



WAKE UP!! IT'S YER HAND TO MOUTH...

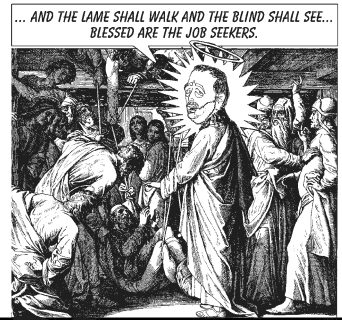
# SchNEWS

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## SICK JOKE

**"If people re-associate with the world of work, suddenly they come alive again. Work will overcome depression and stress a lot more than people sitting at home watching daytime television."**

*- David Blunkett, Secretary of State, Department of Work & Pensions.*

While sitting down to a morning of Trisha might not help you out of your depression, SchNEWS reckons that neither will doing a shit mcjob. According to Blunkett the welfare benefits system in the UK is 'crackers'. But in the world's fourth largest economy, the thing that's crackers is that the sick and disabled can be made to live on as little as £57.65 per week. Neo Labour thinks that such a large wad of cash only helps to encourage people to sit on their arses; after all in a country where the average wage is £431, it must be a doddle to get by on less than sixty quid a week. Now the plan is to take away a third of a claimant's Incapacity Benefit as a sanction if they don't attend 'work focused interviews'.

Neo Labour knows all about nicking poor people's money. Almost as soon as it took power it axed single parent child benefit and then launched the 'Benefits Integrity Project' which managed to take away Disability Living Allowance from amputees and the blind. Next went the Severe Disability Allowance worth at least £46 per week for 10,000 of the most disabled people in the country. This time the target is Incapacity Benefit, which is claimed by 2.6m people in the UK and costs the government £7bn a year. That's one quarter of the UK defence budget - about the amount Britain spent on the war in Iraq by January 2005.

Ministers say that they are unhappy at the big increase in claimants, even though the number of people on Incapacity Benefit has actually fallen by over 100,000 since 1997! The vast majority of claims are made by men living in former areas of heavy industry: the real increase in claimants came in the 1980s as the Tories used Incapacity benefit to hide the real unemployment figures and disguise the cost of their restructuring programme.

What this has led to is large pool of potential labour which doesn't come under the threat of all the sanctions associated with Job Seekers Allowance. 'Welfare to work' US style is to be rolled out for all. The sick and disabled are now to be expected to look for work or face sanctions which could cost up to £30 a week for not attending 'work focused interviews'. The policy is designed to push one and all into low-paid, boring repetitive and casualised jobs. If you refuse

to give in to the delights of minimum wage boredom, you face living on sod all a week. Blunkett meanwhile, earns more than that in 30 minutes. Tony Blair set out the policy when he told a news conference that, "those who play by the rules get the help, those who don't play by the rules should start playing by the rules." So far Blair has failed to indicate whether this policy extends to international law and corporate tax dodgers.

Blunkett complains that many parts of Britain have "lost the work ethic that existed in working-class estates in which I grew up in northern Sheffield". But maybe the work ethic, as Blunkett narrowly understands it, has gone because the work's gone. In the UK there are just 628,000 job vacancies at any one time, not even enough for the 800,000 people on Jobseekers Allowance, yet alone the other 2.6m people on Incapacity Benefit and nowhere near enough for the total of 8m people who do not work. Blunkett of all people should consider himself lucky that the welfare state was there to help him: a recent report by the Royal National Institute of the Blind found that over 90% of companies say that employing blind and partially-sighted people would be "difficult or impossible".

### FOR WHOSE BENEFIT?

So what's the incentive to get off benefit? A road to riches and personal fulfilment? Past experience suggests otherwise. Many are trapped in a cycle of unemployment and low paid temp work. If you're single, you get to keep just a fiver of your Jobseekers Allowance if you go into low paid work. A 16 hour minimum wage job gets you £80 a week, losing you £52 of JSA - so you're basically working for less than £2 an hour. For every £1 you earn your Housing Benefit goes down by 60p and your council tax benefit by 80p. In other words to make work worthwhile you need to earn hundreds of pounds per week. That's without the soul destroying impact of your boring jobs...

