**NEWSPAPER REVIEW FRIDAY JANUARY 27TH**

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## There's an air of familiarity about today's big stories: anger over bonuses, falling out in Europe and trouble on the High Street. But read on for a few surprises… Let's start with the annual big name ski-ing trip…

**FINANCIAL TIMES**
**CAMERON REBUKES EURO LEADERS OVER CRISIS**
By Chris Giles in Davos
David Cameron delivered a firm rebuke to Germany at the World Economic Forum, calling on Berlin to contribute many more resources and guarantees to help solve the eurozone crisis. The PM stressed that although progress had been made, particularly with the European Central Bank's funding of the European banking system, policymakers were still far from finding a solution to the underlying problems of the crisis. He criticised eurozone leaders for being distracted by other issues, such as the introduction of a financial transaction tax – an initiative he described as "quite simply madness".

## AND THEN WHAT HAPPENS WHEN THE TOP MAN AT "OUR" BANK GETS A BONUS…

**THE SUN**
**OUTRAGE AS RBS CHIEF GETS £963,000 BONUS**
By Steve Hawkes
Royal Bank of Scotland caused outrage last night after chief executive Stephen Hester was awarded a bonus of nearly £1million.The firm, bailed out and 83 per cent owned by the taxpayer, decided they would hand him 3.6 million shares.
At Wednesday night's closing price of 26.75p, they were worth £963,000. But the bonus could fetch far more by the time the 51-year-old CEO cashes the last of them in at the end of 2014.
Mr Hester, who joined RBS in 2009, now has a pay package for 2011 worth more than £2million. RBS chairman Sir Philip Hampton said the award reflected "tangible achievements".

**DAILY MAIL**
**REWARD FOR FAILURE**
By Becky Barrow and Tim Shipman
The boss of state-owned Royal Bank of Scotland was handed an annual bonus of nearly £1million yesterday. To widespread fury, the board of directors awarded Stephen Hester more than many ordinary workers earn in a lifetime. The bank insists it has shown restraint because its chief executive was 'entitled' to £1.5million.But David Ruffley, a senior Tory on the Treasury select committee, said: 'Mr Hester is already paid a £1.2million basic salary, which seems to me generous given that the share price has fallen and RBS has failed to meet its lending targets set by the Chancellor.

**THE GUARDIAN**
**STEPHEN HESTER: 'EVEN MY PARENTS THINK I'M OVERPAID'**
By Cass Jones
The RBS chief believes his early days working in a sweet factory mean he can identify with the average earner. Stephen Hester was given the task of turning around the failing RBS group by the government in November 2008 with a salary of £1.2m a year. The 51-year-old Oxford graduate left as chief executive of property company British Land to take on the role, succeeding Sir Fred Goodwin. Hester began his working life as personal assistant to the chairman of Credit Suisse before becoming the bank's youngest managing director and later group finance director. As a successful businessman, he has enjoyed a lavish lifestyle and has three homes including a 350-acre estate in Oxfordshire. His latest bonus is down from 2010, when he was awarded a shares-based bonus of £2m, but there had been calls from trade unions and politicians to cancel his bonus all together.

**IN OTHER NEWS…**

**THE SCOTSMAN**
**RADICAL REDESIGN "IS ESSENTIAL FOR PENSIONS"**
By Nathalie Thomas
Pensions should be radically redesigned into more flexible "lifetime savings accounts" to help young people pay off debts such as student loans, according to the head of Saga. Investments expert Ros Altmann said pensions may be "past their sell-by date" as youngsters and workers on low incomes are reluctant to lock away their money for retirement when they have other more immediate worries such as student debt and finding a deposit for a house.

**THE TELEGRAPH**
**PAYING CASH IN HAND IS 'DIDDLING THE COUNTRY', SAYS HMRC**
By Christopher Hope
In an interview with The Daily Telegraph, Dave Hartnett says that householders have a duty to ensure that other people do not evade paying their share of tax. Paying a builder or cleaner in cash, allowing them to evade VAT or income tax, will result in even deeper government cuts to public services, he says. People who contribute to the cash economy cannot then complain about austerity measures, he adds. Campaigns are planned from April on tens of thousands of cash-in-hand builders.

