

PACKED PUBLIC MEETING HERALDS BIRTH OF 'STROUD AGAINST THE CUTS' GROUP

On Thursday 4th November, a second public meeting against the cuts took place in the Stroud Old Town Hall. Around 70 people attended, to hear speeches from the Labour, Green, and Socialist Parties and to debate the cuts and the growing campaign against them.

Martin Whiteside, Green Party District Councillor and parliamentary candidate began the meeting by commenting on the ideological nature of the cuts. Mr Whiteside laid the blame squarely at the banking bailout, adding that though blaming the bankers is tempting, the focus should be on the system they exploit - Capitalism. Mr Whiteside suggested that what was required was investment in public services and in new green industries. He later confirmed that he was challenging cuts at the District Council.

The meeting continued with a powerful speech by Chris Moore of the Socialist Party. Unafraid of criticising the previous Labour Government for its role, Mr Moore stressed that he believed the cuts could be successfully opposed - pointing to the achievements of Liverpool Council in receiving greater funding during the Thatcher years, and of the non-payment campaign against the Poll Tax. However, he suggested that coordinated industrial action will be needed to defeat the cuts, and that the national demonstration should be used to build for a one day public sector strike. The final speaker on the panel was David Drew - Labour MP for Stroud from 1997 until the 2010 election. Mr Drew highlighted three reasons to oppose the cuts - their Economic Illiteracy, their Socially Divisive nature, and - in the context of high corporate pay and continuing

bonuses - their Immorality. The discussion was then opened to the floor, with members of the public echoing calls to work together and to be creative in methods of opposition, including references to the potential of Non-Violent Direct Action as used at Greenham Common, and by UKuncut. Moving on to discuss tactics, speakers pointed to the Liberal Democrats as the weak point of the Coalition and their Cuts agenda, arguing that they should be pressured and embarrassed over their betrayals. There was some debate over the approach to strikes - with one person suggesting the RMT should follow the example of Dutch bus drivers who struck by refusing to use ticket machines to charge travellers while continuing to provide transport.

Union representatives from Unison, Unite and the NUT spoke about particular issues within their workplaces, including a female NHS worker who spoke emotively about the hidden privatisation of the NHS, and her fears of public support for NHS Cuts. She informed the audience that many of the problems people cite about the NHS can be linked to privatisation that has already occurred - for instance, the rise in MRSA has followed the introduction of private cleaners.

Shortly after the public meeting, people from Stroud joined a Demonstration Against The Cuts called by Gloucester and District Trades Council (see inside). The group has decided to hold a demonstration in Stroud on Saturday January 29th. For more information email Chris Moore via: stroudagainstthecuts@yahoo.co.uk

Know about people, politics and policy in Stroud, Gloucestershire or beyond? In a trade union? Know what's happening in local workplaces? Write and tell us. Send stories, rants, gossip, informed speculation and the rest to: stroudviews@gmail.com

For more information on the articles see the following.

Regressive VAT: <http://www.taxresearch.org.uk/Documents/VATRegressive.pdf>, The 'Manifesto for Tax Justice': <http://www.taxresearch.org.uk/Documents/Manifesto.pdf>, the TUC's report on the Corporate Tax Gap: <http://www.tuc.org.uk/extras/corporatetaxgap.pdf>



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Free as a bird

VAT RISE TO HIT POOR COALITION TAKING FROM POOR TO GIVE TO RICH

Centre for Retail Research finds that VAT hike will cost average household £425 a year, while at least £6.9bn in corporation tax goes uncollected

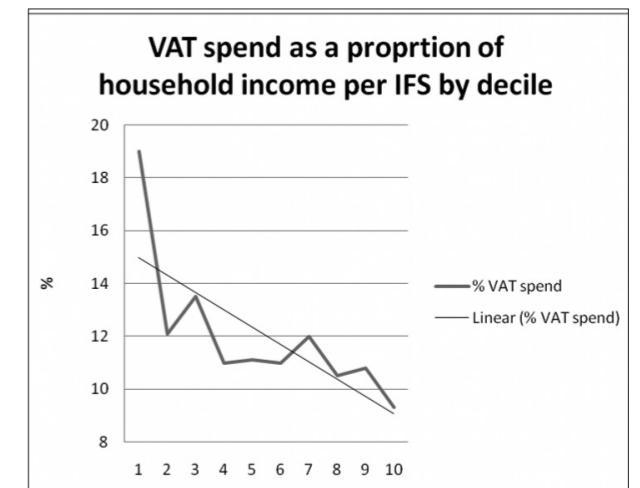
By our Economics Correspondents, Rob Dapur and Geevta Rich

Today, Tuesday January 4th, the Coalition Government is raising VAT from 17.5% to 20%, believing this can raise £13bn for the Treasury. This comes despite research by Tax Research UK which estimated the total 'tax gap' - tax avoided and evaded by wealthy corporations and individuals - to be at least £120 billion, and a report by HM Revenue & Customs which estimated that £6.9bn of corporation tax goes unpaid each year. Rather than employing more people to close the 'tax gap' by ensuring tax is paid; clamping down on tax avoidance and evasion, the Government has announced a 15% cut to HMRC, resulting in plans to cut 25,000 jobs, and has announced that it plans to cut Corporation Tax from 28% to 24% during the course of this parliament.

Robin Hood in Reverse

It is widely agreed that VAT is a regressive tax; hitting those with low incomes harder than those with high incomes. Those responsible for bringing in today's increased rate have noted this publicly. On 8th May 2009, while speaking at a 'Cameron Direct' event in Exeter, the Prime Minister declared that VAT "hits the poorest the hardest... VAT is a more regressive tax than income tax or council tax".

Simon Hughes, the Deputy Leader of the Liberal Democrats has since argued that VAT "is the most regressive form of tax. It penalises the poor" (June 14th 2010). Data produced by Tax Research UK suggests that such a point of view is correct. As seen in the graph above, VAT costs the poorest 10% of the population ('decile 1')



Source: <http://www.taxresearch.org.uk/Documents/VATRegressive.pdf>

19% of their income, while for the richest 10% in society, VAT charges account for less than 10% of their income. Not only does the rise in VAT contradict such awareness of its regressive nature, it directly contradicts promises made by both parties during their election campaigns.

Politicians Lying Shock

On the 23rd April 2010, David Cameron told Newsnight's Jeremy Paxman that the Conservatives had "absolutely no plans to raise VAT", following Nick Clegg's announcement on Sky News on April 8th that the Liberal Democrats "will not have to raise VAT to deliver our promises... Let me repeat that: our plans do not require a rise in VAT". Will these broken promises produce as much anger as Clegg's u-turn on student fees?

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