

# Unite emergency budget reaction

22 June 2010

## **Hurting the needy and vulnerable is vintage Thatcher**

Commenting on the Con-Dem coalition's emergency budget, announced today (Tuesday), Unite joint general secretary, Derek Simpson said: "Osborne and Cameron's talk of financial Armageddon is not because they have the solution to the deficit but to scare the British people into accepting the biggest attack on essential services for a generation. Today the mask slipped to reveal this government for what it is - Tory slashers of services and friends of the rich and powerful.

"Where is the promised fairness in cutting the wages of needy households yet fighting shy of closing the tax loopholes which allow the wealthy to dodge their duty to this country? And increasing VAT is reckless - it will stop people spending, harm UK business and choke off the recovery.

"This budget is vintage Thatcher. The Lib Dems have been conned into hammering the poor, choking off investment and cuts that risk plunging this country into a longer and deeper recession. If they do not disassociate themselves from this, then the Lib Dems will have to bear the responsibility."

Unite warned that the following measures will hit working people and impede economic recovery:

- Freezing child benefit for three years, hitting low waged households hardest
- Freezing public sector pay, hitting some of the lowest paid in the land, for two years
- Reducing investment grants for the struggling manufacturing sector to £25,000 and below
- Increasing VAT from 17.5 per cent to 20 per cent, which will endanger the fragile consumer recovery
- The 25 per cent cut in public spending in next four years
- £11 billion welfare benefit cuts over next four years.

ENDS