

The Tories and the City

fastnews

IT'S BEEN confirmed: they are all in it together. David Cameron and his Conservative Party receive the majority of their funding, not just from big business, but London's 'square mile' financial centre itself.

Sean Figg

Over the last five years, 'the City' has donated £42 million to the Tories, 51% of all their funding, according to the Bureau of Investigative Journalism.

In the first nine months of 2010, 57 individuals from the city donated £50,000 each to the Tories; six out of ten Tory party donations came from financiers; and, last November, two of the top ten donors – Stanley Fink and George Magan – received peerages.

These donations have rolled in at a time when anger at the banks is reaching fever pitch. Government ministers have been forced to say that they will 'get tough' with the bankers and their bonuses. But dozens of bankers will have been having cosy chats with Cameron and other leading Tories as an entitlement of their 'donations'. What are they likely to have discussed? The weather?!

Many in the media are timidly asking the glaringly obvious as a question: 'Are the banks the paymasters of the Tories?' Of course they are! What further proof is needed than the announcements of Project Merlin – the new agreement between

Barclays, HSBC, Lloyds, RBS and the government?

Arising from Merlin, the bank 'levy', or tax, is to be increased by £800 million to £2.5 billion, a figure representing 0.075% of their government debt (or three-quarters of one-tenth of 1% of the money thrown at the banks!). Merlin also says that business lending will increase by 6% this year to £190 billion and the pay of the five most senior executives below board level must be revealed; while bonuses will be frozen at the 2010 levels.

Even the pro-big business Economist magazine virtually laughed at this, saying: "[an] extra £11 billion of loans, split among four firms with trillions of assets between them, is a rounding error. Disclosing the pay of a few bankers, who in theory will remain anonymous, is an irrelevance, except perhaps for them."

We would add to this that freezing bonuses at last year's astronomical levels is hardly 'getting tough'. Indications are that the bonus pot this year will be £6 billion based on pre-tax profits at the 'big four' of £20 billion.

Against the backdrop of massive public sector cuts, job losses and an economy sliding back into recession, this is outrageous. This is government of the rich, for the rich, by the rich. The Tories response, that it is "childish drivel" to suggest that bankers are influencing policy, suggests how Project Merlin got its name. The Tories have found a conjuring trick that means for the



A government of the rich, for the rich.

first time in human history money doesn't buy influence! Of course this is nonsense. And it's a lie that public sector workers and working class people will not fall for.

The bunch of crooks running the banks should be sacked immediately and their bonuses confiscated. Past bonuses should be repaid in full. The entire banking sector should be taken into full public ownership and under democratic working class control. The vast funds of

the super-rich stashed in the banks should be used to improve the lives of everyone not just the tiny clique at the top.

None of the main political parties, Labour included, will make any serious moves against the top-bankers. Working people need to create a new mass workers' party – free of big business's vested interests – to campaign for socialist nationalisation of the banks and end the rule of the fat cats.

Hidden subsidies

There seems to be no limit to how much UK banks can gorge themselves on public funds. According to the New Economics Foundation, on top of the estimated £1 trillion shovelled into the black hole of the financial system by successive governments, British banks are pocketing at least £32.5 billion extra in hidden subsidies.

The NEF reckons that these hidden subsidies fall into three categories. Firstly, the "too big to fail subsidy". Banks effectively save £30 billion each year in borrowing costs that companies without state guarantees have to pay. Secondly, the Bank of England's "quantitative easing" stimulus programme subsidy. NEF reckons that: "Merely for being passive conduits for this risk-free arrangement, the banks made more money, taking a cut of every trade."

Lastly, the "make the customer pay subsidy". This is worth around £2.5 billion annually, and represents the high rates of interest charged to borrowers by the banks in order to rebuild their capital.

'Big society' con

Socialist Party member Nick Chaffey ripped into the Tories 'Big Society' policy on the BBC's The Big Questions programme, broadcast from Southampton on Sunday 13 February.

As a member of the audience Nick made it crystal clear in his many interventions that prime minister David Cameron's 'Big Society' idea was a fig leaf for massive public spending cuts. To loud applause Nick pointed out that when the Tories talk about 'rolling back the state' from people's lives what they really have in mind is destroying library services, youth services and social services for the poor and elderly – while the rich get richer. See Nick giving the Tories 'both barrels' via the BBC's iplayer.

Cuts will kill

Charities have warned that more victims of domestic abuse could end up dying at the hands of their abusers as a result of government spending cuts. This warning comes after more than half of domestic violence services across the country reported that they do not know if they will be able to remain fully open after local government spending cuts go through in March.

