

# Financial vultures kill Peacocks

**Dave Reid**  
Wales Socialist Party

249 workers have been shown the door at Peacocks' head office in Cardiff following the retail company going into administration. They were sacked as the administrators stripped down the company to make it as attractive as possible to potential buyers.

Peacocks is still a profitable company but couldn't afford to pay the interest on a loan its bosses took out with New York hedge funds to buy the company.

According to the Western Mail: "Peacocks has been burdened with a loan of £149 million that was taken out at a massive 17.18% interest rate when chief executive Richard Kirk led a management buy-out in 2006.

"It has been reported that the money is owed to two hedge funds, Och-Ziff and Perry Capital, the same New York hedge funds that bankrolled the bid by the US-based Glazer family for Manchester United.

"Yet the details are difficult to confirm, partly because a holding



249 workers have been sacked from Peacocks' Cardiff head office

company called 'Hanson Number 2a', registered in the Cayman Islands, holds the Peacock Group's debt."

And the Royal Bank of Scotland (RBS), which was bailed out in 2008

and is still majority owned by the government, decided that even though Peacocks could afford to pay for further loans to keep it going, it would not extend its line of credit because it can make more money elsewhere. Basically it decided to pull the plug on hundreds of livelihoods.

On 12 January shares of RBS had gone up by 5.5% as a result of 3,500 job losses. John Hourican, head of RBS's investment bank, had been given 21.3 million shares which become due to him in April. According to the Financial Times their value rose by £250,000 as a result of the job cuts.

Less than a week later he shook his head at re-funding Peacocks' loan and the firm went into administration.

Cardiff workers were squeezed by off-shore hedge funds and a failed bank still largely owned by the government. Vince Cable, the Lib Dem business secretary, could have picked up the phone and ordered RBS to save their jobs but the government has a policy of not interfering in the bank that taxpayers, including Peacocks' workers, had bailed out. So workers at Peacocks helped bail out RBS but RBS would not return the favour.

## Spot the similarity

La Senza, Peacocks, Bon Marche, Thomas Cook, Hawkins Bazaar, Barratts, and who can forget the one that started it all, Woolworths. The increasing number of high street shops facing liquidation seem to have something in common - price. The most expensive dress available at Peacocks costs £50, while the highest priced at Harrods would set you back £8,750. But Harrods and similar luxury stores seem unaffected by dropping sales - perhaps because the rich still have plenty of cash to splash while the cuts in jobs and services mean people who were already struggling are having to cut back spending, even on the essentials.



# Con-Demned to unemployment

**Jaime Davies**  
South East Wales youth organiser

Official figures show that in the three months up to November last year unemployment rose by another 118,000 to break the 2.5 million mark. That's 118,000 more people who are unable to earn a living to support themselves and their families. There are only 463,000 job vacancies for all those people. In some places 32 people are chasing every available job.

In December, the number of Jobseeker's Allowance (JSA) claimants rose from 1,200 to 1.6 million. That's over one and a half million more people who will be made to not only struggle to survive on poverty incomes, but will also be made to feel like they are the lowest of the low by the right-wing media. Meanwhile the ruling classes and the bankers

who caused this crisis take pay rises and bonuses. So who are the real scroungers?

Youth unemployment which was already over one million, a little less than half of the overall figure, has hit a new record of 1.043 million. That's 1.043 million futures being destroyed. Many will be unable to find a job even after paying out over £9,000 a year for three years of university tuition. Most are unable to move out and get their own homes and become independent. Some are just looking for a means of filling their day with a sense of purpose but instead are Con-Demned to day after day handing out CVs by the hundred and getting nowhere.

On workfare schemes like the Work Programme, young people are forced to work for free for billion pound companies in order to earn their JSA! The government would

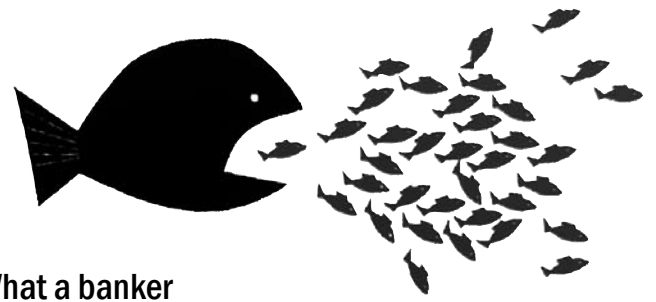
call it work experience but I would call it slave labour! Apart from it being grossly unfair it also provides the companies with no incentive to actually employ somebody because they are getting free workers.

