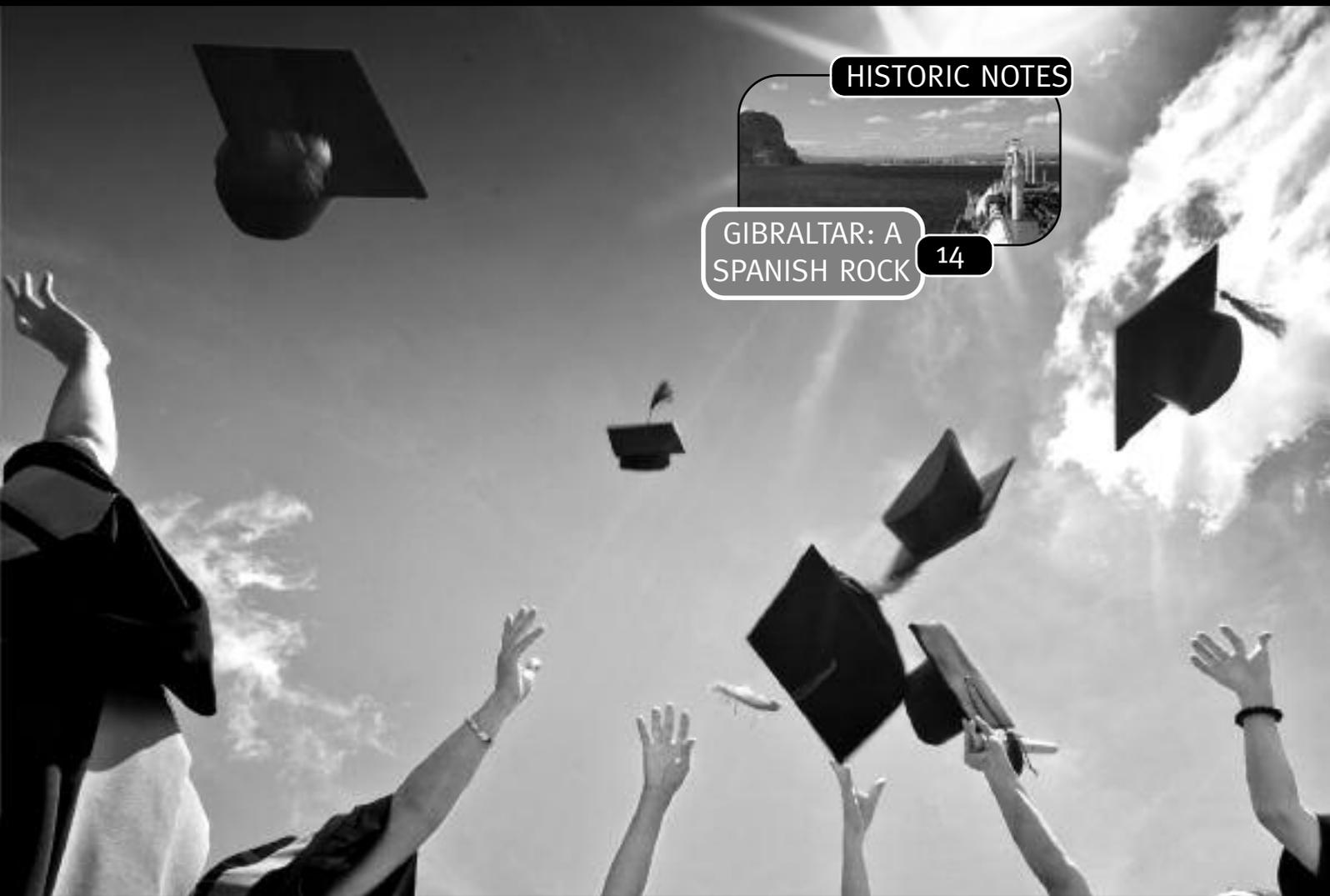


WORKERS

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HISTORIC NOTES



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HELLO DEBT: THE MIS-SELLING OF STUDENT LOANS

JOURNAL OF THE COMMUNIST PARTY



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IF YOU WANT TO REBUILD BRITAIN, READ ON

WORKERS

“ The Syria vote: speaking for Britain

THE HOUSE of Commons vote against war on 29 August was historic. Not since Lord North failed to get a majority to continue to fight the US War of Independence in 1782 has Parliament refused a government motion to back a war.

Everything was arranged. Obama was ready. The RAF was all set to send Typhoons to Cyprus. But the British people's consistent 2-1 opposition stopped the proposed war.

“We are a hugely diminished country [this morning],” tweeted Paddy Ashdown the next day, bemoaning the onset of an era of absence of influence. Far from it: the vote was one of Parliament's most influential ever. It stopped war in Syria – certainly for the time being – and possibly stopped a world war. Obama had said it would be a local, limited war. Don't all wider wars start with that promise?

We can be proud of our country's role. There are thousands alive today in Syria who would be dead but for that vote.

It was a huge defeat for the notion that NATO powers have the right and duty to intervene where they see fit. The USA has halted its drive to war; President Obama was forced to consult Congress; and the French government was forced to debate the issue in that country's parliament. Britain can indeed have influence – and, for once, for the good.

China and Russia have refused to agree to a UN Security Council resolution against Syria and rightly state that any action without the UN would be an illegal act of aggression.

You'd be forgiven for thinking that it was only Russia on the Security Council opposing Obama's strike. President Putin has become the whipping boy of the western media – everything is his fault, apparently. China also supports negotiation and opposes intervention in the internal affairs of other nations. But how often do you read that?

Beware the media assault on Putin – or on any other foreign leader for that matter. The people who decide the lead items on TV and in print pick their enemies with political care.

There is still a grave danger that the US will attack Syria. And parts of the British state want to reverse the vote and join a US war. The odious François Hollande, humiliated and isolated, is still clamouring for a war mandate.

But don't take your eyes off British politicians for one minute. Cameron and his foreign secretary, William Hague, are still promoting and hoping for war. Only relentless vigilance and pressure from the British people can stay their hands.

We now have to go further, take responsibility, and take power from those who would plunge us all into a new world war. ■



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Chemicals, and the 'rebels'

ENERGY Worries over bills

THE VIETNAMESE attack on US warships in the Tonkin Gulf? Never happened. The Serbian attack on the Sarajevo marketplace? Never happened. (Bosnian Muslim terrorists did it.) Iraqi soldiers throwing babies out of incubators? Never happened. Saddam's Weapons of Mass Destruction? Non-existent.

Now we are told that Syrian President Bashar al-Assad ordered the chemical weapons attack of 21 August. But even Cameron told MPs, "In the end there is no 100 per cent certainty about who is responsible." US intelligence officials agreed, saying that the intelligence linking President Assad or his inner circle to the attack was no "slam dunk".

Why should President Assad court US intervention by ordering the use of chemical weapons? We should always ask, Who gains?

Egyptian intelligence reported a meeting in Turkey between military intelligence officials from Turkey and Qatar with Syrian "rebels". One of the participants stated, "there will be a game changing event on August 21st" that will "bring the US into a bombing campaign" against Syria.

