



Written by [Michael Tennant](#) on August 11, 2010

## British Government Cuts Spending

Here in the United States, with budget deficits ballooning, our government is spending ever more money and creating new entitlements.

In Great Britain, however, the government is actually tackling the problem head-on and doing the unthinkable: cutting spending.

On August 9 the *New York Times* [reported](#): “Last month, the British government abolished the U.K. Film Council, the Health Protection Agency and dozens of other groups that regulate, advise and distribute money in the arts, health care, industry and other areas.” This, said the *Times*, “was just a tiny taste of what was to come.”



The British government, according to the *Times*, “is preparing to shrink down to its bare bones as it cuts expenditures by \$130 billion over the next five years and drastically scales back its responsibilities.”

One might get the impression that Her Majesty’s Government is going to wither away. \$130 billion is quite a bit of money, after all. However, that only represents a cut of about 10 percent in the entire budget — significant, yes, but hardly “down to its bare bones.”

The *Times* detailed some of the cuts that are being forced upon local governments by London. For example, public-sector workers’ salaries will be frozen for the next two years, and about 600,000 public-sector jobs could be lost nationwide. Oxfordshire is shutting down its traffic speed cameras. Nottinghamshire is closing three recycling facilities and some day-care centers. Coventry is cutting its child-services budget. Local governments that were expecting money from London to remodel and build schools will have to do without.

The *Times* points out that the cuts are taking place so rapidly that there is sometimes confusion over exactly what is being cut and how soon it is being cut. The Film Council, for instance, was first told that it was being eliminated; then a press release announced that its closure was merely being proposed but was not yet definite. Similarly, the cancellation of school funding “had come so abruptly that carefully wrought plans and partnerships had to be torn up overnight,” as the paper paraphrases Coventry city council official John Mutton.

Eventually such confusion will be cleared up, and it is a small price to pay for reining in out-of-control spending, particularly in “one of the most heavily taxed, tightly regulated countries in the developed world, with government accounting for 21.1 percent of the work force and half of the economy,” as a July 20 *Times* [report](#) put it.

Naturally, others on the public dole are raising alarm bells about the cuts, too: “The director of the Tate Gallery, Sir Nicholas Serota, warned that ‘what you will see across the country is organizations closing, theaters going dark, galleries being closed.’ The BBC is trying to make the case for keeping the \$226



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annual license fee that television viewers pay the government each year. The police say that planned cuts in the antiterrorism budget would make it harder to fight Al Qaeda,” said the August 9 report.

This is, of course, the typical response to attempts at government belt-tightening, as Butler Shaffer recently [pointed out](#) at the LewRockwell.com blog:

It should be noted that the services local governments are the first to curtail are those actually desired by the citizenry. There is rarely a suggestion made that the jobs of city administrators be eliminated....The assumption prevails that, while non-government employment or programs are subject to curtailment during economic recessions, the continued employment of these make-believe "public servants" should remain protected.

There is also a cautionary tale here for those who desire charities, whether faith-based or not, to be funded by taxpayers. Prime Minister David Cameron has sensibly suggested that charities, rather than government, ought to be helping people in need, especially during a time of government budget cuts. Unfortunately, those same charities, according to the *Times*, “say that they are at risk of collapse because they are so dependent on government money.”

So while the British government isn't exactly going on a starvation diet, any cuts in government expenditures are welcome, and particularly so during bad economic times. Government spending, which forcibly extracts money from its citizens for political ends, drains cash from the private sector, which serves people's needs through free exchange and fuels economic growth. If government spending were capable of pulling an economy out of recession, then the United States would have emerged from the Great Depression in a matter of a few months or years. Instead, as FDR's Treasury Secretary, Henry Morgenthau, lamented, “We have tried spending money. We are spending more than we have ever spent before, and it does not work... I say after eight years of this administration, we have just as much unemployment as when we started — and an enormous debt to boot.”

The Brits seem to have figured this out. Now it's time for the folks in Washington to do the same.

*Photo: Britain's Chancellor of the Exchequer George Osborne appeared with Treasury Secretary David Laws (out of picture) during a press conference at the Treasury, in London, May 17, 2010: AP Images*



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