Last year Youth Fight for Jobs (YFJ) organised two marches against youth unemployment. The first was from Merthyr to Cardiff which was sparked by Iain Duncan Smith's comments telling people from Merthyr to "get on a bus" to Cardiff and find a job.

The second was the Jarrow march from Jarrow to London which served as a fitting tribute to the original march 75 years ago as well as a way of highlighting the current crisis in society and showing that young people are prepared to take an organised stand and fight back.

See [www.youthfightforjobs.com](http://www.youthfightforjobs.com) for more

# Them...



## What a banker

Cameron's rhetoric about clamping down on bankers' bonuses is becoming more and more farcical. RBS chief executive, Stephen Hester, looks set to receive a bonus of up to £1.6 million. A sweetener in anyone's books, especially as it would come on top of his

## The real rip-off

Trade unions are dastardly things. Always costing the taxpayer money by taking their members out on 'pointless' strikes for the fun of it. Even Labour, which relies on unions for much of its funding, insists that their power has to be limited because they're such a bad thing. But research shows that trade unions actually save us money! For every pound spent on union reps in public sector workplaces, £9 is saved as a result of lower staff turnover, fewer workplace-related injuries and sickness and fewer employment tribunals. We're yet to see any evidence of the money we spend on MPs' wages and expenses saving us money - quite the opposite in fact, they seem to see it as carte blanche to steal our jobs and services.

**£1.2m**  
RBS boss' salary, without bonuses

£1.2 million annual salary. It's not really clear what he is being rewarded for either - shares at RBS have slumped by over 40% in the past year and the bank has cut thousands of jobs. RBS is 84% state-owned (owned by us, that is) so Cameron could step in and do what he does best - veto. But somehow we doubt he will. He does promise though that Hester's bonus will be "less than last year" - that's less than £2 million - hard times for all.

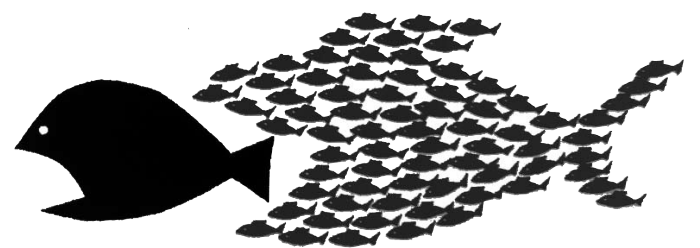
## Not up to scratch

In the Socialist issue 700, Them and Us reported on the bargain offers on food and drink available in the bars and restaurants of Parliament at a cost of £5.8 million to the taxpayer. We should probably apologise for complaining as it seems our poor MPs are having to put up with sub-standard service. The salami, for example, is far too thickly sliced: "It makes it a bit tricky to eat because the rinds are so sturdy." Most outrageously of all, in a dish of kedgeree: "The boiled egg had been cut into THREE quarters - no sign of the fourth...Petty and insulting way to save a buck." Clearly they expect more for our tax money.

## Poverty for the 99%

A recent piece in the Coventry Evening Telegraph highlighted the devastating poverty tens of thousands of children across Coventry and Warwickshire currently face. In the St Michael's area of Coventry, which Socialist Party councillor Dave Nellist represents, four out of every nine children are growing up below the poverty line. Dave said: "This report paints a disturbing picture of family life, and children's poverty, in Coventry in general and in St Michael's in particular, where children start their lives with all the odds stacked against them. Children are the victims. They haven't caused the banking crisis. These shocking figures are an indictment of all politicians who want merely to manage or 'better manage' the crisis back to 'business as usual!' Our country has become much more unequal with directors of the top 100 companies last year getting a 49% rise, while ordinary wages and benefits are cut. That's a country being run for the 1%, not the 99%."

# ...& Us



## 'What we heard'

The Independent newspaper revealed in September that Imperial College Healthcare Trust is bust and that St Mary's and Charing Cross hospitals may close. West London Socialist Party responded by starting a campaign to save them as we have done with past threats.

While leafleting on a recent campaign stall in Hamersmith a Charing Cross worker told us that in response to the news breaking, the management rushed round departments telling staff that it was not true and not to worry. Another staff member said the same but that they all suspect the truth. As if to starkly confirm their fears, patients told us that the doctors treating them in the last few days had said the hospital was closing. There has been no local, patient or staff consultation.

Clearly we are not all in this together!  
**Keith Dickinson, West London Socialist Party**



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