

S T E V E N K A T I R A I
B E L L A M O U R , L O N G H O R S L E Y , M O R P E T H ,
N O R T H U M B E R L A N D N E 6 5 8 R B

The Prime Minister
The Right Honourable
Gordon Brown MP
10 Downing Street,
London
SW1A 2AA

Sunday, 15 February 2009

Prime Minister

An open letter demanding your resignation.

Your position is untenable and, I as a citizen of Great Britain demand your instant resignation.

You are unelected, have no popular mandate and lack the moral authority to be Prime Minister. Your terms as Chancellor and Prime Minister have been a total disaster for this nation and your attempt to cling on to power at all costs show a complete contempt for this nation and displays your absolute vanity and thirst for political power.

I list below some of the mistakes made by you during your time in public office. If as a director of a limited company you had made similar mistakes you would be subject to criminal prosecution and banned from being a company director. As a Government minister the standards exercised should be significantly higher than those exercised by a company director, you have failed to maintain those standards and are unfit for public office.

- **Banking Supervision:** You transferred responsibility for banking supervision to the Financial Services Authority from the Bank of England so directly laying the seeds of the current banking crisis.
- **Banking Crisis:** The initial response to the Northern Rock crisis was so slow as to be glacial and ultimately led to the damage done to the whole banking sector. A strong Prime Minister would have provided depositors

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with a guarantee that their deposits were safe and the bank run would have stopped. Ultimately the same guarantee would have ensured that the HBOS and RBS debacle would not have been so severe.

- **Criminal Negligence:** The entire UK banking crisis has been caused by a lack of supervision under the regulatory regime set up by you, any man of honour would have resigned upon seeing the damage caused. You however have tried to blame everyone else and accept no responsibility. You are criminally negligent.
- **Vanity:** You have used the banking crisis to attempt to advance your personal standing and political career at the expense of the nation.
- **Lack of Judgment:** You have made three serious errors of judgment in your appointment of advisers on the current financial crisis.
 1. Your choice of banker to compile a report on ideas for improving public health was Sir Derek Wanless, a Northern Rock director when it imploded in 2007.
 2. You appointed Sir James Crosby, the former HBOS CEO, to the board of the FSA who then had to resign after becoming embroiled in the row over failings of risk management at HBOS.
 3. It now also appears that Glen Moreno will be forced out of his job, as chairman of UK Financial Investments Ltd, the company set up to oversee the government's stake in the bailed-out banks, because of his links with a Liechtenstein trust accused of tax evasion.
- **You Fantasize:** By clinging to the idea that, thanks to your genius British citizens are far better placed than competitors to handle this crisis. The following two facts demonstrate that this is a fantasy:-
 1. The Office for National Statistics' revelation that while the number of foreign workers getting jobs in the UK continues to grow (up by 175,000 to 2.4 million last year), domestic unemployment is rising sharply.
 2. According to Business Monitor International, a research company specializing in country risk, "Britain is facing an unprecedented fall in its economic world ranking... from 12th place in 2007 to 21st in

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2010". "Despite enjoying 11 years of growth between 1997 and 2007, the UK ran a budget deficit of 1.7 per cent of GDP over this period, fuelling a fiscal time bomb. Faced with the financial burden of bailing out the banking sector and kick-starting the economy, the budget deficit will swell to an unsustainable 9.3 per cent of GDP in 2009."

- **Public spending:** Your 2000 Spending Review presaged a major expansion of government spending, without any significant benefit to public services, directly leading to the UK being in the worst shape of any industrialised nation to weather the current financial crisis.
- You have colluded in hiding the full extent of public borrowing by using PFI initiatives to hide the borrowings off balance sheet. PFI is the most expensive and inefficient form of finance possible, and you have saddled the country with a debt that you cannot even quantify. Jeremy Pocklington, leader of the Treasury's corporate and private finance team, could only give a rough estimate to Richard Bacon that the total liabilities, but not debt, from the vast majority of PFIs, but not all, from 2006-07 to 2032-33, but not beyond, is **£157.9bn**. That is not only astounding but unbelievable.
- **Public sector Employment:** The office for national Statistics shows Public sector employment was 5,846,000 (20.4 per cent of all in employment) in June 2005, 680,000 (13.2 per cent) higher than in June 1998, whereas from 1998 to 2005 private sector employment only rose by 1,241,000 (5.7 per cent). This growth is unsustainable and wrong.
- **Growth:** An OECD report shows UK economic growth averaged 2.7% between 1997 and 2006, lower than in any other English speaking country.
- **Gold sales:** Between 1999 and 2002 you sold 60% of the UK's gold reserves at \$275 an ounce, close to a 20-year low, a disastrous foray into international asset management. Incredibly you announced your proposed sale driving the price down before you had even started. An act of supreme negligence.

