

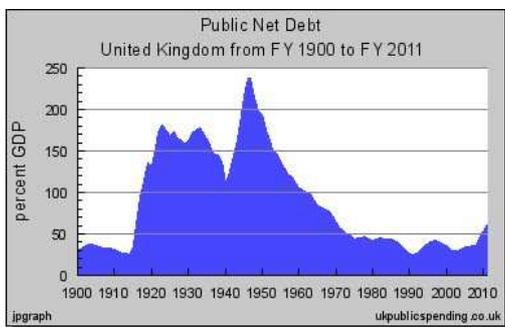
What are the alternatives to the Government and Council cuts?

In the wake of the financial crisis, the Tory-Lib Dem Government are using Britain's economic problems to cut public spending harder and faster than ever before, throw hundreds of thousands out of work, attack people on benefits, destroy our public services and reduce the living standards of the many while ensuring growing wealth and privilege for a tiny minority (which the cabinet of millionaires belongs to).

The Government, and the local councils which pass on their savage cuts, claim that 'there is no alternative.' Like so much of what they say, this is a lie.

The Government says: *Deep cuts in public spending are needed to reduce the national debt and eliminate the budget deficit.*

The alternative: The increase in the national debt over the last few years was almost entirely due to the massive bailout of the reckless and greedy banks and other financial institutions, and dealing with the recession that followed the 2008 crisis.



Britain's national debt is actually proportionally smaller than it has been for most of the 20th century, and is lower than countries such as Germany and France. No other country in the world is embarking on a cuts programme like the British Government is, a programme described by the Nobel Prize winning economist Paul Krugman as a 'dangerous experiment'.

Most of the debt is owed to financial institutions in Britain, many of which the Government part-owns or controls. We do call for the cancellation of this debt, as it was taxpayers' money used to bail out wealthy bankers who gambled and lost. But it is not a debt of Greek proportions.

On the budget deficit, we would argue that the deficit is due to the reduced tax income for the Government due to the recession, as well as an increase in outgoings such as benefits to those who have lost their jobs. Additionally, £120 billion of tax every year is not paid by big business and wealthy individuals. We demand that the numbers of tax inspectors be increased, and given greater powers. The Government will not close loopholes their rich friends can exploit, but if they did the deficit would be history.

In fact, the Government's plans are actually making the deficit worse – their programme of service, job, wage and pension cuts are making the economic situation worse by taking money out of people's pockets, reducing spending and tax income. A large part of the problems Greece and Ireland are facing are due to their Governments following similar policies to ours – cuts making the economy worse, making the deficit and debt deeper, prompting even more damaging cuts. We should refuse to enter this spiral of decline.

The council says: *The Government has cut our funding, so we have to cut services.*

The alternative: It is true that the Government has cut funding to local councils. In fact local government has suffered more than many other sectors, partly due to the poisonous agenda of Local Government Secretary Eric Pickles to destroy local government. He has also allocated his funds in a grossly unfair way, with wealthier areas receiving far lower reductions than poorer areas.

But councillors who claim that they don't want to approve cuts, but they *have* to, are moral cowards. Councils actually have various powers to avoid cuts, at least in the short-term, using reserves and borrowing. Services can be brought 'in-house', to save money by avoiding having to contribute to the profits of private companies.

In the medium-term councils and councillors can band together to fight the cuts, by setting budgets based on the needs of the area they represent and demanding that Government adequately fund councils to enable them to do it. In the 1980s, with a far stronger Government than the Coalition is, some councils took on Thatcher, and won vastly improved funding for local services. It can be done - all that is needed is councillors to have the political will, and backbone, to do it.

The Government says: *The NHS needs reforming. The Health and Social Care Bill, which has been improved after we listened to concerns, is the way to modernise and improve the NHS.*

The alternative: The NHS is one of the greatest achievements of this country, and we should fight to protect it, and the principle of having a universal service, taxpayer funded, provided by the State, free at the point of use. Nobody claims that the NHS is perfect, but the quality of care provided is cheap at the price – far cheaper than the deeply unequal American system, or the inefficient continental insurance-based systems.

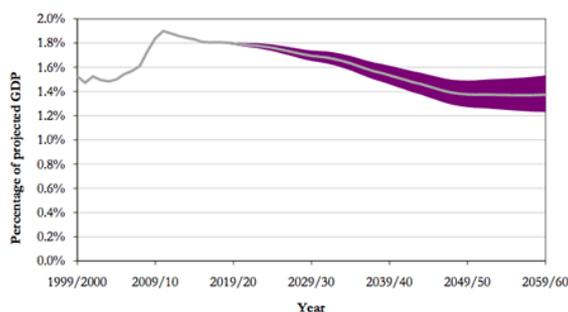
Despite some minor changes to the unpopular Health and Social Care Bill as a result of the opposition of everyone - except Tory and Lib Dem MPs (and private health companies) - the Government's plans are still to open up the NHS to private companies. However, most health experts would agree that if there need to be changes to the NHS, to make it more responsive to patient needs while continuing to be affordable, it needs to be to remove private companies and influence.

PFI, where private companies to build hospitals to rent to the NHS at extremely high prices for up to 60 years, has left many local Health Trusts burdened with large outgoings to the pockets of private shareholders, while using buildings that may be inadequate, and will be outdated well before the end of the contract. Private-sector Independent Sector Treatment Centres have proved to be expensive and inadequate. Pharmaceutical companies continue to charge over the top prices for drugs. We need fewer private companies – who put profit before patients – in the NHS, not more. The Bill must be killed, and Health Secretary Andrew Lansley must be removed from his position.

The Government say: *Public-sector pensions are too high, and the country can't afford them.*

The alternative: Clearing away all the lies and misinformation, the facts are these – public-sector pensions are actually getting more affordable every year (see graph). Public sector workers are not on 'gold-plated pensions' – ordinary civil service pensions average £4200 a year. To make public servants pay more for their pensions, only to work longer and receive less when they retire is an insult and a disgrace. Once again hard working public servants are punished while those who cause terrible problems for the rest of humanity just to make themselves money – investment bankers speculating on grain prices, making a mint while starving people in the Third World – are lauded as 'wealth-creators' and knighted. Teachers and other public servants don't want to have to go on strike and lose a day's pay, but they have no other option to defend themselves. We support them and call on you to support them also. If private-sector pensions are worse, let's improve private-sector pensions rather than drag everyone down to the lowest level.

Projected benefit payments as a percentage of GDP – sensitivity analysis



You are invited to the next North Devon Anti-Cuts Alliance meeting:

See our website (details below) for the date, time and location.

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