



WAKE UP!! IT'S YER STILL PAYING DIVIDENDS...

SchNEWS

www.schnews.org.uk

Friday 14th October 2011

Free/Donation

Issue 792



FALSE PROFITS

AS SchNEWS ENTERS THE TWILIGHT EUROZONE

We have settled into a continual cycle of panics over the eurozone economic situation. Recent chapters have included Italy and Spain's sovereign debt rating downgrades and Greece going to the brink of defaulting on its loans again – as it inevitably will without major debt restructuring, c'mon people it doesn't take a rocket scientist to figure that one out!

We've had the usual swiftly convened crisis meetings of Euro-finance ministers desperately cobbling together another 'confidence boosting' round of bailouts and guarantees. Just last week we've had a new Greek 'deal', even as Slovakia blocked the last round of EU bailout measures (widely already seen by markets as woefully inadequate). Belgian (debt levels up near 100% GDP by the way – next highest after Greece, Italy, Ireland and Portugal) and French governments are desperately trying to prop up their collapsing toxic bank Dexia, and the Bank of England are printing another £75bn of cash – 'quantitative easing' in the hope of 'stimulating' the economy (and inflating away some of the debt to boot). Like the many others since the 2008 crash, all these measures are also probably doomed to fail. Why? Because the slow burning Euro crisis has developed into a predictable little game and nice little (big) earner for a tiny percentage of extremely rich people.

Following the collapse of the dodgy credit-fuelled boom which had been driving growth and apparent wealth in Europe and the US for a decade, the biggest private players in the finance markets – those with billions in loose change to play with – have been betting that Europe is going to ultimately fail. They see the overwhelming amounts of debt, the political difficulty of making the really savage levels of savage public spending cuts that could rebalance the books, and of co-ordinating so many different 'national interests' (or at least short-term domestic political interests) in putting together regulatory changes / tax / funds redistribution that could steady the ship.

If one of the US states was to go near bankrupt, for example, the federal government could just redistribute cash from other richer states to prop it up – but there's a limit to how many times German or French tax-

payers are gonna swallow giving all 'their' cash away to some foreigners who can't run their finances as well as 'we' do. Of course its way more complicated than that – a large slice of that German wealth, for instance, has come from exporting all its goods to other European countries it has then lent the money (money created erroneously virtually out of thin air as it now transpires) to pay for it all. But tell that the doorstepping politician on the street.

MARKET FARCES

So the market-makers have been applying the pressure – selling short stocks, and pushing up bond prices. Other investors with the herd mentality lose their confidence and follow their lead. The Euro politicians are then forced into another round of bail out measures. The market stabilises – and the big boys buy back all the assets they have just sold at a cheaper price. Kerching! As they begin buying, others again follow suit, prices rise again (and government borrowing gets a bit cheaper again for a little while) giving the mirage of 'confidence' returning to the markets. When they get high enough, the selling starts again – realising, in profit, the difference between the current high and the previous low. And so the whole cycle begins again forcing the next partial bailout.

So it seems that large slices of all this bailout cash actually has been going to that richest 1% of folks who own everything; that is why despite all the cash 'injected' into the system there's still none that banks want to lend out to the other 99%.

And it seems likely to continue this way until the Euro-project falls apart or changes the rules radically. Euro-governments are nowhere near having the ability or mandate to agree the kind of 'back it all to the absolute hilt' deal – or radical structural changes – that might stabilise things. And even then it may not work. The past few years has seen the most volatile trading on global markets ever recorded. More stocks, shares and bonds are traded, and more rapidly, than ever – and prices swing around more dramatically than ever before. And at least part of this is down to the introduction of 'AI' computer traders.

More and more of the big players are turning to software to make their trading

decision. They use complex algorithms and game theory-based programs which automatically trade huge volumes of stocks back and forth, exploiting every logical avenue for arbitrage, faster than any human could, and without any logical or emotional baggage. And, in general, the software has proved very adept and successful – for its owners. The software has absolutely zero understanding of its real world influence (i.e. even less than a human trader) but just seeks profit according to its understanding how complex markets work.

But computers never quite seem to work how you'd expect, do they? It seems they are prone to amplifying feedback loops as one software swinging dick battles it out with other virtual masters of the universe out there in the market (surreal or what?) and it has lead to wild swings and sudden crashes as all the robot Gordon Gekko's all sell off or buy vast volumes of stock in mere minutes. One such 'flash crash' in May this year saw the second biggest one day swing of the Dow Jones ever, as the market fell 9% only to rebound back in minutes. The U.S. Securities and Exchange Commission and the Commodity Futures Trading Commission's investigation has since implicated the auto-trading systems for causing it.