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- **Your spectrum auctions** gathered £22.5 billion for the government which caused a severe recession in the telecoms development industry leading to the direct loss of 30,000 UK jobs. Two auctions were run in the USA, the first being cancelled and re-run (for less revenue) due to damage caused to the industry. The Americans realised their mistake and tried to rectify it. The British and German chancellors copied the North American first auction; which had failed. To copy a failed economic model is normally considered a serious error of judgement.
- **Your East Coast Mainline** franchise auction led directly to the demise of GNER, an excellent company, which was replaced by National Express who offer East Coast mainline users a significantly poorer service. Your duty was not only to maximise revenues, you also had a duty to the shareholders, employees and customers which you completely failed.
- **Anti-poverty:** The Centre for Policy Studies found that the poorest fifth of households, which accounted for 6.8% of all taxes in 1996–7, accounted for 6.9% of all taxes paid in 2004-5. Meanwhile, their share of state benefit payouts dropped from 28.1% to 27.1% over the same period.
- **Tax:** According to the OECD UK taxation has increased from a 39.3% share of gross domestic product in 1997 to 42.4% in 2006, going to a higher level than Germany. This increase has mainly been attributed to active government policy, and not simply to the growing economy.
- You pledged to not increase the basic or higher rates of income tax however in all but your final budget, you only increased the tax thresholds in line with inflation, rather than earnings, resulting in fiscal drag.
- You abolished the 10% tax band so that you could reduce the basic rate from 22% to 20%, to make it look like you were decreasing taxes. However in fact it led to increased tax for 5 million people, and, left those earning under £18,000 as the biggest losers.
- **Pensions:** Your changes in 1997 in the way corporation tax is collected, directly led to the taxation of dividends on stock investments held within pensions, thus lowering pension returns and contributing to the

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demise of most of the final salary pension funds in the UK. By fiddling with the tax status and solvency ratios you has made them prohibitively expensive to maintain. Short term solvency ratios for what is a very long term liability make very little sense at all. So they have all but been killed off. The UK used to be the envy of the western world in final salary pension provision with the only fully funded schemes in operation. Money purchase has led to much lower benefits and the investment risk [see stock market performance over 10 years and last year in particular] is borne by the individual. This will provide a much reduced income and will lead to much greater demand on the Public pension system at a time when we cannot afford it.

- This act alone has singlehandedly damaged the pension of every person with a pension in the UK but also saddled UK corporations with a an ever growing pension liability, so much so that many companies futures are imperilled by these debts.
- **Falsehoods:** You used the Laura Spence Affair to beat up Oxford and Cambridge about their admissions procedures, Lord Jenkins, then Oxford Chancellor and himself a former Labour Chancellor of the Exchequer, said "nearly every fact you used was false.
- **Inappropriate links:** Given the finding that the government did not carry a proper public consultation on the use of nuclear power in its 2006 Energy Review, your brother Andrew is linked to one of the main nuclear lobbyists, EDF Energy could be construed as inappropriate.
- The father-in-law of your closest adviser Ed Balls, Tony Cooper (father of the Labour minister Yvette Cooper) has close links with the nuclear industry. Cooper was described as an "*articulate, persuasive and well-informed advocate of nuclear power over the last ten years*" by the Nuclear Industry Association on his appointment as Chairman of the British Nuclear Industry Forum in June 2002.
- **Iraq War:** You supported British involvement in the Iraq War against the wishes of the UK population and helped to justify that involvement by publishing false intelligence. This war has directly increased the odds of

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terrorist attacks on British subjects and the financial cost has had a significantly detrimental effect on the British economy.

- **Military Covenant:** You have not adhered to the 'military covenant', leading to a significant decline in the morale of the armed forces due to poor housing, lack of equipment and adequate healthcare provisions. The lack of equipment has directly led to an increase in the loss of lives, and serious injuries, compounded by a lack care following serious injury.
- **The 15% VAT Rate:** introduced to counter the effects of recession demonstrated a total naivety and breathtaking stupidity. Far from digging the nation out of a hole, it has saddled the country with a huge unsustainable debt.
- **No one should benefit from failure:** You have on numerous occasions stated that no one should benefit from failure, however your tenure as chancellor was universally recognised as a failure, but you were rewarded with the Premiership and had the gall to accept.
- **There will be no more Boom & Bust:** In your hubris you made a statement that was patently untrue, and counter to any economic theory. You either knew that statement to be untrue or lied or if you believed it then you clearly demonstrated your foolishness and proved that you were unfit for office.
- **The UK is in a better position than any other developed country:** this again is completely untrue, we have more than double the debt per head of population than any other country in Europe.
- **Public Services:** You have destroyed Public Services by a raft of inappropriate targets, which have led to resources being wasted by the attempts to meet those targets.
- **Surveillance society:** You have presided over and led to the creation of a surveillance society in which any perceived wrongdoing is used as a pretext to pass oppressive laws. You and your predecessor have both singlehandedly succeeded in making the UK an unpleasant place to live in.

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These are but a small sample of your failings any of which make you unfit for public office and for which you should immediately resign. You sir are a fraud and I am forwarding this letter to as many people as I can, via the internet in an effort to shame you into accepting your failures.

Yours faithfully

Steven Katirai

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