With his £133,997 salary, David Blunkett clearly understands the plight of the poor. MPs about to vote for benefit cuts have awarded themselves another 3% increase in pay. And on behalf of their colleagues in big business, ministers have just created a new tax cut for 'self-invested personal pensions'. From next April, high-earners will be able to cash in on an effective 40% 'discount' on second homes. Higher-rate taxpayers will be able to set the cost of these properties against their tax bills. In future, a higher-rate taxpayer buying a £100,000 property through the scheme would receive a £23,000 refund personally and a further £28,000 refund into

### CRAP ARREST OF THE WEEK

**For coming back from a demo...**

Eight animal rights activists found themselves detained in Ramsgate under Schedule 7 of the Prevention of Terrorism Act when they came back from an anti fur demo in Germany. They were held and questioned by plain clothed police for four and half hours before being released. One of those questioned told SchNEWS "Most of what they asked related to the SHAC campaign although the six million dollar question from the police was 'What do you understand by the words 'direct action'?' They probably told the coppers something about how it was "...the only viable means for an oppressed global proletariat to free itself from the neo-liberal imperialist boot on its neck, officer." Needless to say this fishing expedition ended with all eight being released without charge.

the pension fund, making a total rebate of £51,000. That's 17 times the cost of one, annual, Incapacity Benefit claim.

There are not enough homes to go round as it is without making it even more profitable to buy a second house. Less houses means higher prices. Higher prices means larger rents. Larger rents means more money being spent on Housing Benefit and that means more spending on welfare benefits. The fact that these benefits go straight from the tax payer into the pockets of already rich landlords doesn't seem to bother ministers in the slightest. They're much more concerned with lazy people in wheelchairs watching Richard and Judy. After all, if they're too bone idle to have a little place in the country, then frankly who cares?

A staggering £4.5bn of benefits each year go unclaimed by those who are entitled to them. Meanwhile, government mistakes in the administration of benefits cost £1bn a year. But rather than put cash into a benefit take-up campaign for Britain's poorest, ministers are to chuck more resources at anti-fraud measures, including the potential use of lie detectors to verify that claimants aren't telling porkies.

By forcing people into low paid work and then topping up poverty wages with 'tax credits' and other benefits, 'labour costs' can be kept to a minimum. Each year the government spends millions of pounds giving people extra money because their wages are not enough to keep them out of poverty. Without this extra cash people would refuse to work for such low pay and employers would have to increase wages until people thought the jobs were worth doing for the money on offer. The government gives big business this hefty subsidy from tax payers' money, yet it chooses to attack the most vulnerable in society rather than end its support of big business. Cutting disability benefits is, according to ministers, the best way "to liberate people to make the most of their lives"

*Do you want fries with that?*

## Seige of the ALMO

For those of us who've had to rent crap accommodation from scumbag landlords, the idea of renting a house from your local council at about a third of the cost sounds like a good idea. But it now seems even the idea of a decent, cheap place to live is not safe from the Neo Labour privatisation machine. Council tenants are being offered the chance to transfer their houses over to Housing Associations or an "ALMO" (Arms Length Management Organisations) and pay more rent to line the pockets of private shareholders. Most council tenants for some reason aren't finding this offer very appealing.

The government admits that 12 million homes in the social sector are not up to scratch and have given councils until 2010 to get things sorted, but like any greedy landlord they won't stump up the few million needed to mend all the leaky roofs and broken doors. So, they are trying to offload the responsibility onto the private sector: council tenants across the country have been balloted to persuade them to transfer to housing associations or ALMOs.

Tenants who've been offered the choice though have generally rejected ALMOs and transfers to associations and voted to keep their housing stock with the council. Housing association tenants have less security in their housing - they are only given 'assured tenancies', rather than the 'secure' tenancy that comes with council homes - 'assured' means less rights and tenants are more easily evicted if behind on rent. For the privilege they have to pay 20% more than council tenants, with a big chunk going into the pockets of shareholders and directors. Chief executives have seen their salaries increase by almost three and half times the rate of inflation, with average pay over £90,000, although that's nothing compared to David Bennett of Sanctuary Housing, who in 2002 took home a paltry £215,000 paycheck.

