

# UK's elite protests stripping former RBS head of knighthood

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The decision by the UK's Honours Forfeiture Committee to strip former Royal Bank of Scotland chief Fred Goodwin of his knighthood has led to howls of outrage from the corporate and political elite.

Goodwin was awarded the knighthood in 2004 for his services to banking. Once named by Forbes as Businessman of the Year, he was then in the midst of a series of aggressive acquisitions by which RBS was transformed into the largest company in the world by assets.

Until 2008, that is, when the financial crisis revealed that Goodwin's achievements were built on sand. With a loss of £24.1 billion, RBS was rescued from collapse with £45 billion of public funds, and its debts nationalised—i.e., dumped onto tax payers.

Even so Goodwin walked away from the wreckage in 2009 with a £2.8 million tax-free pension pot.

It has taken three years, and widespread public anger, for the nominally independent forfeiture committee, which includes top civil servants, to decide that Goodwin's services were not so honourable after all.

The former banker joins Soviet spy Anthony Blunt and Zimbabwe's President Robert Mugabe in having his knighthood annulled by the Queen.

In response, Lord Digby Jones, former head of the Confederation of British Industry (CBI), protested there was a "faint whiff of the lynch mob on the village green" involved in the decision.

CBI President Sir Roger Carr complained that "populist" attacks on "fat cats" would drive talent and investment out of the UK, while Simon Walker, head of the Institute of Directors, warned against "anti-business hysteria."

The *Financial Times* also detected a "whiff" in the air, only this time of "rough justice and political calculation" in the decision. "Sir Fred was hardly the

only titled banker to mess up before the crash," it complained.

Denouncing "crude populism" the *Economist* noted that the decision to annul Goodwin's title came just days after current RBS chief Stephen Hester had announced he would forgo a £963,000 bonus in share-options, following public outcry.

"If stripping one failed banker of his knighthood and hounding another... looks like a witch-hunt, that's because it is," it opined.

"Hester's £1.2 million annual salary may seem outrageous to a voting public that anticipates years of austerity," it continued, but his bonus was "modest" in comparison with the heads of other banks.

Writing in the *Daily Mail*, Donal Blaney, former chair of Conservative Future, fumed "there is now a sickening climate of envy and class war in the air."

The annulment had set a "very dangerous precedent indeed," he wrote, concluding ominously, "For first they came for Sir Fred Goodwin and Stephen Hester..."

What accounts for this extraordinary reaction? After all, while the leaders of all the official parties have professed their satisfaction at the forfeiture committee's decision, none have proposed infringing on Goodwin's pension pot, or cutting Hester's pay—as is currently happening to tens of millions of workers across the country.

Four years on from 2008, not one banker, regulator or politician has been held to account, let alone prosecuted for their role in facilitating an economic catastrophe that is devastating workers' living standards the world over, and reducing entire countries to penury.

All it has taken is for one measly banker to lose his knighthood, and another to forgo—supposedly—his bonus, for the powers-that-be to cry foul.

Significantly, it is former Labour Chancellor Alistair

Darling who has led the pack.

Darling, who oversaw the multi-billion pound bail-out of Britain's banks, described the forfeiture committee's decision as "tawdry."

"We will be in an awful lot of trouble here if we go after people on a whim," he said. "Are we going out after other knights of the realm involved in this?"

Darling's remarks were aimed against Labour leader Ed Miliband who, in an attempt to rebuild his party's dwindling support, has called for a parliamentary debate on bonuses as part of developing a "responsible capitalism."

Miliband has stressed that his call is not driven by "the politics of envy," but by "values of fairness." Labour has said it will support government moves to cap the total amount of welfare support that any household can receive at £26,000 per annum on a region by region basis. It desperately needs the fig-leaf of a "discussion" on bankers' bonuses to cover its support for austerity.

Even so, his toothless proposal has caused apoplexy. The *Daily Telegraph's* Economics Editor, Philip Aldrick, wrote angrily that Miliband's "soundbites are all perfectly pitched for the disenfranchised masses."

The *World Socialist Web Site* has, on more than one occasion, drawn attention to the parallels between today's ruling elite and the *ancien regime* in pre-revolutionary France.

After gorging itself for more than three decades at society's expense—and ruin—today's financial aristocracy, having learned nothing from history, froths at the mouth at any mention of infringement on its ill-gotten gains.

Those closing ranks around Sir Fred Goodwin are blissfully ignorant of the fact that, just as Louis XVI and his ilk found themselves suddenly hauled before the sans-culottes, these latter-day aristocrats will very soon find themselves at the mercy of the "disenfranchised masses" they scoff at today.



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