A rebel-produced video shows rebels firing gas canisters into a residential area, with the word "sarin" clearly spoken. Jabhat al-Nusra rebels were recently caught near the Turkish-Syrian border with a 2-kilogram cylinder of sarin. A photograph shows chemical materials from a rebel weapons stockpile labelled as made in a factory in Saudi Arabia.

Of earlier allegations, Carla Del Ponte, a member of the UN Independent Commission of Inquiry on Syria, said that testimony gathered from casualties and medical staff indicated that rebels, not government forces, had used sarin. Del Ponte said the inquiry had yet to see any direct evidence that government forces had used chemical weapons, but said further investigation was required before this could be ruled out. "What appears to our investigation is that it was used by the opponents, by the rebels," she said. "We have no indication at all that the Syrian government has used chemical weapons."

Russia has compiled a 100-page report detailing evidence that Syrian rebels, not President Assad's forces, were behind a sarin gas attack in an Aleppo suburb earlier this year. ■

A BBC survey indicates that more than one in three people are worried about being able to pay their heating bills this winter and that one in four are tolerating "unacceptably cold" homes. Higher costs had forced two-thirds to use less gas and electricity. Over two-thirds thought energy firms should be renationalised with 75 per cent saying their charges were too high. Figures were highest in the north west and the midlands.

In a separate survey the AA has found many young drivers have to take out overdrafts to pay for the rising cost of petrol, use their savings, borrow money from friends or family, resort to payday loans or even pawn some of their property.

- Five million people, more than a sixth of the workforce, now get less than the "living wage" – £8.55 in London and £7.45 an hour in the rest of Britain. This is far worse even than in 2009, when 3.4 million people got less than the "living wage". ■

TRADE The deficit doubles

BRITAIN'S trade deficit doubled in July from June, according to the Office for National Statistics. The gap between imports and exports for July, £3.085 billion, was more than double June's trade gap of £1.256 billion.

It was also the biggest monthly deficit in trade since October 2012. Industrial output, which includes energy production, was unchanged from June. Government economists had been expecting a slight rise. Not much sign of a recovery there then. ■

If you have news from your industry, trade or profession we want to hear from you. Call us on 020 8801 9543 or email rebuilding@workers.org.uk

EUROBRIEFS

The latest from Brussels

Let us out!

GOOD NEWS: the 30th annual British Social Attitudes survey reported, "Euroscepticism is firmly in the ascendency, with a record 67 per cent wanting either to leave or for Britain to remain but the EU to become less powerful."

Dutch oppose opening labour market

ACCORDING TO a recent poll, 81 per cent of Dutch citizens oppose the opening of the Dutch labour market to Bulgarians and Romanians from 1 January 2014.

Social affairs minister Lodewijk Asscher agreed eastern European workers threaten the jobs of Dutch workers as they are willing to work for less than the minimum wage. He said the government will address the "negative consequences" of intra-EU migration. That won't go as far as closing the country's borders to those migrants, which would not be permitted by the EU.

According to the 2011 census, Bulgaria has lost 582,000 people over the past ten years and 1.5 million of its population since 1985, a depopulation record not just for the EU, but also by world standards. It now has almost the same number of inhabitants as in 1945.

Crisis zone

ECONOMIC NEWS in EU member states continues to reflect serious problems. In Greece, unemployment in the 15-24 age group reached 58.8 per cent, an unimaginable figure in any European country until recently. In France the government announced spending cuts of nearly 15 billion euros in response to lower growth forecasts.

Is that a promise?

THE TWO co-chief executives of Goldman Sachs International have said banks will move to the Continent from London "in very short order" if Britain exits the EU. No more Goldman Sachs – another great argument for leaving the EU.

Sadly, it's probably a bluff. If Goldman Sachs moved its offices any distance away from the Stock Exchange, that would make its traders' electronic transmissions take longer, losing it a competitive advantage. ■



September: a new term, and teachers are gearing up to defend education: joint union action between the NUT and the NASUWT kicks off (see article, page 9).

Photo: Andrew Wiard/www.andrew-wiard.info

Deloitte fined over MG crash

EIGHT YEARS after the crash and burn of the supposed "phoenix" of British car manufacture MG Rover, with debts of over £1.4 billion and the loss of over 6,000 jobs, the settling of accounts finally occurs. The accountancy firm Deloitte has been fined a record £1.4 million, with the Financial Reporting Council severely reprimanding Deloitte for conflict of interest in managing the advice it gave to the company.

The FRC says, "The public must be protected from misconduct of this nature... Deloitte showed no signs of co-operation, confession or contrition." The fine of £1.4 million is peanuts in the scale of the money involved.

The public is only "protected" until the next scandal in the financial sector. The original Phoenix Four directors, who "bought" MG Rover for £10 and then proceeded through a series of complicated loans and deals with BMW worth over £500 million, all apparently legal and above board, netted an estimated £40 million in personal pensions and benefits. Unlike Deloitte they were long ago exonerated from any wrongdoing, only following the rules of capitalism.

The final carcass of MG Rover and Phoenix Venture Holdings saw the intellectual rights and technology sold off to the Chinese and the death of Rover car manufacture after 100 years. ■

ZERO HOURS**Wigan action continues**

WORKERS AT the Hovis bakery in Wigan continue their strike action against the use of workers on zero hour contracts.

Their action follows 26 redundancies in April and reduced pay for the remaining staff. An additional five redundancies are threatened by the employer, Premier Foods, in October.

Since the redundancies and pay cuts, Premier Foods have been using agency staff on zero hour contracts at the bakery.

Of the 357 permanent employees, 230 are members of the Bakers, Food and Allied Workers Union (BFAWU). Determined to stop this erosion of jobs and

pay the members voted for a series of strikes which began in late August. The latest strike action culminates with a day of action in Wigan on Saturday 28 September with expected support from trade unions Unite and Unison. ■

TUBE**Drivers in overtime struggle**

AS WORKERS went to press, tube drivers on the Victoria Line, London, were due to strike for six hours from 9pm on the evening of Tuesday 24 September in a fight around overtime. Their union, the RMT, says drivers are being forced to work overtime, and that London Underground has refused to meet to discuss the issue. ■

Strike ballot at Royal Mail

THE COMMUNICATION Workers Union is to ballot its members on strike action in response to the government's proposed privatisation of the Royal Mail. As WORKERS went to press, ballot papers were due to be sent out on 27 September, with the result to be announced on 16 October.

Dave Ward, deputy general secretary, said the union didn't want to see a mail service "where

companies compete on poverty pay, few employment rights and poor services simply to maximise payouts to wealthy shareholders". He said strikes were "inevitable" unless there was a binding agreement on protection for jobs and terms and conditions, regardless of who owns the company.

Tied up with the dispute is a failure to agree over this year's pay increase. The CWU has already rejected a below-inflation offer linked to major changes in the pension scheme. The offer has been widely seen as part of the process of fattening up the Royal Mail to make it more attractive to buyers.

