

# **RUNNYMEDE GAZETTE**

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## **EDITORIAL**

# **THE WAR IS GOING BADLY ... A FUTILE GESTURE IS NEEDED**

The old Peter Cook gag from which this headline is taken, can ring true in many contexts. That is the nature of good satire.

Futile gestures are essentially what psychologists call 'displacement activities', and mostly take the form of repetitious, often highly ritualised, actions performed under stress, where it seems that there is little else to do even though the action(s) concerned have never produced much by way of any tangible result, and seem unlikely to bear fruit in any future scenario.

The failure of the Hong Kong Democracy movement provides us with yet another case study of the failure of gesture politics. The vox populus from the Hong Kong streets, broadcast on a number of channels over the period of the occupation, revealed that all the effort never communicated much of a message to the wider public in that city, and indeed, served more to annoy and alienate many.

From Hong Kong to Tahrir Square, from London to New York, from Athens to Madrid we have seen a similar pattern. An action is entered into with ... often at best ... vague and ill-defined objectives, with no on-the-ground organisation, with no end-game and no exit strategy, having established no dialogue with the public at large (and

no means by which to do so) in the expectation of being able to topple a major locus of power within a matter of weeks.

For their side, the powers-that-be have learned that no wild Tiananmen Square massacres are needed. All they need to do is to sit it out, until the protest gets bored with itself, realises that its objectives were untenable, its endgame non-existent, and that it holds nothing like the level of popular support which it either claimed, or ... perhaps most importantly ... to which it felt entitled. The protest can then be safely left to fizzle out, before mopping up the remainder.

Does anyone with half a brain seriously think that a relatively small number of people running around in the street waving placards and blowing pea-whistles, is ever going to achieve much more than to irritate and annoy? Are we really mad enough to give any credence to Bible fables of trumpets bringing down fortress walls? Surely, the repetitive blowing of pea-whistles has surely got to be one of the most brain-dead, moronic, God-forsaken and damnably irritating activities yet devised by the human race.

Does anyone even think to evaluate events in terms of their effects? Did the recent confrontation between supporters of Anonymous and the police in Parliament Square, recruit so much as a single soul to the cause?

This is about getting out into communities, onto doorsteps, into clubs, pubs, market and work places, and across garden fences. Only then can we start the long uphill slog, not to the futility of whistle blowing and placard waving and instead concentrate on the real business of disempowering the elites. That is the difference between 'protest' and 'resistance'.

## **STARTING THE YEAR WITH A PERSONAL NOTE**

The *Runnymede Gazette* has been advocating such an approach for a number of years. Whilst some progress has been made on convincing a number of people, on an intellectual plane, that such a strategy is the only one that will ever work, the reluctance to roll up sleeves and get on with it still predominates.

It may be that the Oligarchy is now too big, and too powerful. The scale of the mountain to climb looks too intimidating, and thus any diversionary activity will do.

As with the end of 'Flower Power' in the 1970's ... an earlier demonstration of the vacuity of ideas without organisation and of the necessity for defined and reasonable objectives, end-games, and exit strategies ... we accept defeat, accept that nothing will be improved by our hands and in this way, and go and do something else.

Thus the 800th anniversary of the Magna Carta in June has become somewhat totemic. If ... as I strongly suspect .... there is little input from the Democratic Resistance beyond the usual pointless, ritualised knot of whistle-blowers and placard wavers somewhere beyond the fringes of the official celebrations, then the conclusion that the publication has run its course, and that the past few years have been a complete waste of time will be ineluctable. A good while ago I decided to eschew that fate of a number of my acquaintance ... that of becoming some embittered old hobby politician flogging dead horses well into old age. Gardening will be more congenial.

*Frank Taylor*

# THINK GLOBAL, ACT LOCAL

*Clive Menzies; Kosmos Journal*

The challenge, facing those who want to solve the many problems in the world, is to find a common platform or set of ideas on which to build a global movement.

