

## WORKING FOR SAFER AND STRONGER BANKS

Following Arlene's election as Vice Chair of the Economic and Monetary Affairs Committee, she has been at the forefront of drafting new laws to reform the financial services sector, in the wake of the financial crisis. In the United Kingdom alone over 720 Billion Pounds of support was made available to failing banks, more than an entire year's spending by the Government.

Good regulation means getting the banks back to their core business of looking after customers deposits and lending to households and businesses. We want safer and more stable financial institutions which prioritise lending to the real economy over their own pay and perks.



## Bringing down the axe on bankers' bonuses

Arlene secured backing for her new EU-wide law on bankers' bonuses in July - described by the Financial Times as the world's toughest rules on bankers' pay and bonuses. The rules apply a strict limit to upfront cash bonuses, forcing bankers to hold more capital to prevent future crises and ensure the taxpayer never again has to pick up the bill for the wreckless and irresponsible profit chasing by the banking industry. The Bank of England maintains that the extra £10 billion bankers paid themselves in 2009 could have provided an extra £50 billion in lending for families and SME's.

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Meanwhile the ConDem Government has been caught in the act trying to weaken the new rules. A leaked Treasury document argued for allowing 50% upfront cash bonuses and immediate cashing in of shares. The EU rules agreed on Friday 17th December confirmed Arlene's tough approach. Arlene is calling on Chancellor, George Osborne to report to the House of Commons on how the Government is implementing the new law which came into force from 1st January 2011 and how it has been applied to the banks' £7 billion 2011 bumper bonus pot.

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**Arlene said** "At a time when the Government is making substantial cuts, scaling back public services and cutting support to families and businesses, our constituents expect banks to prioritise stability and lending over bankers' pay and perks. This Government must now respond to the public's concerns by immediately implementing these tough reforms to end the obscene bonus culture."

## Support grows for a Financial Transaction Tax

A Parliamentary motion put forward by Arlene in March received the overwhelming backing of the European Parliament but was opposed by British Conservative Euro MPs. The motion called for urgent action on a global tax on financial transactions, which would raise money from speculative trading by banks.

There is clear public backing for a tax on financial transactions and there are active campaigns for ideas such as a "Robin Hood Tax" by charities like Oxfam and ActionAid. UNISON's Million Voices Campaign is also giving a boost to calls for a financial transaction tax. A recent study by the Institute of Development Studies at Sussex University showed how a 0.005% tax to the foreign exchange market alone could raise around £17.6 billion worldwide in new taxes - £7.7 billion in the UK. New money that can go to go to fund UK poverty reduction, international development and climate change mitigation.

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## WE ARE WHAT WE EAT

### Only British meat should be labelled as British

At present the processing of food in the UK allows companies to label it as British, even though the meat could have come from an animal that was reared and slaughtered abroad. Processed foods, like sausages and ready-meals, as well as prepared products such as pre-packed sandwiches, can be labelled as British even if they don't contain British meat. As a result of new laws voted through by Labour Euro MPs this year there will now be a mandatory requirement for companies to tell consumers where the animals used to make their meat products are reared.

### Campaign for traffic light labelling continues

The European Parliament has rejected a call for traffic light labelling of foods, which would make it easier for shoppers to quickly determine whether a product is high in things like fats, calories and sugars. Labour Euro MPs have vowed to continue to push for this type of labelling, which is strongly supported by consumer and health groups.

**Arlene added** "The big food manufacturers have poured huge resources into trying to stop people from knowing the facts about what they eat. Against a background of intensive lobbying, Labour Euro MPs are standing up for consumer rights."

### Ban on dodgy meat glue

Euro MPs voted to ban glue used by the food industry to stick scraps of meat together for sale as whole steaks. The use of 'meat glue' misleads consumers into paying a higher price for lower value meat and is therefore not allowed under EU law. If we are successful, meat glue will not be allowed and the European Commission will have to come forward with a revised list of food additives.



