



Keeping in Touch

Fabian Hamilton MP

Working hard for you in Leeds NE



The Banking Crisis

We are enduring a period when nightmares happen while we are awake and there seems a real risk to the prosperity that has been won for individuals and the whole country over the last ten years. Banks, especially in the USA, have lent money to people and companies who had no real hope ever of paying it back, relying only house price inflation to increase the value of the security. So loans were accepted to be redeemed simply by selling the asset purchased with the loan at a higher price at a later date and with no real prospect of traditional repayment. And now the bubble has burst leaving prudent savers and borrowers concerned and with confidence, a concept so essential to business, completely shattered.

It is to the credit of Alistair Darling the Chancellor and Prime Minister Gordon Brown that the consequences so far in the UK have been limited. The government has part nationalised Royal Bank of Scotland, HBOS and Lloyds TSB, and by purchasing their shares has given them the security to withstand the financial shock. Action has been taken to protect all savers with funds in Northern Rock and Bradford & Bingley and the government is actively pursuing UK interests in seeking to ensure that individuals and organisations with funds in the collapsed Icelandic banks recover their assets if this is at all possible.

Our government is acting calmly and in very measured ways. We will all be affected in some way but my prediction is that we will emerge without vast numbers of major firms going out of business and with our unemployment growth contained to manageable levels. People who may be made redundant should be able to find good jobs again fairly quickly. A similar fate to that of Lehmann Bros touching one of our major banks or industries is now most unlikely.

The approach taken by the government, taking shares of banks in difficulty and providing liquidity for them is seen worldwide as a model approach in the current circumstances. Countries world wide are using this approach that Gordon Brown has devised. The recent global co-ordination to reduce interest rates has also stemmed from work that the Prime Minister has been doing with other governments to provide solutions to the present crisis.

Interest rates down

The decision of the Bank of England Monetary Policy Committee to lower the base rate by 1.5% will bring mortgage cost relief to thousands of home owners in our constituency. It is part of the response from the Bank of England to helping business to withstand difficulties in the current situation. Prompt and robust action by the Chancellor of the Exchequer, Alistair Darling has ensured that the majority of lenders, especially those banks that the government has supported, have passed on the full rate cut to mortgage clients.

Fuel costs

This is more good news. The world price of crude oil has halved since the records set last summer. I have, however, been most concerned that price reductions have not been passed on to hard pressed motorists and businesses as soon as possible. Two month ago, when the prices were still as high as \$92 dollars a barrel, I called in the press for prices to come down. Now we are seeing the long awaited reductions at the pumps with the price of unleaded fuel now well below £1 per litre. The world costs of some major food commodities such as wheat have now also dropped and this too will ripple through into lower prices in the supermarkets.

New constituency office



My local office has recently moved to some new premises where my staff and I can offer a better service to constituents. The office is located at 335 Roundhay Road and the rooms are above Binson Bearings. We are opposite and just a little higher up from Empire Direct, the former Clock Cinema of many years ago. The entrance is via the white doorway at the side as the photograph shows.

The office telephone number is 0113 249 6600. If you need to consult me or a member of my staff please telephone and my colleagues will suggest a mutually convenient appointment at one of my local surgeries or in the office. I do use the library at Moor Allerton Centre for some surgeries and this is probably the nearest one for you.

Leeds NE constituency web site

Please visit my web site which you can find at www.leedsne.co.uk I hope that you will find it interesting and useful. I try to keep constituents informed of the work that I am doing in Parliament and you can use it to contact me. Another feature of the web site is that it offers the opportunity for you to sign up to my mailing list to receive newsletters.

A new era begins in the USA

The election by a large majority of voters in the USA that has given victory to Barack Obama the Democratic Party candidate to be the next President is truly good news. I have to add my own personal admiration for his achievement in being elected. I believe that the new administration will kick start many political initiatives where progress up to now has been slow - in particular the issues linked to the environment and global warming and approaches to foreign policy.

Barack Obama faces some formidable problems not least those linked with improving the economy in the USA itself and beginning to clear up the problems caused by the credit crunch that was precipitated by the irresponsible bank lending in his own country. A new face is not a panacea but with reviewed policies on foreign affairs and defence, I am confident that we will begin to see a new approach to issues of concern to the whole world not least relations with Iran, the problems of terrorism, the problems of the Middle East and improved world trade.

But just for now let us raise a glass to Barack's Obama's success and witness the passing of a sad era in the history of the USA.

Representing you at Westminster

My work as your MP is to help ensure that the institutions of the state work well and that new legislation promotes fairness and justice. Please use the constituency office and the web site to let me know of issues that are of concern and to ask for help or advice.



Fabian Hamilton MP during a recent visit to Chapel Allerton to meet constituents.