The ruling elite, through foundations, corporations and think tanks, exert control of the narrative and nearly every aspect of human activity. Using memes appealing to commonly held values, they have framed political and economic debate in accordance with George Lakoff's "Don't think of an elephant", creating ideologies which obscure their control and its malign consequences. We need to discredit those memes and de-construct ideologies which have been inculcated over decades or even centuries.

A 2011 study in the New Scientist revealed 147 "super entities" (corporations which control other corporations) control 40% of 43,060 transnational corporations and 60% of their revenues. The study was based on shareholders' registers and common directorships but doesn't reveal beneficial ownership and control hidden behind nominee companies, trusts and foundations. Evidence suggests power is even more concentrated than the study indicates.

This stateless power dominates politics, media and education. It has subverted economics as an academic subject, suppressing fundamental economic principles and texts that expose the fundamental flaws in the economic system which grant the ruling elite their extraordinary power and wealth, rendering national governments irrelevant and reducing politics to puppet theatre.

Hitherto, most people lacked access to information which would expose these truths nor did they have the ability to communicate globally across time zones. Today, we have both access to information on an unprecedented scale and the ability to communicate and cooperate globally.

Representative democracy is claimed to act in the interests of the people. History and current affairs demonstrate this claim to be false. People in the US and UK didn't decide to attack Iraq in 2003; it was the government, encouraged by the corporate controlled media under the hidden influence of the ruling elite. Americans didn't choose to submit to blanket surveillance by the National Security Agency (NSA), nor did they agree to extra-judicial murder by their President; representative democracy did those things. People in the US didn't choose to give banks \$trillions in bank bailouts, hidden subsidies and quantitative easing; the privately owned Federal Reserve Bank did that with the complicity of representative democracy. We can demand something better.

Demand 1. Current political systems are unsustainable, undemocratic, unjust and lead to corruption and collusion among vested interests. We demand an alternative, participatory democracy in which all interests are represented in decision making communally, regionally, nationally and globally. All decisions should be devolved to communities where appropriate and should only be made at higher levels when it is imperative for the common good to do so.

Stateless power is drawn from three fundamental flaws in the economic system, evolved to benefit the ruling class over centuries, but these flaws have been expunged from economic discourse.

Critical Thinking at the Free University came together to develop understanding of contemporary affairs and root causes of economic instability, inequality, conflict, poverty and environmental destruction. We use evidence based research to identify levers for change and explore alternative economic and political structures which might serve us and future generations better. Two and a quarter years on from when Critical Thinking emerged from Occupy the London Stock Exchange, we've arrived at conclusions which can usefully be shared to help promote fundamental, radical change in the form of a New Model Charter and a means

to challenge corporations and governments globally to serve the interests of people, the planet and future generations, rather than the narrow interests of the ruling elite.

Demand 1. is from the New Model Charter and is followed by three further demands to address the fundamental economic flaws.

Demand 2. The value of land, resources and other commons (such as water, the radio spectrum, genes, nature and knowledge) cannot be appropriated by individuals, corporations or governments; they are gifts from the universe or are communally created. The value of these must be shared for the good of all to fund public services and an unconditional citizens dividend.

Demand 3. Interest on money systemically drives:

wealth from the poorest to the richest  
environmental destruction  
conflict  
exponential, unsustainable debt growth.

Debt must be unenforceable in law and usury (lending money at interest) illegal. Debt must revert to a social construct rather than a mechanism for wealth extraction, exploitation and oppression.

Demand 4. Increased mechanisation and technology has rendered full employment unachievable, unnecessary and undesirable. The Means to Life cannot be conditional on paid employment but is a right for all and must be provided in the form of an unconditional citizens dividend sufficient for a decent life.

None of these economic principles (demands) are new or novel but were well understood in times past. What may be novel is combining the three together but these ideas are shared among a growing number of groups and individuals across the world. The New Model Charter and its four demands could be the common platform for change, adopted globally and applied locally.