## THE YEAR IN PICTURES

1. Merseyside Fire Training and Development Academy
2. Manchester Pride with Ed Miliband MP and Sir Ian McKellan
3. White Ribbon Alliance Fundraising Dinner
4. Fair Trade Breakfast
5. Campaigning with Trade Unions against the cuts



## FIGHTING FOR A FAIR DEAL

### Mobile phone roaming charge cuts

The third in a set of new EU rules on the cost of mobile phone roaming came into force in summer 2010. Championed by Arlene when she was Chair of the Consumer Protection Committee Labour Euro MPs first slashed the cost of roaming voice calls in Europe, closely followed by text roaming and now in a final set of rules they have slashed the cost of data roaming.

Mobile phone companies were given over two years to bring down the cost of using mobile phones in another EU country. In the end Euro MPs had to bring in a new law to force the companies to reduce prices. Since Euro MPs brought in the law costs have been cut by 73% on average compared to 5 years ago.

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### Ending the car parts con for car repairs

New EU rules will put the consumer in the driving seat, giving them more choice and better prices. For too long car manufacturers have locked consumers into anti-competitive warranty and servicing arrangements and held a cloak of secrecy over repair and maintenance by restricting access to vital information. New EU rules will open up the market for repair and maintenance by improving access to technical information needed for the repairs, and making it easier to use alternative spare parts. Given that repairs account for an estimated 40% of the total cost of owning a car this will deliver vital savings for consumers. The rules will also change manufacturers' abuse of warranties when they can only be serviced in authorised garages.



### Seal product ban backed by the European Court

This year Arlene helped Animal Welfare Groups fight off a legal challenge to the ban on seal products which she successfully steered through the European Parliament last year. The seal industry went to the European Court of Justice arguing that they faced economic damage. However, the market for seal products has been in decline for years as European citizens do not want the products of this cruel trade on their shop shelves. The European Union had no desire to trespass on the Inuit traditional way of life so the law was drafted to specifically permit non-commercial trade in products from traditional Inuit subsistence hunting. The law does however prohibit the cruel commercial trade which lead to 250,000 seals every year being slaughtered. Legal common sense prevailed and the President of the European Court of Justice dismissed the appeal and reinstated the ban in full.

### Euro MPs win first round of battle to save European Funding

The North West has been facing a funding double whammy, with both public sector cuts and an end to European funding planned by the Coalition Government. The ConDems have already cut the NWDA budget by nearly £55 million. Good news came in November when the European Commission backed Labour Euro MPs call to maintain this funding, and pledged extra cash for urban areas. The Government continues to lobby the EU to abolish all European funding for the UK's regions. Labour Euro MPs believe now is not the not the time to pull the plug on these vital funds and Arlene will continue to fight for EU funding for our region.

### New rights for agency workers

Labour Euro MPs have been working with trade unions to help secure new rights for agency workers who often receive little protection or benefits compared with permanent employees. Over 100,000 people in the North West are employed as temporary agency workers - one in twenty of the region's workforce. The new laws put protections in place to stop a two-tier workforce being created, protecting not only the agency workers, but also making it less attractive for employers to replace normal pay roll staff with lower paid agency jobs by eliminating the pay differential. Labour Euro MPs continue to work with Trade Unions to ensure that the Coalition Government implements the law in full.

### Arlene McCarthy MEP

Elected to the European Parliament in 1994 and has been the Labour Euro MP for the North West region since 1999. She is one of eight Euro MPs who represent nearly 7 million people in Greater Manchester, Merseyside, Cheshire, Lancashire and Cumbria.

Arlene holds a number of key positions which have enabled her to bring about important changes in European law;

Vice Chair of the **Economic and Monetary Affairs Committee**.

She is currently working on a raft of new EU laws in the wake of the financial crisis to ensure our banks and financial institutions support the real economy and end the excessive profit chasing and risk taking that led to the taxpayer bailouts.

She was responsible for drafting and negotiating the agreement on the new law on bankers' bonuses. Arlene is also championing the introduction of a Financial Transaction Tax (FTT) - known in the UK as the "Robin Hood Tax".

Spokesperson for the Labour Euro MPs on the **Legal Affairs Committee**.

Her experience of the Michael Shields case has led to Arlene working on a new law to uphold the rights of citizens to fair treatment when faced with arrest in another Member State.

The first Labour woman Euro MP to Chair the European Parliament's powerful **Internal Market and Consumer Protection Committee** from 2006 to 2009, where she continues to actively campaign for consumer rights.



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