



# Keeping in Touch

**Fabian Hamilton**  
**MP**

Working hard for you in  
Leeds NE

December 2008



## Christmas greetings

May I take this opportunity of extending my best wishes to you and your family at Christmas. It is a time for people to come together, to talk and perhaps to plan for the new-year. This year has been a momentous one and events unfold on a daily basis. It's sometimes difficult to make sense of them all and listening to all the conflicting opinions can be confusing.

## The credit crunch

The credit crunch has taken the world by storm. Money owned by very rich countries able to sell energy and valuable resources to the world placed their accumulated wealth into the western banking system. They were seeking an additional investment return as well as somewhere to store it. This provoked a culture in banking worldwide with managers were under pressure to find clients who would borrow some of this money in order to pay interest to the original lenders. In the United States lending went overboard with large sums of money advanced for house purchase to people without any means to pay it back. When repossessed houses could not be sold, the bubble burst. Banks unable to recover the money they lent out are in difficulty and suddenly there is little money to going round. Businesses and home-buyers cannot get loans and the economies of many countries are shrinking.

Our Government has been at the forefront of finding ways to deal with the crisis. It has reacted quickly to shore up those banks most affected by the risk of not being able to recover the money they have lent out. Northern Rock, HBOS, The Royal Bank of Scotland are now substantially owned by the Government. These and other banks have been supported with taxpayers' money in order to keep their operations going and the vast majority of people have their personal savings in banks guaranteed by the Government. In other countries the story is not so good but our Government has also taken steps to protect as far as possible British savers with money in Icelandic banks. Governments worldwide have copied the leadership shown by Prime Minister Gordon Brown and Chancellor Alistair Darling who have thus far ensured that no major bank in the UK has collapsed.

The crisis is far from over and is having repercussions worldwide. Growth has stalled in major economies and this is leading to reductions in business, firms closing down and many redundancies. Nowhere is this perhaps more noticeable than in China where hundreds of thousands of jobs are being shed in manufacturing and workers are returning to their home communities in the countryside that they had left earlier when work was plentiful. Many job losses are being reported in the USA and in the UK also there are signs of the crisis. A sharp

downturn in car sales is causing great difficulty and other firms are failing.

Those in this country who argue that in some way a UK government could have insulated our country from this global turmoil are not really credible. We can be proud that our Government is doing what it can to help the UK economy recover with the Pre Budget measures announced at the end of November giving the economy a terrific boost. Specifically, the measures to help small businesses are some of the most important steps the government has taken. Losses can now be spread across several years and can be offset against previous years' payments of corporation tax. VAT has been reduced for 13 months putting more spending money in every consumer's pocket. This is not all. More money has been provided for pensioners and capital spending on major projects is being brought forward to sustain and stimulate our economy.

However, It's not all bad news. Global oil prices have fallen drastically and we can all see this in the prices we pay at the petrol pumps with the price of a litre of petrol now less than 90p. We should see home fuel prices coming down soon but I am angry that energy companies are not reacting more quickly. The Bank Rate is now just 2%, the lowest level for over 50 years, and this has slashed the monthly repayments for many mortgage holders. Wholesale food costs are also lower.

There will be good news and bad news yet to come but I am confident that we will weather the recession better in the UK because of decisions our Labour government has made to protect jobs and businesses.

### **Terrorism in India**

We have yet to be told the full story about the atrocities in Mumbai. What ghastly philosophy is it that can seek to justify killing hundreds of innocent people for some political end? The sad fact is that worldwide there are misguided and wicked

people who seek power and influence at any price either to impose an unwelcome ideology or to sustain their supremacy, protection and wealth. It is truly obscene when peace between nations is seen as a threat to an ideology. This might be a factor in the Mumbai attack with vested interests threatened by growing rapprochement between India and Pakistan. I will be greatly saddened if the attack damages the continuing cooperation between these two countries. In the general fight against terrorism, Pakistan needs help most to combat lawlessness in its western provinces without being diverted to confront its eastern neighbour.

I hope the governments of India and Pakistan can find the means to work together to get to the originators of the Mumbai attacks so they can be put on trial. If the governments fail to agree it could mean that the rationale for the attack has succeeded.

### **Iraq**

It looks as if we might soon see the end to British involvement in Iraq as an increasingly effective Iraqi security service is bringing the level of violence down and this in turn is allowing an improvement in the living conditions of many people in that country. I do not want to see our soldiers stay in Iraq one day longer than necessary but we must not leave before the Iraqi government is able to shoulder all its policing and security responsibilities as we know that terrorist groups will fill any void. The whole world wants Iraq to succeed, led by a democratic government dedicated to all its people. The world wants to buy Iraqi oil and give the country true prosperity. Iraq has a fabulous potential for tourism. It was the cradle of our civilisation and will have so much to offer the world of today.

### **Afghanistan**

Afghanistan remains a nightmare. After their initial defeat, Taliban forces have reshaped their tactics and are inflicting

severe casualties on our troops who are seeking to rebuild the country and interrupting the precious few supply lines in a region of the world that has no proper transport infrastructure. Opium production has soared and this is fuelling crime and misery across the western world. The US government plans a surge like the one which was so successful in Iraq but even if it works, can it help create an effective government in a country where competing tribal allegiances are the strongest social structures? I fear we may have to stay in Afghanistan a long time as the consequences of withdrawal could be bad. Oppression for the people, especially for women, de-stabilisation of Pakistan and a haven for terrorists might be the outcome, were we to leave now.

### **The Sharon Matthews case**

The country waits now to see what sentence will be given to Karen Mathews the mother of Sharon Matthews who was tempted to swindle £50000 reward money from a public sympathetically moved by the apparent abduction of a young school girl. It seems incredible that those guilty actually believed this plot would work. The waste of £3 million in the public search for Sharon eclipses that reward. It would appear that Karen Matthews has little concept of responsible parenthood, homebuilding or commitment to any stable relationship that can nurture a family. We will also now see another scrutiny of a Social Service Department to see if any failure can be found in the state support system.

It is just not acceptable that children are brought up in emotional or physical squalor. Karen Matthews' behaviour brings the system of benefits and support to children and families –whether of one or two parents – into disrepute. Social services officers must react quickly where children are living in very poor conditions and where parents make too little effort to care for them. Karen Matthews has deceived her own community, wasted enormous amounts of money and subjected her own

daughter to misery. I hope she and her accomplice receive a severe punishment and that it sends a clear message to other parents who neglect and abuse their children.

### **Investment in our schools**

It was a real honour to be able welcome the Prime Minister Gordon Brown to the opening of the new Allerton High School last month. We have another magnificent new school building in the constituency and one that will allow our students the best chances of getting a quality education for their future.

Cardinal Heenan High School, Carr Manor, and Roundhay Schools have already been rebuilt. The only one of our secondary schools still to be renewed is Allerton Grange School and plans are well advanced. I am not sure if there is another constituency in the country that has seen so much investment in its schools in such a short space of time. What I do know is that no other provincial constituency has been visited twice by a Prime Minister in such a short space of time. Tony Blair opened Carr Manor High School in March 2007. Just 20 months later Gordon Brown came to Allerton High School on the 28<sup>th</sup> November 2008 on the day that the full cabinet met at the Royal Armories in Leeds. This was a wonderful conclusion to the year for me to see our government policy directly benefiting students in Leeds.



Prime Minister Gordon Brown MP opens the new Allerton High School