Further information is available at: <http://freecriticalthinking.org/new-economy/920-critical-thinking-milestone>

# **GLOBAL POWER PROJECT: MEET THE BILDERBERG GROUP, HIGH PRIESTS OF GLOBALIZATION**

***Andrew Gavin Marshall; via Occupy/Critical Thinking***

Meet the Bilderberg Group – an annual gathering of 130 of the Western world's top financial, corporate, political, academic, media, military and policy elites, held every year since 1954. They meet behind closed doors, at five-star hotels, where participants are encouraged to speak frankly – meaning "off the record" and away from the prying eyes and piercing ears of the public. Some journalists and media executives are invited, but they don't actually cover the meetings: they simply attend them as guests.

The famous exclusivity and secrecy of the Bilderberg Group, we are told, is designed to encourage frank and open discussions among some of the most influential people in North America and Western Europe. But unlike its portrayal as a place where powerful people simply "talk shop," critics for years have considered the meetings a form of secret world government, and a shadowy cabal.

The truth, as it often is, rests somewhere between these extremes.

Bilderberg is a meeting of the movers and shakers, the managers and policy-makers, the plutocrats, technocrats, financiers and imperialists of the North Atlantic powers. Its original purpose was to provide a forum where Western European elites could meet in private with American officials to encourage the strengthening of the "Atlantic Alliance." The forum has provided the geopolitical and economic framework for behind-the-scenes collaboration and cooperation between the major NATO powers.

Founding members of the group in 1954 included Joseph Retinger, Prince Bernhard of the Netherlands, and David Rockefeller of the United States. Named after the Hotel de Bilderberg in the Netherlands, where the first conference took place, attendees decided to hold a conference annually with locations rotating between Europe and North America. In its early years, much of the funding for the group came from the CIA and American philanthropic foundations such as the Rockefeller Foundation and the Ford Foundation.

These institutions, along with the CIA, other major foundations and the Bilderberg conference itself, were pivotal in the early process of post-WWII European integration, laying the groundwork for what decades later would become the European Union.

In the 1955 meeting of the Bilderberg Group, the topic of "European Unity" was a major discussion point, with attendees articulating the need to eventually create a "common currency" and "a central political authority" in Europe. One American participant reportedly encouraged the European attendees "to be practical and work fast." Within two years, the Treaty of Rome was signed, establishing the European Economic Community (EEC).

A New York Times article from 1957 noted that the first Bilderberg meeting to take place on U.S. soil represented "an unpublicized backdoor approach to better relations among nations" of NATO, and noted that U.S. State Department officials were "meeting in secret for three days for an unofficial but frank exchange of views." Among the American participants were former Ambassador to the Soviet Union (and architect of America's "containment" policy) George F. Kennan; World Bank President Eugene R. Black, and Gabriel Hauge, an economic adviser to President Dwight D. Eisenhower.

The issue of European integration remained important to attendees at Bilderberg, as a Reuters article noted in 1965, when a communiqué was issued confirming that the meeting's participants "believed that only a united Europe could join the United States in effective direction of the Atlantic alliance."

### ***How It Works and Who Is Involved***

Bilderberg is run by its Steering Committee of roughly 40 members whose responsibility is to organize the annual meetings and invite guests from their respective countries, bringing the average yearly attendance to roughly 130 people.

Participants and Steering Committee members come from the largest banks, corporations and think tanks; they run media empires, military and intelligence agencies. They include European royalty and representatives from some of the world's most prominent financial and corporate dynasties, including the Rockefellers of the U.S., the Rothschilds of Europe, the Agnellis of Italy, the Wallenbergs of Sweden, the Desmarais of Canada, and the Koc family of Turkey, among others.