The government announced in early September that it intends to list the Royal Mail on the London Stock Exchange and sell a majority stake (though it has yet to reveal how much of its stake is for sale).

Shares will be offered to institutional investors and also to private individuals, with a minimum investment of £750. The government says the privatisation will allow Royal Mail to "access" private capital (in fact, it would be the exact opposite). The union points out that Royal Mail has plenty of its own, having made £403 million last year. ■



Photo: Elene Moiseeva/shutterstock.com

GREECE**Public sector workers fight**

A TWO-DAY strike in Greece in September involved doctors, teachers and other public sector workers. Private sector workers also took part.

They were protesting at plans to cut the pay of 25,000 civil servants and then to

redeploy or sack them – 15,000 jobs are due to go by the end of 2014, the price for Greece's latest set of loans.

The unions point out that older vulnerable workers will be targeted at a time when unemployment is already close to 28 per cent.

There were rallies across Greece, and state high school teachers also held a five-day rolling strike. ■

WHAT'S ON**Coming soon****OCTOBER**

Tuesday 1 and Thursday 17 October. Various locations.

NUT/NAS strike rallies, Birmingham, Bristol, Cambridge, Durham, London and Sheffield

For details, see

<http://www.nut.org.uk/node/19146>

NOVEMBER

Tuesday 12 November, 7.30pm. Conway Hall, Red Lion Square, London WC1R 4RL.

"Free movement of labour: modern day slavery"

CPBML public meeting. Free movement of labour is one of the cornerstones of the European Union. And it's a dagger aimed at the labour movement's heart. Come and discuss. Everybody welcome.

MONOPOLY**13 firms at capitalism's core**

A STUDY by academics Peter Phillips and Brady Osborne, part of the soon-to-be-published Project Censored 2014, reveals just how far the global concentration of capital has advanced.

The two researchers have analysed the top ten asset management companies and the top ten most centralised corporations in the world, identifying between them just thirteen firms, with 161 directors, that dominate the financial core of capitalism worldwide. These firms collectively control funds worth \$23.91 trillion – roughly ten times Britain's entire annual GDP.

The analysis goes further, presenting a history and analysis of wealth, the individuals and the companies, the relationship to the US military and NATO as their effective enforcers worldwide. More detailed studies of the US economy show that the 2.5 per cent most wealthy US citizens increased their wealth by 75 per cent between 1983 and 2009, while 80 per cent of US households saw their income reduce.

In practical terms that equates to the top 1 per cent having an average household wealth of \$14 million dollars, while 47 per cent of the US population have an average household wealth of zero dollars.

PROJECT CENSORED 2014: FEARLESS SPEECH IN FATEFUL TIMES, Project Censored, will be available at projectcentral.org/store, \$19.95. ■

As a new university year begins, many students are arriving for t
 Meanwhile, the promised land of higher graduate earnings may t

The next mis-selling scandal: why most of t



Photo: sippakorn/sutterstock.com

After the degree, the lifetime of debt. Yet few students seem to realise what they are in for.

FOR DECADES young people have been told that the path to prosperity is to study hard and go to university. But for many of today's students a university place has become the first step on a ladder of debt that will be with them for the whole of their working lives.

And it's not just the students who will be saddled with debt. The way the government has organised the loan system means that its own finances are due to take a big hit from loans that will never be repaid. That doesn't affect it much now, but in two decades' time there is likely to be a £100 billion hole in the public

finances. No wonder the system been called another Private Finance Initiative.

What today's new students may not realise is that they are entering a world of painful cost. One teacher, reported the DAILY MAIL, asked 150 students what the maximum tuition fee was, and they all knew. He then asked what the interest rate was on the loans – and none of them knew. They will soon.

The extent of the pain is detailed in "Squeezing our students?", a report issued in July by the Intergenerational Foundation (an independent non-party-political charity). Britain's tuition fees are the

highest of any public university system in the world.

To add to the burden, the rates of interest on Britain's student loans are not just twice as high as the average in the industrialised world (6.6 per cent in July against an average of 3.3 per cent in OECD countries), they are the highest in Western Europe. Only Mexico and the Czech Republic charge higher rates, and their fees are much lower to begin with.

The government even added an extra vindictive twist by linking loan interest rates to the Retail Prices Index (RPI) rather than to the generally lower Consumer Price Index (CPI), which it uses when it calculates increases on benefits. The TUC estimated that just that one-letter change in acronym will cost students thousands of pounds and add years to the time needed to repay their loans.

The result will be a debt that the average student may never pay off. The Foundation's report explained why.

What this means is that the average graduate, whose degree is supposed to mean higher wages, will be paying out 9 per cent of their gross income over £21,000 for 30 years – and even so never clearing the debt. According to the Foundation, the average ex-student will have nearly £17,000 still outstanding at the end of 30 years. (After 30 years, the debt is written off.)

Read the small print

It gets worse. Students who take out these exorbitantly expensive loans are signing agreements with small print that allows the government to vary the repayment terms. That means the government can raise interest rates without having to go to parliament for consent.

That particular fact came to light when an investigation published in THE GUARDIAN in June revealed government ambitions to privatise the Student Loans Company, which administers the loans. City banker Rothschild, which was advising the government, reckoned the company was not suitably attractive to investors and recommended raising the interest rates as one option.

Of course, for most students the government loans for fees and

their courses having signed up unwittingly to a lifetime of debt. Turn out to be a mirage...

Today's students may never clear their debts

maintenance won't actually cover all the costs students have to face – not just fees but rent, subsistence, books, travel etc. So they will have extra loans in the form of overdrafts with banks. With all that burden, no wonder many sixth-formers are thinking twice about going to university.

The government went into the £9,000 fees era knowing that many students would not repay their loans. It estimated that around 30 per cent of the value of the loans would not be repaid. That estimate has crept up, with Vince Cable talking about 34 per cent earlier this year, and the Treasury muttering about 40 per cent.

The £100 billion hole

What does this mean, in real terms? Well, given that student loans will cost the government £12 billion a year by 2015/2016, according to the Office of Budgetary Responsibility, 40 per cent of that will add nearly £5 billion a year to public debt if not repaid. The debt to the student may be wiped off after 30 years, but it remains, transferred to the taxpayer. The Intergenerational Foundation predicted

last year that the loans system would add £100 billion to public debt by 2030. The change from giving universities money directly for teaching students to lending the money to students won't just drag students and the public purse into debt – it costs up to twice as much as well.

It is as if the aim of the system is not to save money, but to ensure that a generation of skilled workers will be in debt before they start work and throughout their working lives. And if public finances 20 years down the line are wrecked, well, so be it. If Britain ends up short of much-needed graduates, so be it. It's the kind of recklessness that typifies capitalism.

On the face of it, the whole thing seems mad. It's Wonga-type government, with subprime loans that the borrowers will never be able to repay, and which will lead to a hole in the public finances of £100 billion. To put that in context, it's about the size of the entire NHS budget in 2011. But the real purpose will be clearer when the Student Loans Company is sold off – there are fortunes to be made for bankers managing large debts.

So it's not just the students who have been mis-sold. It's the whole of Britain.

Well, is it worth it?

