

# More Taxes on the way

## Lib-Con budget hits poor hardest



The government's "tough but fair" budget will hit the poorest hardest a report from the Institute for Fiscal Studies (IFS) has found. Meanwhile the Sunday Times Richlist reveals that the richest 1,000 people in Britain added 30% to their wealth despite (or because of) the recession.

A further report commissioned by the TUC and Unison, 'Don't forget the spending cuts', has also rubbished claims that the budget is fair, concluding that cuts to public services and welfare will disproportionately impact on the less well off.

IFS director Robert Chote explained that cuts "are likely to hit poorer households significantly harder than richer households". Shifting the linking of benefits from the Retail Prices Index (which includes housing costs) from the Consumer Prices Index will mean cuts become cumulatively means prices will rise faster than benefits—making your benefit worth less and less as prices increase.

And while VAT is being increased to 20% corporate tax is being reduced. This is a budget designed to punish ordinary workers for an economic crisis we were not responsible for.

Following a "revenue raising" away day officials from almost all of Stormont's 12 government departments have drawn up taxation proposals that will hit those suffering most from the recession and cuts even harder.

The proposals, yet to be put before the Assembly, include:

The reintroduction of prescription fees (made free only last April!),

- A £20 fee to visit a nurse or your own GP,
- A £100 fee if you have the misfortune of needing to be visited A&E (if you can find one that

- has not been closed down),
- Charging for home helps,
- A "Congestion" charge in Belfast city centre—possibly extending to other urban centres,
- A hike in car parking fees to raise £35m and deter people from showing up for work ("deter all-day commuter parking"),
- Increased rates bills to pay for policing,
- Increased Housing Executive rents,

- Parents paying more to transport their kids to and from school,
- Charges for freedom of information requests to Public Records (NI) Office.

The Department for Regional Development, headed by Sinn Fein's Conor Murphy, is proposing the introduction of water charges by 2013/14. They are apparently looking forward to fleecing us of £33 million in the first year and £66 million in the second year. For something we already pay for in our rates!

## Farewell welfare?

The governments answer to rapidly growing unemployment is an all out attack on people claiming benefits.

In Northern Ireland the unemployment rate is around 7% according to the Labour Force Survey, this however does not include nearly 30% of the population categorised as 'economically inactive'.

Benefits are not just for the unemployed or economically inactive. They supplement low pay, give those with long-term illness, disabilities or caring responsibilities a means to survive as well as providing income for those who cannot find work. One in three of the UK's 30 million strong

workforce receive some form of state benefit.

The government are taking a hard-line approach to dealing with 'benefit fraud', committed by people forced to work in the black economy in order to get by. Benefit fraud costs around £3 billion a year. The amount left unclaimed by those entitled to benefits is between £4 billion and £8 billion. The total amount of uncollected taxes, mostly from wealthy tax dodgers, is around £120 billion. Pound for pound the government spends 624 times more on advertising demonising 'benefits cheats' than on chasing wealthy tax dodgers.

Current welfare reforms are aimed at making the unemployed, single parents, the sick and the disabled compete for scarce and badly paid jobs in order to further push a 'flexible', insecure and low-wage economy. While employers are trying to squeeze more work out of those of us with jobs for less money, these 'welfare reforms' aim to force those who do not have work to accept jobs with worse wages and conditions.

They government aim to make £11 billion in welfare cuts. First off they are linking benefits to the Consumer Prices Index rather than the Retail Prices Index as the CPI does not include the cost of housing. This means benefits will not be able to keep up with the rising cost of living.

This is coupled with a drive to transform welfare into workfare that

will see private companies being paid by the government to link benefits to compulsory work placements. For a standard working week this can mean working for just £1.60 per hour—less than a third of the minimum wage.

The sick are being forced back to work with more stringent criteria being enforced. This has already led to the suicide of one person who suffered severe depression after they were forced back to work.

Tax Credits for 'middle-income' families are to be cut back forcing more into poverty.

Claimants need to organise and like the wider working class we certainly have a fight on our hands to defend our living standards from these attacks.