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City Minister faces calls to resign

Unions ask: When did Lord Myners know about £16m pension for RBS boss?

THE City Minister faced calls to quit yesterday over his role in a growing scandal involving ex-Royal Bank of Scotland chief Sir Fred Goodwin's £16 million pension pot.

by **ADRIAN ROBERTS**

GMB union leader Paul Kenny demanded that Lord Myners resign if he knew last year that the bank was doubling Sir Fred's pension to a whopping £693,000 a year.

And Labour MP John McDonnell called for new laws to ensure that the public purse — which has poured tens of billions into RBS — is compensated.

The Prime Minister has threatened legal action to claw back some of the money, but Sir Fred is keeping his wallet closed, insisting that Lord Myners had sanctioned the deal at the time.

The minister claimed that, when the early retirement deal was agreed in October, he was under the impression it was an unavoidable legal commitment.

He said he only became aware last week that the then RBS board may have exercised discretion in effectively doubling Sir Fred's pension pot from £8 million to £16 million.

The former RBS boss's pension for life, which he is already enjoying at the age of 50, came to light as the failing bank announced record British losses of £24 billion on Thursday.

Questions are being asked about exactly what information the govern-

ment was given about the pension deal at the time it was negotiated.

Sir Fred said in a heated exchange of letters with Lord Myners that the minister was "aware of my entitlement" and that giving up his pension was "not warranted."

Reporters fired repeated questions at yesterday morning's daily briefing of Westminster journalists in a bid to discover whether Lord Myners had asked the RBS board if there was any discretionary element to Sir Fred's pension.

But Gordon Brown's spokesman would only say that the minister had been "left with the clear understanding" that it was a legally enforceable contractual matter.

Mr Kenny retorted that if Lord Myners knew about the pension arrangements — or, "even worse," didn't check how much Sir Fred was going to be paid — then he should go.

"The government needs to take active steps to recover the bonuses paid to these bankers under false pretences.

"This is not just a question of future pensions. Action should be taken against previous bonuses," he said.

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WAR OF WORDS: City Minister Lord Myners (left) denies knowing the full details of Sir Fred Goodwin's (right) £16m pension.

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