

Fat cat pay: empty words from Cameron

Roger Shriver

Prime minister David Cameron now tells us that he is determined to announce action in this spring's Queen's speech on the phenomenally high pay of 'fat cat' company executives. Is the millionaire old Etonian Cameron committing class treachery? Could he be drummed out of the Bullingdon club and the Chipping Norton set?

Fat cat pay is a political problem for Cameron. At a time of recession, wage freezes and cutbacks, chief executives in 87 of the FTSE 100 (Britain's biggest firms) took home on average £5.1 million in basic pay, bonuses, share incentives and pensions contributions in 2010-11, according to a new report.

This increasing inequality makes working class people angry and also annoys many in the Tories' middle class homelands. Cameron thinks that a spoonful of action against fat cats would help his austerity and cuts 'medicine' go down.

Cameron wants shareholders in these companies to veto pay deals that are excessive. But shareholders are there to protect their own interests and tend to be dominated by those with the largest number of shares. If they can be convinced that the executives will soon be increasing profitability, most of these fat cat deals would still probably go through.

Could Cameron's plan work? John Hourican, senior executive at the RBS bank (subsidised by the taxpayer) has just slid under what he sees as a closing door. He is in line for a bonus totalling £4.3 million, in the same week as RBS talk about sacking 10,000 staff. RBS, with its recent history of dubious deals and mergers, might be an ideal example of undeserved bonuses.



A spoonful of humbug makes austerity go down

But in the three months before Cameron's proposed bombshell, executives from many firms will battle, both within the government and outside, to try to make these 'attacks' from their friends disappear. Their accountants will work overtime trying to devise more and more complex schemes to escape the government's reach.

Ed Miliband's Labour opposition merely whinges that Cameron's government has done nothing to stop the upward surge of the fat cats since they came into office in 2010. That invites the question: what did New Labour do to curb fat cat greed in their 13 years in power? In reality, they geared all their policies to bolstering

capitalism and the rich.

There is an alternative to Cameron's tinkering. Fat cat pay amid rising poverty is yet another symptom of an unjust capitalist system. The lasting solution would be to take the running of the big companies – and of society itself – out of the hands of the capitalist class.

Nobody in the media, apart from the Socialist, puts forward the obvious solution. Take the FTSE 100 companies into public ownership for those shareholders in need! Run under democratic control, with the 99% taking the place of the 1%, shareholders, obscenely high fat cat pay and cutbacks could become just an historical memory.

Clock turned back on housing

Alison Hill

The cumulative effect of unemployment, a shortage of affordable housing and the cuts to housing benefit is turning the clock backwards on housing.

The magazine Inside Housing has done a survey of London Boroughs, revealing that 15 boroughs have already put 6,322 households in bed and breakfasts and hostels in 2011/12, compared to 7,461 in the whole of the last financial year.

The borough housing departments admit that bed and breakfast accommodation is the "last resort" but the figures are growing.

If the housing benefit you can claim doesn't cover the rent on available flats, all you are left with is shared accommodation in a probably run-down bed and breakfast. And the majority of households given this type of emergency accommodation will have young children.

This is going back to the days of families living in one room, living on chips or trying to cook as best they



6,322 households put in B&Bs and hostels already this financial year

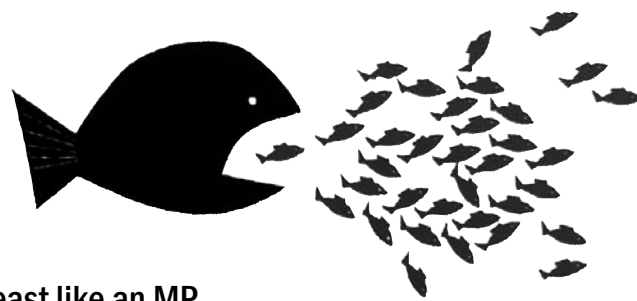
can. And it's a further subsidy to private landlords.

