

At the core of the crisis for the elderly in this count...

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Ian Fraser is a journalist for whom I have a lot of time, and respect. I warmly endorse [a blog he wrote this weekend](#) on the subject of this week's edition of The Economist in which he wrote:

I was surprised and disappointed when I opened my copy of The Economist on Friday morning.

The magazine is running a feebly-argued propaganda piece headlined "[Save the City](#)" as its cover story. The piece vaunts the "skills" that are to be found in the City of London and seeks to persuade us that having a powerful financial sector is critical to the future health of the UK economy and that the "Square Mile" must therefore be cherished and preserved at all costs. The cover image harps back to the Blitz, as if Hitler's Luftwaffe is once again poised to carpet bomb a key part of our heritage.

Outside PR puff sheets like HBOS's absurd "Deal Leaders" of 2005-08 and the Pravda-style advertorials inserted into newspapers and magazines to launder the images of evil dictatorships, I've rarely read such a farcical or misleading article.

That's harsh criticism, but true.

There's much to note in the piece, but I'd highlight this:

The magazine's "Save the City" leading article is one-sided, snide, racist, xenophobic, and makes massive omissions. It doesn't even start to acknowledge the multifarious failures of the financial sector, or the damage it has wrought on the UK economy in recent years. The article fails to mention the massive risks posed by "crony capitalism" and "regulatory capture", including [wilful blindness to fraud](#), and even includes the words —

"Finance—the funnelling of savings to their best use—is a vital industry. Britain is very good at it, leading the world in various financial markets, including foreign exchange and over-the-counter derivatives. "

Who wrote this garbage I wonder?

Yes, the City did once fulfil the function of efficiently allocating capital, but that stopped some ten to 20 years ago when the 'zero sum' game of financial speculation for the self-enrichment of the participants took over.

As I have said before the City has, with a few exceptions, become the [cuckoo in the nest](#) of the UK economy.

It has become gigantic skimming machine/casino. In addition to making taxpayer-underwritten bets, however absurd, it largely serves to [diminish the savings](#) and pensions of UK citizens, though [outrageous fees](#), spurious and unwarranted trading and an [intermediated structure](#) that favours the interests of the people that work in its own, often-conflicted institutions (plus the people in their various suppliers including brokerages, law firms, accountancy firms, investment and actuarial consultancies, etc, etc) over and above the long-term interests of savers and the needs of the wider economy.

Of the City's many crimes this destruction of an effective pension mechanism for the UK - where the future prospects of millions are literally traded away for the current gratification of a few in the Square Mile is perhaps the greatest. It is unsung, it is unchallenged and it is ongoing. And it's time the politicians of this country changed that, because at the core of the crisis for the elderly in this country is the greed of a few in the City of London.

Fill marks to Ian for highlighting it.