In return for a lifetime of debt, graduates are promised that they will receive higher wages than non-graduates. Universities Minister David Willetts told the Conservative party conference in Birmingham in 2010, "On average it boosts your earnings by £100,000 over a lifetime."

Beware figures like £100,000. They are normally too round to be true. That figure is based on a handful of guesses and some figures around average earnings of graduates compared with people who gained two A-levels but did not go to university. There's actually very little evidence for it.

And even if the figure were true, it's not good. The average person starting work after school – not even the average for someone with two A-levels – is £14K. So after three years a graduate has debts of around £50K, while the average

Continued on page 8

How the government's loan repayments work

WARNING: If what follows sounds complicated, it's because it is. The government has made its loans so complex that most students don't really know what they are signing up for. According to this year's Student Money Survey, run by www.savethestudent.org, 55 per cent of them admitted they don't understand the repayment conditions. All the following details apply to government loans taken out after 2010/2011, when the system was changed.

While students are studying their loans accrue interest set at the Retail Prices Index plus 3 per cent, starting the moment they take out the loan. After graduation the interest falls to RPI, until their income hits £21,000. It then increases to RPI plus 0.15 per cent for every £1,000 of additional income, up to a maximum of RPI plus 3 per cent for an income of £41,000 or more.

Students don't have to begin repaying

their loans until they earn at least £21,000. At that point they pay 9 per cent of everything they earn over that sum – effectively, a graduate tax. But the interest on their loans keeps accumulating. Worse, the repayment rate is calculated on the borrower's gross income, before income tax and national insurance, and paid out of net income. Anything not repaid after 30 years is written off.

So, for example, a graduate starting work at a typical salary of £22,000 would repay £90 of their loan in their first year. But interest would be accumulating at the rate of RPI plus 0.15 per cent. With RPI at 3.3 per cent (the latest figure) and a typical total loan at the end of graduation for students starting this year of, say, £40,000, this ex-student would be accruing interest of £1,360 a year. So most graduates won't be paying off any of the debt, just part of the interest. Overall, for a

graduate starting work on £22,000, the debt would rise by £1,270 in year one.

Graduates earning less than £21,000 – and even among those who find work straight away many earn less than that in the first couple of years – don't have to repay anything. But their debt will increase by RPI each year. After 12 months their £40,000 debt will be £41,320.

You'd think higher-earning graduates – and there aren't that many of them – would find it a lot easier to pay off their loans. Not so. The top interest rate of RPI plus 3 per cent is applied to the whole loan. As the Intergenerational Foundation points out, a law graduate starting at £42,000 a year but owing £40,000 would be repaying £1,890 of the debt. Yet interest will be accruing over the year to the tune of £2,640.

Truly, another year older and deeper in debt. ■

Continued from page 7

non-student has earned at least £42K. Then add in the cost of repaying the loans. Still worth it (in financial terms)?

The truth is that no one has properly analysed the financial benefit of a degree. Universities UK – as you might expect, the body that represents British universities – came up with a lifetime benefit of £160K in 2008. But even its analysis recognised a vast difference between different disciplines, with a lifetime benefit of £341K for dental and medical graduates but just £51.5K for a humanities graduate and £40K for an arts graduate.

Falling numbers

It's obviously worth taking a degree if you want to become a doctor, a dentist or a lawyer, since you can't become one without a degree. But otherwise, it's starting to look as if the sums don't add up. No wonder last year saw an overall dip in the numbers of students starting courses, despite an increase in the number of overseas students. That has to be dire news for Britain.

It's a sign of the times that students themselves are not taking this up as an issue for the whole country – and that the labour movement generally is silent. When

in July this year Business Secretary Vince Cable suggested scrapping the loans and introducing instead a graduate tax, the National Union of Students welcomed the idea, calling only for a "fair" system.

Aaron Porter, the union's president, said, "Vince Cable's support for the principle of a graduate tax is to be welcomed as is his recognition that those who earn most after university should contribute more back as and when they do so." There seems to be no conception that society must fund higher education because without it Britain will cease to exist.

It's not about applying reactionary policies "fairly". If you tax graduates because they earn more, then why not tax A-level or BTEC students for their education? How about a tax to pay for the new apprenticeships? Come to think of it, what about a tax on people who went to nursery school?

The government may be happy about higher education becoming the preserve of the rich and foreign students, but what about the rest of us? This is not just an issue for the National Union of Students, but for all unions. We need people to go to university, to study, to acquire and pass on new knowledge. We cannot rely on importing graduates from abroad. ■

Take the money and run

IT'S NOT generally known, but students from the European Union are eligible for student loans on the same basis as students from Britain. So British taxpayers are forking out for loans to students from France, Germany and so on to come here and take up state-funded university places. And for many of them, it's a completely free ride.

In theory, these EU students have to repay their loans on the same basis as British students. In practice, only just over half of them are repaying the loans as they should, while a third of them don't even start repaying their debt.

That fact was neatly obscured for a while when minister David Willetts said in parliament on 2 July 2012 that 9 per cent of EU students who had loans from the British government "were considered to be in arrears".

What Willetts forgot to add, and was buried in a report from the Student Loans Company last year, was that there were a further 33 per cent classified as "not currently repaying – further information being sought" (which is to say, the Student Loans Company had lost track of them). Only 2 per cent of British students fall into that category. ■



CPBML/Workers

Public Meeting, London Tuesday 12 November, 7.30 pm "Free movement of labour: modern day slavery"

Bertrand Russell Room, Conway Hall, 25 Red Lion Square,
London WC1R 4RL. Nearest tube Holborn.

Free movement of labour is one of the cornerstones of the European Union. And it's a dagger aimed at the labour movement's heart. Come and discuss. Everybody welcome.

Industrial action in schools in England starts this month as teachers fight for pay, pensions, working conditions and jobs...

Teachers rally as strike days loom



Photo: Andrew Wlard/www.andrew-wlard.info

Fighting together: NUT and NASUWT members march in Preston during a regional one-day strike in the North West in June.

HUNDREDS OF teacher trade unionists joined Rallies for Education across England in September in the lead up to industrial action this month. The teachers, members of the NUT and NASUWT, came together to protest about the unprecedented attacks waged by the government against the profession, schools and students.

In London on 14 September, speakers from the platform included a representative from each union, plus a classroom teacher, some students, a governor and a parent. Patrick Roach, NASUWT deputy general secretary, spoke about the decline in teacher numbers, dilapidated buildings, widespread closure of children's centres, increasing class sizes, and the attempt to set teacher against teacher with performance-related pay. He pointed out that PRP will reduce teachers' pay, as no extra money is available to fund the scheme.

A geography teacher from a Tower Hamlets school, with 15 years' experience, pointed out that the massive endless changes introduced by successive governments were exhausting teachers,

who are now called "the enemies of promise" by Secretary of State Gove. Schools are collaborative organisations or they are nothing, she said. Teachers work together to raise standards of education, not against each other in competitive salary systems that emphasise the work of individuals rather than teams.

