members for a strike in March 2011 against the cuts – which would be the first such action since 1989.

UNISON conference, meeting as we go to press, has had powerful debates about fighting the cuts.

As previously reported in the *Voice*, PCS conference agreed to help build anti-cuts coalitions, and of critical importance, adopted a series of socialist economic measures that would make cuts entirely unnecessary – many of these being proposed by SSP members in the union.

Budget day protests

On Budget Day itself, a succession of protests took place across Scotland. Lunchtime and early evening lobbies in several cities and towns were organised by anti-cuts committees and alliances of trade unions, with SSP members in the midst of these.

Workers in every Tax Office, through PCS union, held lunchtime pickets.

The SSP also held street protests that evening to declare a ‘Wall of Resistance’ to the cuts – spelling out the need to unite, but also to mount a campaign of convincing counter-arguments that explode the myth of cuts being necessary.

Twin dangers: division and inaction

But there are two immediate dangers that need to be overcome in building resistance to the cuts: the reluctance of far too many union leaderships to do anything major between the Butchers’ Budget and next October; and the risk of each union keeping their fight separate and apart.

It would be fatal if any union adopted the notion that ‘cuts are inevitable, so just let’s make sure they are not in OUR service’; that would weaken the resistance and guarantee savage cuts in ALL sectors.

That danger has increased enormously with Cameron’s bogus “consultation” over

public spending cuts.

This aims to embroil and implicate trade unions, councils, community organisations and individuals in implementing Tory cuts – whilst setting them at each other’s throats over who should suffer the bulk of the cuts whilst the rich get off Scot free.

Street Rally

SSP members in the unions have been foremost in arguing for a clear, united plan of action that includes an autumn mass

Demo, but also the more immediate public Saturday Rally on 26 June, to give strength of unity and purpose to tens of thousands who right now are frightened out of their wits at what they face.

We welcome the fact the STUC aims to call a Demo in October. We have constructively argued they should name the date immediately, with a good option being 2 October, when the Tory party conference opens – to send them the message “Keep out of Scotland – hands off our jobs and services”.

What is not welcome is the reluctance of the STUC and several prominent individual union leaders to do anything that could publicly unite workers and communities before then.

Many local union branches and activists share the SSP’s sense of urgency and supported the call for a union-led Street Rally on the Saturday after the Budget itemises the Twin Tories’ assault.



These include the NUJ Scottish Executive Committee; North Ayrshire UNISON; a gathering number of Scottish branch delegates at UNISON national conference as we go to press; PCS branches at the big tax offices in Cumbernauld, E Kilbride, Aberdeen and West of Scotland; leaders of the FBU; leaders of the Scottish RMT; Cumbernauld trades council, and others.

Delegates at the EIS conference vocally supported it during the debate on cuts, one previously not in touch with the SSP waving the SSP EIS leaflet around from the rostrum, declaring “We should all be there on 26th”.

In moving this proposal at national UNISON conference, N Ayrshire branch chair Colin Turbett warned that October is over three months away, and that if the UNISON leadership argued for doing nothing until then in front of an audience of Greek or Spanish trade unionists they would be howled down and

driven out of the hall.

Urgent action – and socialist policies

Cuts can be defeated – provided the leaders of the unions and STUC do not slam on the brakes and prevent people from doing anything for another three months. Provided we have unity across the board, rather than one group or sector fighting over who should suffer most, whilst the bankers and billionaires laugh at us.

And at the heart of building a united mass resistance movement is a package of socialist demands for taxation of the very rich handful, and democratic public ownership of the enormous wealth in society, rather than public ownership of the debts and private ownership of the profits.

These are policies the SSP will continue to fight for within trade unions and communities as we help unite in action against the consequences of the Butchers’ Budget.

CANADIAN CUTS CASE STUDY LITTLE HELP TO CONDEMS



SINCE arriving in office, the ConDem coalition has carefully cultivated a growing sense of crisis over the state of the public finances.

Cameron warns that the deficit is “worse than we thought”. Osborne threatens spending cuts of 20 per cent across government departments to meet “the great national challenge of our generation”. Clegg whimpers that “painful” cuts are necessary to “bring sense” to the nation’s finances.

This growing sense of national crisis is essential to their strategy of maintaining public support for massive cuts in the services that the same public depend upon.

Another part of this strategy is to invoke a spirit of “we are all in this together” and “we all will share the pain”. Almost the first decision of the new Government was to announce a 5 per cent pay cut for the Ministers sitting around the Cabinet table.

This cut, of course, represents no great hardship for politicians who in addition to their £145,000 a year salaries are themselves very rich people.

The Chancellor George Osborne, as well as being the heir apparent

to an ancient Irish baronetcy, is estimated to have a personal fortune of some £4 million. Cuts in public spending are hardly likely to cause him or his government colleagues any personal hardship.

Few therefore will be taken in by such ministerial sacrifice.

Yet, the Coalition continues to try to pull the wool over the public’s eyes in other ways.

The public are now being consulted about which of their services the Coalition Government should cut. What before the election was denounced as “savagely” cuts, is now post election being sold as a unique opportunity for the people to participate in rethinking the way government and the welfare state works.

The model being used for this consultation is the deficit cutting Canadian Government of the 1990’s. In the years following its “bloodbath budget” of 1995, the Liberal Government cut billions from Canadian social programmes and public services.

Government spending was slashed from 47 per cent of Canada’s gross domestic product in 1996 to just 39 per cent in 2007. In just 4 years, a deficit of \$39 billion was turned into a small budget surplus. This Canadian “success” was based on the Liberal Government’s ability to persuade the Canadian

people that the cuts were necessary and fair.

What seemed to work for Canada is now being tried out on us.

The months between the June budget and the Autumn spending review when the departmental cuts are finalised will be used to stage a series of public events around the country. Academics, members of think tanks, local councillors, business leaders and trade unionists will be invited along to play their part in deciding where the axe should fall. The general public will also be encouraged to have their say via a special website.

This process of involvement, we are told, will unite the whole country behind what is described as an “unavoidable deficit reduction plan”.

A national consensus around the dismantling of the welfare state is what the Coalition is aiming for. They will not succeed for a number of reasons.

Firstly, we are not being told the whole truth about the Canadian

model. The markets and rich Canadians may have been delighted by the spectacle of a Liberal Government slashing government spending.

It was the Canadian poor who were made to bear the cost as unemployment and welfare benefits were frozen for a decade and childcare support was withdrawn from working families. No-one is ever going to persuade our labour movement that such an outcome in this country is either necessary or fair.

Secondly, although the Federal Government in Canada decided on the extent of the cuts, it did not itself need to make the cuts. Almost all of the cuts were in health, education and social welfare which were the responsibility of Canada’s provincial governments.

The Federal Government simply slashed the transfer payments it made annually to the provinces and left the provincial governments to do their dirty work. The Coalition will have to make all its own cuts in England

while cutting welfare payments across all the nations of the UK. It remains to be seen how many LibDem MPs will have the stomach to penalise their own constituents and put their seats at risk.

Finally, the labour movement across Britain has been held back for the past 13 years by the big unions’ support for the New Labour Government. Union bosses repeatedly held their members back from full scale confrontation with New Labour.

With the Tories and the LibDems now in power there is now no such inhibition. The full weight of the labour movement can now be thrown into the campaign against the cuts.

If that happens the cuts can and will be stopped. The only occasion on which the Canadian government was forced to retreat was when pensioners took to the streets and forced it to back off from cuts to old age pensions.

Canada showed that militancy works, so lets get militant.

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