Europe to survive in its present form? We wouldn't bet on it. Those who have made all their vast wealth and power playing the system and now dominate it, seem hellbent on bringing it all down around the heads for the sake of squeezing the last pips out and everyone's grandchildren beyond their unborn ability to pay for it. Presumably they hope it will kill off the state for good and usher in an über-marketised private company system to run everything – companies they will then own.

The SchNEWS answer? Everyone default. On everything. Plan a new level playing field and make the richest foot the bill for screwing up the last system. Or rise up and kick em all out. Over to you guys occupying Wall St and the London Stock Exchange...

OCCUPY THE STOCK EXCHANGE

This Saturday the 15th, join some of the 99% calling for equality and justice for all: Occupy the London Stock Exchange

Assemble ready for action in front of St Pauls Cathedral at Midday – not too early or late. Bring tents & sleeping bags.

Follow @OccupyLSX on twitter for updates on the day.

www.occupylondon.org.uk

INFORMATION FOR ACTION

Copyright
Published in Brighton since 1994

GREECE TIGHTENING

Another 48 hour strike will begin on Wednesday (19th) in Greece, following on from last week's general strike. Meanwhile the public continue rioting as only the Greeks know how, in response to the continuing barrage of political botch-ups and suffocating cuts.

In the space of one day, Friday (7th), the army demonstrated over wages, police officers held a demo outside a ministry (who policed that?), not to mention the 650 schools in occupation, another expose on MPs (who'd been claiming double pensions) whilst later on that evening the Greek orthodox archimandrite (kinda like a superior bishop) for the region of Attica went live to announce that *"the church has been tied to the state for far too long at a fault, the state is stealing from the people and it is now time for the people to rise up and react"*.

At the beginning of October another tax hit Greek households, apart from income tax they now have to pay a per head tax and there are more taxes to follow. Mainstream media reports 1 in 5 Greeks cannot pay their household bills next month, 13.5% cannot afford food shopping and as things stand at the moment by mid-November no one will receive a pension.

On a more positive note, within small communities residents have started exchanging goods and services to deal with the cash flow problem.

For more news and updates go to: www.occupiedlondon.org/blog/

HONDURAN-CE TEST

Continuing the long tradition of US presidents propping up illegitimate, undemocratic and brutal Latin American leaders, Obama last week hailed the return of a "strong commitment to democracy" in Honduras.

He was speaking during the first White House visit of Honduran leader Porfirio Lobo, who was there to discuss economic and security issues. However, proceedings were dominated by Honduras' recent return to the Organisation of American States (OAS). They were kicked out following the coup two years ago which led to far-right Lobo being installed (see SchNEWS 708). The country has become a haven for rich businessmen, out to make a killing with the help of violent paramilitary forces, who also assist with the ongoing brutal repression of any political opposition.

Most recently, on Tuesday (11th), 33-year-old Santos Seferino Zelaya Ruiz, a member of the Unified Campesino Movement of Aguan (MUCA), was gunned down by six masked security guards as he worked land bordering a plantation owned by argibusiness oligarch Miguel Facussé. But it's not only bullets people fear; when they aren't been killed, politically active campesinos are captured and tortured.

Latest figures from human rights groups show that between January 2010 and early October 2011 around 40 people involved in peasant organisations in the Aguan Valley have been murdered. This has been carried out with the tacit approval of the Honduran military, who at one point occupied the Aguan Valley National Land Reform Institute for two months in a blatant show of intimidation against those supporting progressive redistribution.

For the whole Honduras story, background, resistance n' all, see SchNEWS online.

FAR RIGHT ANGELS

The English Defence League (EDL) 'Angels' handed in their petition to Downing Street last Saturday (see SchNEWS 791).

As the ladies' chance to shine it was a wash-out, the small crowd of 150 racists was about 80% male – either that or the Angels were looking even less angelic than normal. About 100 UAF (at least half female) had gathered in a pen opposite Downing St to oppose the EDL. It was a fairly uneventful affair with a bit of shouting, the occasional Sieg Heil and Hel Gower (the EDL leaders' PA) handing in a petition asking why David Cameron called them sick – SchNEWS isn't known for sticking up for Tory toffs, but we reckon he may have been on to something there.

Stop the War was holding a demo of it's own a few hundred yards away in Trafalgar Square, but instead of marching down the road to see off the fash, organisers kept the bulk of the 500+ crowd at bay with speeches from Galloway, Pilger and Assange. Though they did eventually make it down to Downing Street to sit in a kettle, it wasn't until long after the police had safely escorted the EDLers past parliament.

A few EDL yooof tried to make their way back to have a go at the 'commie scum' but were quickly outnumbered by protesters and police. The Red Lion pub on Parliament St was a welcoming host for the EDL with many of their number spending most of the day there with little or no police presence, whether they can be persuaded that serving far right bootboys is bad for business in the long run remains to be seen.