Shocked

Teacher workload is relentless, she explained, and now Gove talks about lengthening the school day and shortening school holidays. At her school, teachers recently hosted a meeting between teachers and parents from three local schools – parents were shocked to hear about what was happening.

All this together with the trebling of tuition fees was a great concern to Soraya, a sixth form student from the same school, who spoke next. She wants to be a doctor, but will face debt of around £54,000 by the end of her medical training. Is university now to be only for the rich?

A parent from Hounslow pointed out that education needs to be a planned, organised system, not a free-for-all. Next,

a governor from Hove in Sussex explained how local people including governors had fought off a government proposal to build a free school on a community playing field. A playing field banner now proclaims "Hove 1, Gove 0".

Councillors from Barking and Dagenham spoke of the crisis in school places, felt acutely in that borough. Nationally 118,000 extra primary places are needed, with 42 per cent of the shortage in London alone. Barking and Dagenham has seen a 60 per cent increase in the birth rate in 10 years, as well as families moving out of central London unable to afford the rents. Under-18s now make up 31 per cent of the population. In their borough, they have families with children in schools in three different boroughs.

Running out of classrooms

Having expanded 70 per cent of existing schools – local authorities are no longer allowed to build new schools – the borough is running out of space. The council is now looking at empty shops and pubs as possible classrooms, as well as split shift schools, with 8am–2pm and 2pm–8pm sessions, and/or 8am–6pm on Saturdays plus three weekday shifts. In two years' time, they said, the crisis will also swamp the secondary schools.

Michael Gove talks about millions of pounds being spent on new Free Schools but those new places are nowhere near enough to deal with the crisis, and many of them are in religious schools or in the wrong areas. He has no plan to deal with the crisis.

Gove's departmental spending is out of control, explained Christine Blower of the NUT, as he creates an extra layer of central bureaucracy to replace local authorities. The Local Government Association has called for a halt to the Free School programme, to fund the extra school places needed now.

With loudly applauded excellent speeches from the platform, the mood in the London hall was animated. Now teachers have to go out and build the unions in their schools, to be ready for the fights ahead. ■

There was a time when Central and South America were seen as America's back yard. No longer...

Cuba's example strengthens a continent

THAT WAS an interesting few weeks through July and August with Edward Snowden holed up in the transit lounge of Moscow's Sheremetyevo Airport, hoping that some country would offer him political asylum out of reach of the US authorities who want to lock him up and throw away the keys. Venezuela and Nicaragua both offered him asylum. Bolivian President Evo Morales found his Presidential plane grounded in neutral Austria because of threats by NATO countries over his remarks in Moscow that Edward Snowden would be welcome in his country.

And of course, there's Julian Assange having been granted asylum in the Ecuadorean Embassy in London. So what's going on in Latin America that places these countries in the position that they can stand up to and defy the USA and NATO?

Well, there has been immense change, and a gradual process of growing unity among this family of nations that includes both Central and South America and the Caribbean – with Cuba at the heart of it.

That all looked unlikely back in 1962 when the Organisation of American States (OAS), founded by the USA in 1948 to extend its hegemony over the Americas, suspended Cuba over the October missile crisis, at the behest of the USA.

Every country in the Americas was a member of the OAS, which was committed by its founding pledge to "fight Communism". It was an integral part of the Cold War structures.

But that was then. Fast forward to 2009 when the OAS voted to revoke the suspension of Cuba from the organisation in defiance of threats from the USA and with only that country voting against. Instead, the OAS voted to suspend Honduras following the US-led coup against President Manuel Zelaya. Cuba, though, declined to take up its membership in a move that started a debate on an alternative to the OAS.

So what brought these political changes about? Maybe the trigger was the attempt by the USA to create the Free Trade Area of the Americas (FTAA or ALCA in Spanish). This was a proposal to force every country in the Americas into the straitjacket of a US

controlled trade pact, with the exception of Cuba.

The concept, kicked off in 1994 at the summit of the Americas in Miami, came to public notice in 2001 at the Quebec City Summit of the Americas. This summit was the target of massive demonstrations protesting against capitalist "globalisation" and once again the summit excluded Cuba.

Some 150,000 marched in opposition to the FTAA in Quebec on 20 April 2001 while 11 days later, on May Day, Cuban trade unions organised a million workers to protest in Havana under the slogan "Anexo no! Plebesito Si!" or "No to Annexation! Yes to referenda". Cuban trade unions had been campaigning internationally against globalisation since 1996 when they coined the simple, but now widespread slogan – "a better life is possible".

Doomed to failure

With opposition from Cuba, Bolivia, Ecuador, Dominica, Nicaragua, Honduras, Argentina, Chile, Brazil and Venezuela – Hugo Chavez described the FTAA as "a plan for annexation" and a "tool of imperialism for the exploitation of the Americas" – the summit was doomed to failure.

But the USA would not give up its attempt to impose the FTAA. Most countries had noticed that its predecessor, the North American Free Trade Area (NAFTA) which included Canada, the USA and Mexico, had destroyed Mexican agriculture because the USA continued to subsidise its own farming. There had never been any suggestion of the people of the Americas having any say on the FTAA. This may seem all too familiar to those who have been warning about the Transatlantic Free Trade Area (TAFTA) currently being proposed by the USA and the EU and which will not even be subject to ratification by EU member states.

But how did the Americas progress from subservience to the USA to outright defiance? In the 1990s, Cuba was in a bad situation. The collapse of the Soviet Union in 1990 had led to a total collapse of its trade. The USA had taken the opportunity to tighten the political and economic blockade, and at one point in 1994 was literally starving the island to death.

By the late 1990s, oil and energy were the main problem as Cuba was forced to buy at premium rates on the spot market. Cuba had to change its economy and turn to tourism to earn hard currency. This led to Latin American tourists flooding to Cuba and seeing the country with their own eyes.

Then in 1998 and 1999 hurricanes Georges and Mitch hit Haiti and the Central American countries of Honduras, Nicaragua and El Salvador, inflicting heavy loss of life.

Cuba not only sent doctors to help in the relief effort but offered to train young people from those poor areas that had suffered, to become doctors. In the meantime, Cuban medical staff would build a health service, based on the successful Cuban model, for the poor in those countries and the Cuban staff would eventually be replaced by the young nationals of each country who had been trained at the Latin American School of Medicine in Havana. Although Cuba had no diplomatic relations with those countries, it would not be long before ambassadors were exchanged.

In 1998, Hugo Chavez was elected as President of Venezuela, a country previously governed by a corrupt media-controlling elite with second homes in Miami. Chavez took on these oligarchs with the backing of the poor from the slums and, by agreement with the people, in 1999 changed the Constitution. Through that, the name of the country was changed to the Bolivarian Republic of Venezuela after Simone Bolivar, a leading liberation fighter against the Spanish colonialists whose goal was to unite South America into one republic.

This led the Venezuelan government to take full control of PDVSA, the state-owned but corrupt petroleum industry, using the revenues for popular projects. Cuba was involved in establishing a health care system for the barrios as well as providing anti-illiteracy experts and teachers. In exchange Cuba received low cost oil. Plans were afoot to spread social projects across not just Venezuela but the Americas.

