

## COALITION TAKING FROM POOR TO GIVE TO RICH

(contd. from front page)

Why does VAT apply to some goods and services, but not others? Areas exempt from VAT include leisure travel, private education and private healthcare, while VAT must be paid (though at a reduced rate of 5%) on domestic fuel and power, women's sanitary products, and children's carseats. As Save the Children point out, opposition to VAT is not simply about the recent rise: "Increasing VAT will... widen inequalities and entrench the unfairness that exists in the tax system". In addition to the arguments regarding the regressive nature of VAT, however, raising the tax is likely to have a negative economic impact. The British Retail Consortium recently suggested that the rise in VAT could cost up to 163,000 jobs. Alongside the rise in VAT and cuts to HMRC, the Coalition has also announced that the UK's mainstream corporation tax rate, which applies to the profits of large companies, will fall from 28% to 24% over the next four years. The TUC suggests that after evasion and avoidance, 'Effective' Corporation Tax will be around 17% - "3% less than the small company's corporation tax rate in the UK... the largest companies in the UK will be paying lower rates of tax than almost all of their employees and almost all small businesses in this country".

### These Boots were made for walking... to Switzerland

According to an investigation by BBC Radio 4's File on Four programme, since moving their registered headquarters to a Swiss PO Box, Alliance Boots (owned by private equity firm KKR since 2007) has reduced its tax bill from around £100 million to about £14m, and is now paying an effective tax rate on 3% of its profits. Other high-profile example of tax avoidance

include Sir Phillip Green - recently appointed by David Cameron as 'Efficiency Tsar' for the Government. In 2005, Green awarded himself the highest corporate paycheck in British history, £1.2bn. This was channelled via tax havens to his wife's Monaco bank account - thus dodging £285m in tax - an amount equivalent to the salaries of 20,000 NHS nurses. HSBC have been accused of a £2bn tax-dodge - while lobbying group 38 degrees have set up a petition calling for the Coalition Chancellor himself to pay over £1 million in dodged taxes (<http://www.38degrees.org.uk/page/s/osborne-pay-your-taxes#petition>).

Richard Murphy of Tax Research UK asks 'Why wasn't closing the tax gap the focus of government attention in its plans to cut the deficit, and given the size of potential revenue available from doing so, how can cuts in public services be justified unless this issue has been tackled first?' These are important questions to raise.



## UK Uncut

### JUST A BIT OF VODAFUN?

Mobile phone giants Vodafone have been engaged in a dispute with the UK government over around £6bn in taxes for more than 10 years. After a series of court cases HM Revenue & Customs eventually won a decisive victory, yet Vodafone has since been allowed to get away with paying a mere £800m. An article in Private Eye highlighted this, and a protest outside a Vodafone store in London followed, on Wednesday October 27th, 2010. Since then there have been more than 150 protests outside High Street shops of Vodafone and other tax-dodging businesses nationwide - under the banner of a new group called 'UKuncut' ([www.ukuncut.org.uk/](http://www.ukuncut.org.uk/)). Other targets have included Boots, and Phillip Green's Arcadia empire (Topshop, Dorothy Perkins, Miss Selfridge, Burton)

## IN BRIEF

**Gloucestershire County Council** has proposed budget cuts of £120 million locally (30%). It is feared this could lead initially to 5,000 public sector jobs losses in the county,

11 local library services are under threat, as the **Library Service** faces a cut of 43%. A campaign to save the libraries - currently based around a petition to GCC, has a website here: <http://foclibrary.wordpress.com/>

**Stroud Fire Fighters** are campaigning to stop the removal of a vital road accident rescue appliance. The Fire Brigades Union has been collecting names for a petition at the Farmers' Market and in various shops in Stroud, and is encouraging people to send letters of protest to: Chris Griffin, Chief Fire Officer, Fire Service HQ, Waterwells Drive, Quedgeley, Gloucester GL2 2AX.

**NHS Gloucestershire** is to transfer the local Primary Care Trust to a Social Enterprise, after a consultation process described as 'derisory' by an employee who wished to remain anonymous for fear of blacklisting. Unison Severn Health organised a large protest outside the meeting which discussed the transfer to social enterprise and over 50 health staff protested outside Gloucester Royal hospital recently.

Foresters have united in opposition to a planned **sell-off of public forests** in England including parts of the Dean. On November 1, a steering group was set up to coordinate opposition. Friends of the Forest warn that land south and west of Bream and Lydney, west of Coleford, and east of Cinderford and Mitcheldean could be sold for commercial logging, with public access being restricted. 38 degrees have set up a UK-wide petition against the sale of Forest Commission land: <http://www.38degrees.org.uk/save-our-forests>

## UPCOMING EVENTS:

**15-16th January, Manchester**  
**'Network X' gathering** "for all networks and individuals that are oppositional and non-hierarchical - a space for coordination, planning and discussion, strengthening the movement against the cuts."  
<http://networkxuk.wordpress.com/>

**7.30pm Thursday, January 20th**  
Stroud Debate: **'The Rise and Rise of Britain's Tax Haven Empire'**, with John Christensen of the Tax Justice Network Sub Rooms, Stroud. £5 in advance, £6 on the door. [www.transitionstroud.org](http://www.transitionstroud.org)

**Saturday January 22nd 11.30am**  
**National Shop Stewards Network Anti-Cuts Conference** at South Camden Community School. [www.shopstewards.net](http://www.shopstewards.net)

**Wednesday 26 January**  
**National Walkout** organised by National Campaign Against Fees & Cuts (NCAFC) <http://anticuts.com/>

**Saturday January 29th, 10.00am / 11.30am**  
**Stroud Against The Cuts March & Rally**  
March meets at 10am Stratford Park Car Park, Rally outside Subrooms at 11.30 am. [stroudagainstthecuts@yahoo.co.uk](mailto:stroudagainstthecuts@yahoo.co.uk)  
(there is also a National Demonstration in London called by the NCAFC)

**Saturday, February 5th**  
**Day of Action to Save Libraries**  
[http://www.voicesforthelibrary.org.uk/wordpress/?page\\_id=802](http://www.voicesforthelibrary.org.uk/wordpress/?page_id=802)

**Saturday March 26th**  
**National Anti-Cuts Demonstration** called by the TUC - "March for the Alternative: Jobs, Growth, Justice"  
<http://www.facebook.com/event.php?eid=176812472328977>