A HEALTHY TURNOUT

"The NHS will last as long as there are folk left with the faith to fight for it." - Nye Bevan.

Somewhere between 3,000-5,000 people came to "Block the Bridge, Block the Bill" – the UK Uncut-organised demo to defend the NHS from axe-wielding Tory maniacs (see SchNEWS 791). Billed as an up-fer-it direct action blockade of Westminster Bridge (in the very heart of the city for those who's knowledge of central London's geography is lacking), the location couldn't have been better chosen. On one side of the bridge is Parliament, on the other St Thomas' Hospital. Protesters symbolically placed themselves in the way of the hospital to protect it from the harm that the passage of the Health and Social Care Bill will do to it and the rest of the NHS.

By 1pm the entire bridge was closed to traffic and full of demonstrators of many persuasions; health workers, disabled people, students, trades unionists and more gathered to defend Britain's most popular state institution. Some of the more enthusiastic attendees took "Block the Bridge" a little bit too seriously and linked arms, preventing protesters and non-protesters alike from crossing the bridge to get to the demo because, err, the bridge was blocked. They eventually stopped when the rest of the crowd nearby started taunting them for being idiots.

The rest of the demo was full of creative chaos; including a die-in by people dressed in medical gear, street theatre of all shapes and flavours and mobile sound-systems a plenty. Block the Bridge bore witness to the first 'Occupy London' General Assembly. Directly inspired by Occupy Wall Street, the Assembly was a classic example of

Brits almost, but not quite, copying the American way of doing things. In place of the exuberant 'can do' attitude of our comrades across the pond there were hesitant speeches and suggestions that people might like to get into groups to organise for the future.

Although the event was about as fluffy as direct action ever is, the police still couldn't stop their authoritarian urges from getting the better of them. After stopping anyone who looked vaguely protester-ish from leaving via the north side of the bridge, they then kettled groups of protesters on Lambeth Bridge, eventually letting people go after a round of pointless stop and searches.

With the Wall St protests continuing, and an Arab Spring still in people's steps, occupation as a tactic looks like the way to go these days. Flush from the success of the Westminster Bridge demo it looks like next week's Occupy the Stock Exchange should be a biggie.

DALE FARM UPDATE

The Dale Farm eviction may be back on any time soon, as the residents' application for a High Court judicial review has been rejected.

For the last month Basildon Council and their racist enforcers, Constant and Co, have been on standby waiting for the green light to ethnically cleanse the former scrap yard of its Irish Traveller owners. So far the process has cost Basildon Council a fortune. Lily Hayes, a Dale Farm supporter, said "This isn't about planning regulations, it's about prejudice. Basildon Council and the government don't care about the welfare of this community – instead, they are intent on clearing them out of Basildon and willing to spend £22 million in the process. Today, the law has failed the Dale Farm community, leaving them at the mercy of the Tory's confrontational eviction strategy."

*For the latest update see <http://dalefarm.wordpress.com> or find @letdalefarmlive on Twitter.

...and finally...

OeufFirst! A group of Turkish students threw off the yolk of economic repression yesterday, as they hurled eggs (clearly not a vegan vengeance action) at a visibly (and hilariously) shell-shocked IMF representative. Obviously egged on by the enforced IMF bailouts of 2001 (see www.schnews.org.uk/sotw/states-of-unrest.htm) which actually made the country worse off than before the 'help', and then ushered in the inevitable sweeping privatisation of everything in sight and a decade of 'growth' fuelled by the ubiquitous mythical powers of cheap debt. While a load of well connected middle classes got richer from it all, it doesn't seem to have helped the 15% unemployed, the third of Turks still working in agriculture on the breadline or the 20% of the population living in official poverty.

None of this background stuff was of interest to the BBC though, as they concentrated on the number of egg related puns they could pull off (<http://www.youtube.com/watch?v=qmeHP4jTeeec>).

Of course yer so serious SchNEWS would never do anything so crass.

Anyway, unfortunately security guards quickly scrambled through the audience and probably whisked the egg-istentialists off for a light beating.

Disclaimer

SchNEWS advises all readers, take stock and exchange the system. Honest.

Subscribe!

Get SchNEWS free every week by email in pdf or text file - visit our site, or send us stamps and we'll post it to you. Copy and distribute! Keep SchNEWS free with donations (via website or cheques payable to Justice?). Posted free to all prisoners.

SchNEWS, c/o Community Base, 113 Queens Rd, Brighton, BN1 3XG. Tel +44 (0)1273 685913 Email mail@schnews.org.uk Web www.schnews.org.uk