Channel 4 News reported a survey on 7 February which found that only one-quarter of refuges have had their contracts extended beyond March so far. Some 37% of services say they will either close or face serious risk of closure.

As the government's Supporting People grant to local authorities is not ring fenced, cash-strapped councils are channelling some of it to other services. Also, some larger councils have faced disproportionate cuts in funding as a result of the formula for local government funding.



Part of the anti-cuts meeting.

photo Harry Smith

Liverpool: Hundreds pack into meeting against cuts

OVER 300 people packed into a public meeting organised by Liverpool Trades Council on Thursday 10 February, to debate the way forward against the cuts. There was standing room only and unfortunately many people had to be turned away at the door as there were concerns over fire safety.

Held in the Green Room, kindly donated for the evening by Ricky Tomlinson, the meeting applauded a range of speakers and resolved to take decisive action against the cuts.

Speakers such as PCS member Emily Kelly and RMT member Darren Ireland outlined the attacks facing workers in their trade unions. Also speaking was Tony Mulhearn, a socialist former president of Liverpool Labour Party, and film director Ken Loach.

They explained the present political situation, the necessity of bringing down the Con-Dem government and the need for socialism.

The greatest applause was given when Tony Mulhearn described how Liverpool councillors, led by members of the Militant (now the Socialist Party), fought Tory government cuts in the 1980s

and how councillors could take a similarly determined stand today.

A call from the platform by trades council secretary Mark Hoskisson, for the TUC to follow the national demonstration on 26 March with organising a one-day general strike to bring down the coalition government was also greatly welcomed by the audience.

Several contributors from the floor raised the need for independent workers' candidates to stand for election in May, and this can be done as part of the Trade Unionist and Socialist Coalition (TUSC).

The participants in the meeting included a group of sixth form college students, one of whom spoke from the platform.

Liverpool Trades Council intends to help support industrial action and coordinate anti-cuts campaigns. The meeting voted unanimously for a resolution on this, and agreed to lobby Liverpool council's budget setting meeting.

Merseyside Socialist Party

**Lobby Liverpool city council.
Wednesday 2 March, 4.30pm,
Liverpool town hall.**

Called by Liverpool Trades Council

Private tenants are the poor relations in housing

ROGUE PRIVATE landlords continue to put tenants' health and safety at risk. The Chartered Institute of Environmental Health (CIEH) has said that around one million privately-let homes in England are dangerous. There are around three million privately-rented homes in England and the demand for these is likely to increase due to lack of social housing and cuts to housing benefit and legal aid.

Kevin Allen,
Socialist Party, York - Chairperson,
Scarborough Private Tenants
Rights Group
(www.scarptrg.btck.co.uk)

In a 2010 Shelter/CIEH survey it was found that 96% of environmental health officers working in housing enforcement in the private rented sector have encountered problems with damp and mould growth, 94% with excess cold, 91% with fire safety and 90% with electrical safety. Many tenants give up trying to make landlords carry out repairs they are legally responsible for and just move on.

Private tenants do not enjoy anywhere near the security that tenants in other European countries enjoy.

Assured shorthold tenancies were introduced in the 1988 Housing Act by the Tories. These insecure tenancies allow landlords to evict tenants after the first six months without having to give any grounds for eviction and with only two months' notice.

This situation leads to unscrupulous landlords evicting tenants when they try to exercise the

rights to repairs and have health and safety issues addressed. Many countries around the world have laws against such retaliatory eviction but England and Wales do not.

Some landlords continue not to have essential health and safety checks carried out and do not have tenants' deposits protected in one of the three government approved schemes.

According to the housing charity Shelter, one in four landlords say that their tenants' deposits aren't protected and illegal evictions of tenants and their families still take place. For many landlords, renting homes is a purely speculative financial matter.

Landlord accreditation schemes across the country are voluntary and piecemeal. Letting agencies are not compelled to join professional bodies or approval schemes or become members of the voluntary Property Ombudsman Lettings Scheme.

Even the letting agencies' professional bodies are self-regulatory. Tenants' rights groups are few and far between and at present there is no national representative body.

Private tenants need greater legal rights to protect themselves and their families. There is an urgent need for greater regulation of private landlords, robust enforcement of existing laws and the introduction of more secure tenancies in the private rented sector.

In addition, the 300,000 or more long-term empty properties across England need to be urgently brought back into use along with a substantial social housing building programme.