This plan was rudely interrupted by a US-inspired coup in 2002. The coup saw Chavez detained but due to his popular



Photo: Alexander Chaikin/shutterstock.com

Caracas, Venezuela: The election of Hugo Chavez in 1998 marked a major shift in the politics of South America

support at home and in the military, and the outcry from the other countries of the region, he was released and went on to win four Presidential elections.

The failed coup led to a real coming together of the Americas against US “hegemony” over the region. If there was one thing countries of the region were vehemently opposed to it was coups, especially those emanating from the USA.

In 2004 Bolivarian Venezuela and revolutionary Cuba signed the agreement on medical, education, and petroleum cooperation and launched ALBA, an alternative to the FTTA or ALCA. The Bolivarian Alternative Trade Agreement then set out to encompass other Latin American and Caribbean nations into Peoples Trade Agreements.

ALBA was to become the Bolivarian Alliance of Our Americas and today has in its membership Venezuela, Bolivia, Cuba, Antigua and Barbuda, Dominica, Ecuador, Nicaragua and St Vincent and the Grenadines. Honduras was a member but withdrew after the 2009 coup. Suriname and St Lucia are special guest members and Haiti is an observer. The objective of ALBA was integration based on recognising each country's national sovereignty.

The attempts by the USA to undermine Venezuela and Cuba and to reassert its hegemony over the continent were

themselves rudely interrupted by the US/British invasion of Iraq. While the US was stuck in the Iraqi quagmire Russia re-established trading relations with Cuba, and because of a US ban on spares for the Venezuelan Air Force's US-built planes, that country turned to Russia, which became a strong trading partner for the region. But China was the game changer, brokering huge trade deals with the region, especially with Brazil.

ALBA created a virtual currency for trade, the Sucre, to avoid having to use US dollars. Existing trading and international organisations such as MERCOSUR (covering the South Cone of South America), the Union of South American Nations, CARICOM (the Caribbean Community), and the Andean Community of Nations continued to strengthen their roles, but there was a need felt by all for an overall organisation to deepen integration based on sovereignty.

On 3 December 2011, the Declaration of Caracas was signed creating the Community of Latin American and Caribbean States or CELAC. Its aim was to deepen integration and, most importantly, to significantly reduce the influence of the USA on the politics and economics of the region. Seen as an alternative to the OAS, it comprised 33 sovereign countries in the Americas representing 600 million people. Those not permitted to join were the USA and Canada

plus those colonies and territories of France, Britain, Denmark and the Netherlands.

The first President of CELAC was Hugo Chavez followed by Chilean President Pinera. The current President is Cuba's Raul Castro. How times have changed!

The coups haven't stopped

That didn't prevent a coup in Paraguay in 2012 because the reforming President Lugo was tackling land reform, which threatened US giant multinational Monsanto. But the coup had to be carried out through parliamentary impeachment rather than the blatant overthrowing of leaders as had been the case with Chavez in 2002 and Manuel Zelaya of Honduras in 2009.

For Britain, this decade and a half of change has some strong messages. Sovereignty is the key to a better life. There are plenty of other trading partners in the world, in Latin and Central America and the Caribbean as well as Russia, China, Africa and India, offering an alternative to the EU where there is no sovereignty. While some of our class think they can see light at the end of the tunnel through TAFTA, the peoples of the Americas saw the express train of the FTAA coming and did something about it. And remember that Britain still has colonies in the Caribbean, many of which are used as tax havens. ■

Our capital city is becoming a safe haven for the rich of the world. Inhabitants are being socially cleansed, priced out by soaring rents.

Is London our capital – or simply a plaything?



Photo: Workers

Southwark, seen from the Shard. The cranes are multiplying as London increasingly becomes a multi-millionaire's playground.

WESTMINSTER IN London is one of 962 sites around the world listed with world heritage status by UNESCO, the United Nations Educational, Scientific and Cultural Organisation. That status is now under threat of being withdrawn due to proposed skyscraper development. London is changing with multi-million pound developments that will not only change the landscape of London but change the composition of London. From being the capital of Britain (despite the wishes of separatists and EU sycophants), London will effectively become a bolt hole for the rich elite across the world.

Skyscraper development in London, largely Qatari real estate investment creating vast structures three-quarters or more empty (e.g. the Shard, Britain's tallest structure), is about attracting a rich

clientele from across the globe. London boasts the greatest density of multi-millionaires in any city in the world – over 4,224 – with an estimated 281,000 mere millionaires. London is now seen as the safe haven for investment, with multimillion pound homes for Russian, Arab, Chinese, Indian and other globe-trotting émigrés.

Social cleansing

As much as London is seen as a safe haven for the wealthy, the social cleansing brought about by benefits changes, bedroom tax etc, will force an estimated 200,000+ people from the west and centre of London to move to east and southeast London, breaking up long-standing communities and adding to the overcrowding in the east and southeast

fringes of the capital. Large numbers of stacked-up small units are being developed there, often on green spaces, to receive some of them. The Royal Institute of British Architects has pointed out that new housing being built in London is on average too small and lacks space outdoors, damaging the quality of life for its inhabitants.

Horrors abound of families relocated as far away as Birmingham, and the cost to local councils of housing homeless families in hotels and bed and breakfasts has risen dramatically. In Westminster it has risen by 63.5 per cent – a cost of £135.83 million since 2009, with an estimated £41.8 million so far in 2013 alone.

Where rents are higher than the government's housing benefit cap allows, social cleansing has occurred, clearing

...d, somewhere to stash ill-gotten gains. Meanwhile, the
rents and forced out by deliberate government policies...

...ng for the world's "elites"?

swathes of council estates. New development is then undertaken with the end result that the existing properties are marketed in the Middle East and Far East.

The 3000 homes in the planned regeneration of Elephant and Castle's Heygate Estate have been marketed overseas by the Australian-based Lend Lease property group, to the chagrin of local MPs and housing campaigners. It cost Southwark Council an estimated £44 million to clear the estate; they sold it to Lend Lease for a mere £50 million. Prices will start at £310,000 for a one-bedroom flat, with the development due to be completed in 2015.

The redevelopment of Battersea Power Station site after years of dereliction could have been used to provide homes for Londoners, but instead was handed to a Malaysian-backed developer who is selling apartments to Singaporean investors for between £350,000 and £6 million. Nearly all the 866 units have been sold to overseas investors before construction even begins.

Meanwhile, the 25 per cent of Londoners who rent are struggling, with rents rising eight times as fast as wage rates. Demand has undoubtedly been pushed up by the recent wave of migration from Europe, with numbers set to increase as Europe's economic crisis worsens and raises unemployment levels there. Also, the popularity of 'buy to rent' by both London based and overseas landlords increases demand and is driving up property prices in London, exacerbating the housing crisis for all.

We now have a new phenomenon: "land-banking". Boris Johnson, Mayor of London defines it thus: "To constrict supply to push up prices by land-banking." Johnson has threatened compulsory purchase orders against land-banking companies. There are an estimated 400,000 undeveloped building plots in London with over 177,000 housing developments 'stalled' while companies wait for prices to rise still further. It remains to be seen whether the Mayor's bite matches up to his bark.