**AND THEN BACK TO THE HIGH ST FOR THOSE FAMILIAR WOES (BUT IT'S NOT ALL BAD NEWS)…**

**THE INDEPENDENT**
**RETAILERS SUFFER FROM A CHRISTMAS HANGOVER:**
By Russell Lynch
A painful, post-Christmas hangover hit the high street this month, as shoppers closed their wallets after a festive splurge, the CBI warned today. Its latest distributive trades survey revealed the worst month for retailers in nearly three years during a dire start to 2012 when several names – including La Senza, Barratts and Peacocks – were forced into administration. The retail gloom comes after official estimates showed a worse-than-feared 0.2 per cent slide for the spluttering UK economy in the last three months of 2011.

**DAILY EXPRESS**
**KIDDICARE PUSH FOR AMBITIOUS MORRISONS**
By Andrew Johnson
Morrisons yesterday launched a major push into the mother and baby market by snapping up 10 former Best Buy stores on behalf of its Kiddicare.com brand.The supermarket group, led by - Dalton Philips, pictured below, is to invest £15million in converting the former electricals superstores after taking on the leases from Best Buy's UK partner Carphone Warehouse in a move that will create 700 jobs.

**THE TIMES**
**NOW YOU CAN HOIST A STARBUCKS SIGN OVER YOUR SMALL-TOWN COFFEE SHOP**
By Marcus Leroux, Dominic Walsh
The company has begun seeking franchise partners to find sites and run stores in smaller towns, starting in the South of England. Kris Engskov, its new managing director for Britain, told *The Times*: "I hope by the end of the calendar year we will have the first franchise in the South of England. That will be our first franchise anywhere in the world. We are doing that because there are opportunities in the UK, where we know that's a better model for us to operate, particularly in smaller markets.""The UK is the most competitive espresso market anywhere in the world. It's also one of the most important markets for Starbucks and because it's ultra-competitive we want to win here.

**WHAT ARE THE NEWSPAPERS ELSEWHERE SAYING…?**

**CHINA DAILY**
**EASING INFLATION FUELS POLICY ADJUSTMENT PREDICTIONS**
A December decrease in China's inflation has fueled widespread guesses about policy loosening to spur the slowing economy, although analysts believe that significant easing is unlikely, as inflationary pressures remain. The full-year inflation figure for 2011 was still up 5.4 percent from the previous year and well above the government's full-year control target of 4 percent, the National Bureau of Statistics (NBS) said in a statement on its website.

**NEW YORK TIMES**
**FOR $2 A STAR, AN ONLINE RETAILER GETS 5-STAR PRODUCT REVIEWS**
By David Streitfeld
In the brutal world of online commerce, where a competing product is just a click away, retailers need all the juice they can get to close a sale. Some exalt themselves by anonymously posting their own laudatory reviews. Now there is an even simpler approach: offering a refund to customers in exchange for a write-up. Researchers like Bing Liu, a computer science professor at the University of Illinois at Chicago, are also taking notice, trying to devise mathematical models to systematically unmask the bogus endorsements. “More people are depending on reviews for what to buy and where to go, so the incentives for faking are getting bigger,” said Mr. Liu. “It’s a very cheap way of marketing.”

**WALL STREET JOURNAL**
**BANKS FACE BIND OVER CASH PILE**
By David Enrich And Francesco Guerrera
After receiving nearly half a trillion euros in cheap loans from the European Central Bank last month, the Continent's banks face a dilemma: to invest the money in lucrative but potentially risky government bonds or hoard the cash at a loss. The choice reflects the uncertainty surrounding Europe's financial system at a time when dark clouds continue to hover over the euro-zone economy and its common currency. Regardless of whether banks use the money to buy bonds or simply stash it at the central bank for safekeeping, consumers and businesses are unlikely to see much of the funds

**AND JUST BECAUSE IT’S FRIDAY…**

**REUTERS**
**UK MUSICAL TO LAMPOON EURO IN CURRENCY'S HEARTLAND**
By Brian Rohan
Europe's top politicians and policymakers will need an extra-thick skin this Friday when an irreverent musical turns up on the doorstep to thumb its nose at the embattled euro.
Narrated by an umbrella-toting, finance-savvy Briton, "EuroCrash!" depicts the single European currency's founders - former German Chancellor Helmut Kohl and former French President Francois Mitterrand - as a mad couple who enchant wayward countries into joining their "family" in a gingerbread house. Decor is sparse and live music limited to a piano, but the message the six-strong troupe will take to the European Central Bank's home city of Frankfurt with just over an hour of song and dance is clear -- the euro was doomed from the start.