In Sunderland, housing stock was sold off to Sunderland Housing Group (SHG) for a mere £6,273 per property. City Council Housing Director Peter Walls masterminded the scheme, then promptly left and became Chief Executive of... Sunderland Housing Group for double his salary! SHG have made a tidy profit by selling off many homes and have only built 100 'social housing' new homes - instead preferring to invest heavily in luxury flats.

Despite mass propaganda campaigns - the government having exclusive access to the addresses of the electorate, unlimited public resources to promote their case, and the ability to deny their opponents access to public meeting spaces - council tenants have not been fooled. Tenants in 92 councils have voted to keep housing in council hands. Recently Tony Blair's constituency of Sedgfield voted against transfer. Despite spending £250,000 on propaganda, Exeter council have dropped privatisation proposals. Southwark council recently formally withdrew its privatisation proposals in the face of a united campaign involving tenants and council workers.

SchNEWS guesses that you've got to spend money to save it. At least that's one possible explanation why the government has been criticised by the National Audit Office for spending an average £1,300 to transfer each home to new housing associations. But according to Defend Council Housing, there's plenty of cash around to pay councils to maintain their properties. Each year the treasury siphons off £1.5bn from the Housing Revenue Account to use for other purposes (fancy another war anyone?). The money is there, but the ideology of the market is preventing it from being used for the benefit of local residents - it's a kind of tax on council tenants.

Despite the success of many campaigns, council homes are still falling into the private sector; some tenants have brought their property under right-to-buy schemes (with a massive discount)

## SchNEWS TRAINING DAY

Live in the Brighton area? Want to get involved? We are having another training day on Wed 26<sup>th</sup> October 12 noon onwards. Please get in touch to book your place.

and then after three years sold for a handsome sum to a private landlords who then rent out the place for whatever they can get away with!

It's pretty clear that private landlords are crap at helping people find decent homes and a three-bed ex-council flat on a run-down estate in the east end of London can now cost £1,200 per month. According to Shelter, one million children are living in unfit homes, 93,000 people are living in temporary housing and hundreds of thousands are either homeless or living in overcrowded homes. With a shortage of "social housing" the campaign to save council housing is crucial - especially at a time when the government is giving tax breaks to the rich to "invest" in the "buy-to-let-it-out-for-as-much-as-you-can-screw-people-for" market.

\* Defend Council Housing 020 79879989  
[www.defendcouncilhousing.org.uk/dch/](http://www.defendcouncilhousing.org.uk/dch/)

## SchNEWS IN BRIEF

**The G8 Deal Exposed** - Did Bush, Blair and Bob Make Poverty History? What came of the promises made? Indymedia Film Night Monday 17<sup>th</sup> plus speakers from from Corporate Watch and the African Liberation Support Campaign Network. 7pm, Inn On The Green, 3 Thorpe Close, London W10. \*\* There's a **Dissent Gathering** happening in Sheffield this weekend (15-16<sup>th</sup>) [www.dissent.org.uk](http://www.dissent.org.uk) \*\* **Brighton's collectively owned social centre** has an open day this Saturday (15th) - if you want to find out how the place runs, or are interested in volunteering get along to **The Cowley Club**, 12 London Road, 11am-4pm 01273 696104 [www.cowleyclub.org.uk](http://www.cowleyclub.org.uk) \*\* **The Remember Saro-Wiwa Season**; A 10th anniversary season of public art, film, music, dance, poetry and debate 21 October - 10 November 020 7357 0055 [www.remembersarowiwa.com](http://www.remembersarowiwa.com) [www.platformlondon.org](http://www.platformlondon.org) \*\* **The Norwich No N25 Campaign** is fighting the Northern Distribution Road, which will trash environmentally sensitive areas, increase traffic, separate village communities and assist airport expansion of Stanstead. The council have oversteered the "economic benefits" while under-pricing the road - using 2000 figures for materials instead of up-to-date ones! They've arranged a protest for the East of England Plan Enquiry at Ely on 1st November. [www.norwichn25.org](http://www.norwichn25.org) \*\* Don't forget the **Anarchist Bookfair** - speakers, films, talks - and of course millions of books - happening next Saturday (22nd) The Resource Centre, 356 Holloway Road, London N7. 10am-6pm Free/Donation [www.anarchistbookfair.org](http://www.anarchistbookfair.org) \*\* Vigil for the 'Death Of Democracy' - to fight housing development in ancient woodland at **Titnore Woods** near Worthing. Meet at 2pm Sat 29th October at Northbrook College roundabout, junction of Titnore Lane and A259 near Goring Stn. [www.protectourwoodland.fsnet.co.uk](http://www.protectourwoodland.fsnet.co.uk)