In a more sinister move, the

Department of Communities and Local Government has launched a further "right to buy" campaign of council and social housing. This housing is of course predominantly occupied by working people and each house sold may remove a working class family when they then sell to realise the £100,000 profit from their discount. It will generally constrict the available amount of affordable housing, and is potentially another form of social cleansing to change the demographics of the boroughs of London, reminiscent of the illegal gerrymandering activities in Westminster and Wandsworth during Thatcher's period of office.

Stagnating wages

With wages in London as elsewhere in Britain stagnating or declining in real terms over the past 6 years, how are the workers of London, if dispersed to supposedly cheaper but more distant accommodation, going to be able to get to work – let alone afford to live? Of course they cannot. Overcrowding, depressing of wages, illegal labour, poor health will increase, recalling

the London of the 19th century with a widening gulf between East and West London.

The Mayor of London presents London as the most exciting, dynamic, diverse city in the world. Circuses, sport, £1 billion investment in cycle lanes, candy floss and tourism. The population in London is growing towards the 8.20 million mark, the most rapid growth in Britain. Yet wages are plummeting. The national minimum wage or the pathetically improved London Living Wage have become the norm for many workers. Housing is in crisis. The unified transport system desperately clings together. Unemployment among 16-25 year olds is at unprecedented levels. Food bank provision in London is soaring.

Workers in London need to decide what future they want for the capital. Unprecedented influx of wealth with no-go areas, suburbs packed with migrants and the uprooted? London as Britain's capital city or an island plaything for the world's "elites"? London's landscape is changing but workers need to define the margins, quality and composition of their city. ■

Meet the Party

The Communist Party of Britain's new series of London public meetings continues on Tuesday 12 November, with further dates to be arranged; all are held in the Bertrand Russell room, Conway Hall, Red Lion Square, Holborn, London WC1R 4RL, nearest Tube Holborn, and start at 7.30 pm. Other meetings are held around Britain. All meetings are advertised in What's On, see page 5.

M The theme of the meeting on Tuesday 12 November, is: "Free movement of labour: modern day slavery". Details of further meetings will be announced in WORKERS and at www.workers.org.uk.

M The Party's annual London May Day rally is always held on May Day itself, regardless of state bank holidays – in 2014, Thursday 1 May, in Conway Hall, Holborn. There will also be May Day meetings elsewhere in the country.

M As well as our regular public meetings we hold informal discussions with interested workers and study sessions for those who want to take the discussion further. If you are interested we want to hear from you. Call us on 020 8801 9543 or e-mail to info@workers.org.uk

Spain imposes restrictions...Britain sends warships – and all a matter of rock, a legacy of imperialism...

Gibraltar: a piece of Spain that hasn't always

GIBRALTAR'S RECORDED history begins around 950 BC with occupation first by Phoenicians, then Carthaginians, later Romans. Following the Roman Empire's collapse, it was part of Visigoth Hispania. By 681 AD the armies of the Umayyad Caliphate had spread out of Arabia to conquer North Africa, and when the Moors invaded Hispania in 711, Gibraltar came under Moorish rule.

Near the entrance of the Mediterranean Sea, the small peninsula was fortified in 1160. In medieval times it became a heavily fortified and garrisoned town that sustained numerous sieges and battles. Its position on a bay made it a natural anchorage for ships and its geography gave it defensive advantages.

The Christian Kingdom of Castile annexed Gibraltar in 1309, lost it again to the Moors in 1333 and finally regained it in 1462. The Moors were expelled, and Gibraltar became part of Spain, remaining under Spanish rule until 1704.

Soon Gibraltar fell into severe decline. The end of Muslim rule in Spain and the Christian capture of the southern ports had sapped the peninsula's strategic value. In the 16th century it suffered repeated raids by Barbary pirates from North Africa. Eventually, the Spanish allowed the English fleet to use Gibraltar's port as a base for operations against the pirates, who were raiding the British and Irish coasts.

Then Britain went one step further. At the start of the 18th century Gibraltar was captured by an Anglo-Dutch fleet during the War of the Spanish Succession. At the war's end, Spain ceded the territory to Britain under the Treaty of Utrecht of 1713. The Spanish garrison and Spanish inhabitants left. Many resettled nearby in Algeciras or founded the new town of San Roque. The treaty stipulated that if Britain were ever to dispose of Gibraltar it would first have to offer the territory to Spain.

Spain tried over the century to regain control through military, diplomatic and economic pressure. Gibraltar was besieged and heavily bombarded during three wars between Britain and Spain but the attacks were repulsed each time. By the end of the last one, in the late 18th century, Gibraltar had faced 14 sieges in 500 years.



A gas tanker passing Gibraltar on its way into the Mediterranean.

Photo: Oleksandr Kalinichenko/shutterstock.com

Despite Gibraltar's later importance, the British Government initially saw it more as a bargaining counter than a strategic asset, neglecting its defences and garrisoning as an unwelcome expense. Seven separate times between 1713 and 1728 the British Government proposed exchanging Gibraltar for concessions from Spain, but each time the proposals were vetoed by the British Parliament following protests.

Violated

In 1727, Spain nullified the Utrecht Treaty's provisions relating to Gibraltar on the grounds that Britain had violated its terms. Four years later Spain built a line of fortifications across the upper end of the peninsula, cutting off Gibraltar from its hinterland and leaving it dependent on trade with Morocco for food and supplies. In 1779–83 the combined Spanish and French fleets blockaded Gibraltar from the sea, but in vain.

By the latter half of the 19th century, only Gibraltar-born inhabitants were entitled to residency; everyone else needed permits apart from employees of the British Crown. And by the end of the century, its future as a British colony was again in serious doubt. Its economic value was diminishing, as a new generation of steamships with a much longer range no longer needed to stop there to refuel en route to more distant ports.

A Spanish proposal to swap Gibraltar for Ceuta on the other side of the Strait was considered but eventually rejected. Britain ultimately decided that Gibraltar's strategic position as a naval base outweighed its potential vulnerability to land attack.

British control of Gibraltar enabled the Allies to control the entrance to the Mediterranean during the Second World War, which brought tunnelling, refortification and a hugely expanded garrison. After the war Spain revived its claim to the territory, fuelled by the decolonisation agenda of the United Nations. In 1946 Britain listed Gibraltar as an "Overseas Dependent Territory" but due to the terms of the Treaty of Utrecht, it could only be British or Spanish and could not gain independence.

From 1954, Spain imposed increasingly stringent restrictions on trade and the movement of vehicles and people across the border with Gibraltar, tightening the noose in 1964 and 1966. Two years after the Gibraltarians opted in a 1967 referendum to remain with Britain, Spain shut the frontier completely and cut Gibraltar's telecommunications links through Spain.

