

# the Socialist

www.socialistparty.org.uk

7-13 October 2010

Issue 641

price: 70p (Solidarity £2)

## Tube strike

Trade unionists fight job losses  
page 4



## Workers' fightback

Europe-wide action against cuts  
pages 6&7



## Socialism 2010

Joe Higgins MEP to speak  
page 7



# Tories turn clock back

## DEFEND CHILD BENEFIT

**THE TORY and Lib-Dem coalition government has struck at the very heart of the welfare state. The Conservatives' conference has issued a battle cry that will send shivers down the spines of working class people.**

Paula Mitchell  
London Socialist Party

Chancellor George Osborne announced he will scrap child benefit payments to parents earning more than £44,000 a year. He claims that this is only fair – after all, why should the poor pay taxes to give benefits to the rich? Surely, the Tories argue, this cut in benefits shows that we really are 'all in this together'.

Not so. This claim is a smoke-screen for the vicious reality of the public spending cuts. Millionaire Osborne's plans will save £1 billion – hardly making a dent in the government plans to cut £83 billion! If the Tories really want to stop poorer workers paying taxes to give money to the better off, they could start by scrapping tax for people on low incomes altogether.

The fact is that the poorest in society are paying the highest price for the government cuts. The child benefit threshold has

been announced, alongside a cap of £500 a week on the total benefits a family can receive, and a proposal to scrap all benefits and replace them with just one credit. This will further impoverish many families. Meanwhile greedy city bankers are getting £7 billion in bonuses!

And something much more important than £1 billion is at stake. The principle of universal benefits is at the heart of the welfare state, one of the most important gains achieved by working class people after World War Two. The forerunner of child benefit was the family allowance introduced in 1945.

The introduction of universal benefits got rid of the humiliating means-testing for poor relief, which provoked mass protests in the 1930s. Family allowance put a safety net under all families, no matter how their circumstances may change, and was recognition that the cost of raising a child was the responsibility of society as a whole.

It established an important principle of mutual cooperation. Universal benefits ensured that those who needed them, got them. But they also ensured middle class support for a redistributive tax system – they paid taxes to relieve poverty and provide services for the working class, and got a safety net and access to services themselves in return.

In the late 1970s the system was

renamed 'child benefit' and was paid direct to the mother, rather than to the father through the tax system. This was an important achievement for working class women, some of whom had no other income.

Child benefit has never covered the actual cost of raising children, and socialists campaign for it to be increased to reflect the real costs. But it has worked as a benefit, with a 99% take-up rate, because it is simple, there is no stigma and no poverty trap.

As soon as there is any form of means-testing, fewer people claim benefits. £200- £300 million goes unclaimed in means-tested benefits every day because of the complexity of claiming, or people do not know what they're entitled to, or feel ashamed to claim "hand-outs".

The reality is that this attack, which the government hopes will seem reasonable and be popular, is the thin end of a very big wedge. It is inevitable that, once established, the threshold will get lower and lower.

And if it is OK to scrap the universal character of child benefit, why stop there? Why have a free NHS? Why have free education?

This attack marks a stepping up of the war on our welfare and must be vigorously opposed.

See page 5 for details of protests against the comprehensive spending review



photo Paul Mattson

## Organising action costs money Fighting fund urgently needed!

Can you make a donation to help reach our target?  
Rush your money in by 11am Monday 11 October.  
Telephone 020 8988 8777 or pay online at  
[www.socialistparty.org.uk/donate](http://www.socialistparty.org.uk/donate)



PO Box 24697, London E11 1YD • telephone: 020 8988 8777 • email: [info@socialistparty.org.uk](mailto:info@socialistparty.org.uk)