## Inside SchNEWS

**Earth Liberation activist Chris McIntosh** has entered a plea bargain with the US authorities over the arson of a Seattle McDonalds. Chris now faces 10 years inside. He was originally threatened with 30 years. Please send urgent letters of support to Christopher McIntosh 30512-013, FDC Seatac Federal Detention Center, P.O. BOX 13900, Seattle, WA 98198, USA. Chris has also been on hunger strike to protest at lack of adequate vegan food, but came off it after threats of force feeding. See [www.spiritoffreedom.org](http://www.spiritoffreedom.org). uk for updates on Chris and other current Earth/Animal Liberation Prisoners.

## Dodge City

While the government is moaning on about scroungers and cheats and reckon that working in dead end jobs for £5 an hour is enough to live on, they don't seem so keen on chasing the rich for their taxes.

It's not just top media tycoon Rupert Murdoch who pays virtually no tax thanks to his use offshore tax havens: Neo Labour donor and third richest man in the world, Lakshmi Mittal, worth £13bn, owns a £57m London home next to Kensington Palace but by claiming the UK isn't his primary residence, pays bugger all tax, and also avoids capital gains tax on UK assets by holding them in a foreign company or trust. The business empire of retail billionaire Philip Green is mostly held in the name of his wife, Tina, who is resident in Monaco. Taveta Investments, the vehicle used to acquire Arcadia in 2002, paid out a hefty £460m to its owner last year; Green, who spends much of his time in Britain, would have been landed with a £150m tax bill if he officially owned Taveta but as it's held by the missus, a minuscule amount of tax is due.

What these super rich are doing is perfectly legal - you see they can afford to employ accountants to move their money about in clever ways to avoid tax. The rest of us see our wages taxed at source and the closest we get to tax avoidance is a day trip to France to stock up on booze and fags.

It is reckoned that the world's super rich are hiding \$11.5 trillion in tax havens around the world (10 times Britain's GDP). The annual income that these assets earn is \$860bn and taxable income from this could exceed \$255bn. And that doesn't include the trillions held in overseas accounts for multinational corporations; offshore companies of this type are springing up at the rate of about 150,000 a year. Whereas in the 1970s there were just 25 tax havens, now there are at least 63, about half of them British protectorates or former colonies. Tax avoidance in Britain alone is estimated to cost the Treasury between £25bn and £85bn a year.

The rich stashing away cash is nothing new, but the gulf between the haves and the rest of us just gets wider and wider. "This is one of the defining crises of our times," reckons John Christensen of the Tax Justice Network, "One of the most fundamental changes in our society in recent years is how money and the rich have become more mobile. This has resulted in the wealthy becoming less inclined to associate with normal society and feeling no obligation to pay taxes."

George Gelber, head of public policy at Catholic aid agency Cafod, says: "The people who use tax havens are free-riders on the taxes paid by working people round the world. They pay little or nothing for public goods such as the rule of law and security, which have to be paid for by the taxes of much less well-off people."

For more on the rich dodging their taxes: [www.taxjustice.net](http://www.taxjustice.net)

## ...and finally...

**According to the Dole Office**, having a conscience means you are restricting your ability to work and deserve dole sanctions. One jobseeker from Darwen, Lancashire, was told that refusing to work in the offices of a meat-packing and leather goods factory because he was a vegan was "unreasonable".

Ordered to apply for two positions advertised in the Job Centre, he declared the whole truth about his green beliefs and attitudes in his CV. The company made a complaint to the Job Centre - for sending an overqualified person for a job paying minimum wage, and someone with his 'whacky' beliefs!

## Disclaimer

SchNEWS warns all readers that work won't liberate you, but direct action just might... Honest.

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