Although the Lisbon Agreement of 1980 committed Britain and Spain to starting negotiations on Gibraltar's future and lifting the communications restrictions, the

here 2.6 square miles

s been a colony

agreement was strongly opposed by many Gibraltarians. Still, the border was finally fully reopened in February 1985. Meanwhile, the British government reduced its military presence by closing the naval dockyard, downgrading the RAF presence and withdrawing the British garrison in 1990 (though a number of military units continued to be stationed in Gibraltar).

Since 1985, as a result of defence cuts, Gibraltar's economy – once dependent on the military – is now based on tourism, financial services, shipping and internet gambling. It is largely self-governed, with its own parliament and government, though Britain runs its defence and foreign policy.

By 2002, Britain and Spain proposed an agreement to share sovereignty. The government of Gibraltar, fiercely opposed, put it to a referendum, with predictable results. In September 2006, the tripartite Cordoba Agreement between Spain, Gibraltar and Britain made it easier to cross the border and improved communications and transport links by lifting restrictions on Gibraltar's airport to enable airlines operating from Spain to land, allowing Spanish residents to use the airport.

Fresh strife

Now Spain is considering border taxes and closing its airspace to planes using Gibraltar airport. The British government blusters with warships and prime ministerial video messages of support to the Gibraltarians.

The British people have to consider their own interests. We need a foreign policy based on trade and friendship, not fixated on maintaining the ridiculous remnants of empire that are out of synch with the realities of a modern world.

Friendship and trading normality with Spain should take precedence over propping up the anachronistic desires of 30,000 Gibraltarians to be "British". You can only be British in Britain.

We cannot continue to send gunboats around the world. Britain and Spain should mediate and find a settlement that will gradually incorporate Gibraltar within the adjacent Spanish mainland while protecting the Gibraltarians, as happened with Hong Kong and China. ■

6 SIX CALLS TO ACTION

Worried about the future of Britain? Join the CPBML.

Our country is under attack. Every single institution is in decline. The only growth is in unemployment, poverty and war. There is a crisis – of thought, and of deed. The Communist Party of Britain Marxist-Leninist has recently held its 16th Congress, a coming together of the Party to consider the state of Britain and what needs to happen in the future. Here we set out briefly six Calls to Action for the British working class – for a deeper explanation, see www.workers.org.uk.

1: Out of the European Union, enemy to our survival

The European Union represents the dictatorship of finance capital, foreign domination. The British working class must declare our intention to leave the EU.

2: No to the breakup of Britain, defend our national sovereignty

Devolution, and now the threat of separation, are both products of only one thing: de-industrialisation. Any referendum on the break-up of Britain must be held throughout Britain.

3: Rebuild workplace trade union organisation

Unions exist as working members in real workplaces or they become something else entirely – something wholly negative. Take responsibility for your own unions.

4: Fight for pay, vital class battleground

The fight for pay is central to our survival as a class, and must be central to the agenda of our trade unions.

5: Regenerate industry, key to an independent future

The regeneration of industry in Britain is essential to the future of our nation. Our grandparents, and theirs, knew this. We must now reassert it at the centre of class thinking.

6: Build the Party

The task of the Party is singular: to change the ideology of the British working class in order that they make revolution here.

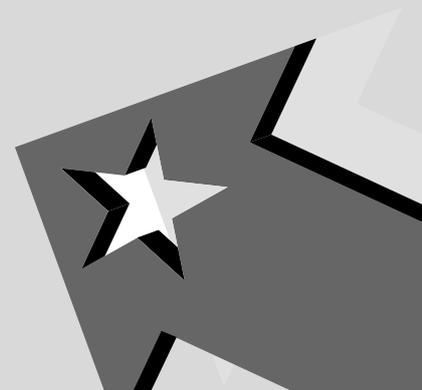
Interested in these ideas?

- Go along to meetings in your part of the country, or join in study to help push forward the thinking of our class. Get in touch to find out how to take part.
- Get a list of our publications by sending an A5 sae to the address below, or by email.
- Subscribe to WORKERS, our monthly magazine, by going to www.workers.org.uk or by sending £15 for a year's issues (cheques payable to WORKERS) to the address below.
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Daylight robbery in Grand Theft City

‘Financial irregularities or unregulated financial risk taking are not one-offs but the norm...’

SO YOU thought the regulators were cracking down on banking criminality? They’re not, despite JP Morgan bank’s fine of \$900 million (£559.8 million) by US and British financial regulators for falsifying its accounts over losses in its “London Whale” (real name, Bruno Iksil) trader accounts of 2012. Losses of over \$6.2 billion were hidden from financial regulators – not hard to do, apparently.

It was the second-largest fine by British regulators. It sounds like a lot of money, and it is. But you can see how seriously finance capital takes these fines by the fact that JP Morgan’s shares dipped a minuscule 1.2 per cent on the news – against a background of a 20 per cent rise so far this year.

Financial irregularities and unregulated financial risk-taking are not one-offs but remain the norm. In the past three years British financial regulatory bodies alone have fined UBS £160 million, RBS £87.5 million and Barclays £59.5 million for rigging the Libor interest rates.

And what happens to the fines? Until this year, in Britain, they effectively went to other banks under an arrangement where fines went to reduce the fees they had to pay to regulators. Now they go straight to the Treasury – and presumably get handed back to the banks in other ways, such as quantitative easing.

In spite of clear law-breaking, how many bankers go to prison? Even the fines are smaller than they look: Barclays got a 30 per cent discount on its fine for “early payment”, though you won’t find too many headlines about that.

At the same time as these fines and

exposure occur, an Office of Fair Trading report into the defined contribution section of the British pension industry, worth over £275 billion, has identified over £40 billion of pension schemes with poor governance and inexplicably high charges.

A report last year by the think tank RSA showed that 21 out of 23 pensions firms surveyed did not inform savers of the extent of their charges. Pension charges, it said, typically account for 40 (yes, 40!) per cent of a person’s retirement savings.

These schemes put over 5 million people at risk of their pensions failing, returning nothing near the sums promised in the sales blurb or even defaulting – another mis-selling scandal in waiting. Where are the pension scheme funds invested? With the banks and finance houses of Grand Theft City!

With the slump in the number of people who hold personal pensions (between 2008 and 2010 it fell by 400,000), the government has stepped in to direct yet more money to the bankers. It’s now compulsory for companies to seek to enrol all employees in pension schemes, with workers putting in 5 per cent of their earnings and the employer 3 per cent.

How much of these new pensions will workers actually see? Once all the charges have been skimmed off, not much, especially with the slump in annuity rates. Meanwhile, the City will have been handed a shedload of money to play with.

In the merry-go-round of the casino economy, the banks play with loaded dice. Whichever way the dice roll, they always win – and we lose. Until we take over the banks and run them for the people. ■

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Workers on the Web

• Highlights from this and other issues of WORKERS can be found on our website, www.workers.org.uk, as well as information about the CPBML, its policies, and how to contact us.

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CHANGE BRITAIN, EMBRACE YOUR PARTY

This pamphlet brings together the statement from the Party’s 2009 Congress with those from two former Congresses in 2003 and 2006. Also included is a statement on the European Union: “The fascist dream of a united Europe resurrected.” (£2.75 including P&P).

To order...

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