Croydon council housed 300 households in bed and breakfast accommodation this year. In 2008 the figure was 61. They have been offered two blocks of flats by a developer who cannot sell them. One is in Walsall and one in Manchester. That

may be the only option for homeless families in the Croydon area, and not an easy option if you have children at school and relatives and friends in the area.

It's time to take over those empty blocks and enforce fair rents for all, or the Tories will have us all sleeping under a hedge.

Them...



Feast like an MP

When was the last time you had seared breast of pigeon with aubergine purée and spiced couscous? How about risotto of pea and broad bean with Golden Cross goat's cheese? Well that's the kind of cuisine our MPs are enjoying in Parliament's many restaurants and bars. And no surprise that they're not willing to pay for their extravagance. In fact we're subsidising their decadent tastes by £5.2 billion every year! That means they can get an artichoke and tomato salad with a truffle dressing for £2.05 and a glass of Merlot for £2.35. Meanwhile the rest of us have seen the cost of food go up by more than 5%. 40% of everything bought from supermarkets is now on promotion as working class people try desperately to keep the price of their weekly shop down. We haven't seen three-for-two on pigeon at Tesco recently - have you?

Cameron's director of policy and was involved in drafting the Tory manifesto for the last election as well as the Con-Dem agreement. His new company says he will "advise clients [including Apple, McDonalds and BAE Systems] on the priorities of the coalition and in particular the Conservatives." We have a feeling it will likely work the other way around too.

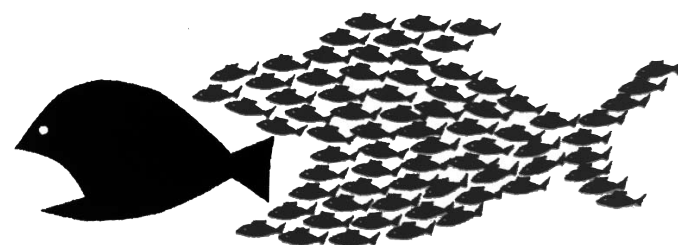
Saddam's Iron Lady

The release of The Iron Lady has brought about a lot of soul-searching about Thatcher's time in office. One recent revelation is that the Thatcher government was supplying military equipment to Iraq for use in its war with Iran, despite being officially neutral in the conflict. Newly released documents state: "Contracts worth over £150 million have been concluded [with Iraq] in the last six months including one for £34 million (for armoured recovery vehicles through Jordan)," and that meetings with Saddam Hussein "represent a significant step forward in establishing a working relationship with Iraq which...should produce both political and major commercial benefits". Families of the young people injured and killed on both sides of oil wars in Iraq in the years since will disagree.

Treating the symptoms

Former Labour member of the Dáil (Irish Parliament) and psychiatrist Dr Moosajee Bhamjee recently suggested that trace amounts of lithium should be added to the water supply in Ireland. He claims that this would reduce depression and suicide rates. The suicide rate in Ireland is higher than ever and is now the biggest cause of death among young men. But to suggest that the solution is to drug the entire population really shows the short-term thinking of politicians. A better place to start would be addressing the 30% youth unemployment and stopping the IMF-instructed cuts and privatisation of services, including slashing mental health services.

...& Us



@ This week's tweets

@BenR2010 Ed Miliband sinks below Nick Clegg in latest poll <- new meaning to race to the bottom

@HelenRidett 33% increase in #rollsoyce sales... #austerity?...blood starting 2 boil again....the next person who says '#thereisnomoney'...

@chetony #Benefits: 31 people in Scotland have died while awaiting judgement if they were fit for work #Miliband is this humane capitalism?

@River_Sider #Capitalism very responsible: responsible for poverty, exploitation, war, environmental destruction etc #socialist



Join the fightback! Join the Socialists!

www.socialistparty.org.uk • Phone 020 8988 8777 • Text 07761 818206