These elites meet together with top foreign and economic policy makers from North American and European nations, as well as up-and-coming politicians being groomed for high office and the heads of major international and regional organizations including NATO, the European Union, IMF, World Bank, WTO and some of the world's most powerful central banks.

Still, its members and leadership contend that there is nothing the public needs to worry about when all these people get together in secret meetings to discuss the major geopolitical and economic issues of the day. Etienne Davignon, one of the chief architects of European integration in recent decades, has been a long-time Bilderberg member and was, until recently, the chairman of the steering committee. In 2005, Davignon was quoted by the Financial Times saying that the meeting is "not a capitalist plot to run the world... If we really believed we were running the world, we would immediately resign in complete despair." In 2009, Davignon acknowledged that the formation of the euro was debated and promoted in annual Bilderberg meetings.

A decade ago, The New York Times wrote that the guest list of Bilderberg meetings "would more or less overlap with the 'Wanted' posters of anti-globalization protesters," noting that a former participant, Will Hutton, once referred to the Bilderberg members and participants as the "high priests of globalization."

More recently, a 2013 article from the Daily Telegraph asserted that while many members contend the group "is still merely a debating society," interviews with past guests and steering committee members referred to the conference as among "the most important events they ever went to," where

“the discussions that took place decisively shaped modern Europe.”

Referring to the group as “a club for life’s winners,” the article noted that former steering committee member Denis Healey said he debated the Vietnam War with Henry Kissinger, and that the group brought “the architects of the European integration... together for open-ended discussions with bankers and economists about how the European monetary system might work.” Healey was quoted saying: “The great advantage of the Bilderberg thing was they did not have to reach agreement. You had time to discuss things with people who influence events who normally you would not meet at all... People could talk very freely, much more freely than they would at home.”

Other former participants noted that it was at Bilderberg meetings where they first heard of the intentions of the West Germans to unify Germany, and where British policymakers convinced other nations in attendance to apply sanctions on Argentina during the Falklands War. As Denis Healey explained: “I found it the most useful of all the meetings I attended regularly. The Bilderberg was the best because the level of the people attending regularly was so much higher... Bilderberg was the most useful of the lot.”

Indeed, in a June 1974 Argus-Press article, the then-Chairman of Bilderberg, and one of its founding members, Prince Bernhard of the Netherlands, explained that “the purpose of the conference... is that eminent persons in every field get the opportunity to speak freely without being hindered by the knowledge that their words and ideas will be analyzed, commented upon and eventually criticized in the press.”

Gerald Ford, who attended two Bilderberg meetings long before becoming vice president and president of the United States, was quoted in 1965 saying: “You don’t really belong to the organization: one gets an invitation from the prince,” referring to Bernhard. It should be noted, however, that there was one year in which the annual meeting was cancelled – 1976 – due to revelations of corruption involving bribes between the Lockheed military contractor and Prince Bernhard, leading to his resignation as chairman of the group.

In 2005, the BBC quoted then-chairman Etienne Davignon as saying: “I don’t think (we are) a global ruling class because I don’t think a global ruling class exists. I simply think it’s people who have influence interested to speak to other people who have influence... Bilderberg does not try to reach conclusions – it does not try to say ‘what we should do’... Business influences society and politics influence society – that’s purely common sense. It’s not that business contests the right of democratically-elected leaders to lead.”

Will Hutton, who attended a 1997 meeting, explained: “On every issue that might influence your business you will hear first-hand the people who are actually making those decisions and you will play a part in helping them to make those decisions and formulating the common sense.”

Former NATO Secretary-General and Bilderberg participant, Willy Claes, said in a 2010 interview with a Belgian radio program, “Well look, it’s not all that secret really. There is an agenda for the day with the most pressing problems the world is confronted with... that is discussed... there is never a vote, no resolutions are being put to paper.” However, he added, “naturally... the rapporteur always tries to draw up a synthesis, and everyone is assumed to make use of these conclusions in the circles where he has influence.”

An anonymous former participant in Bilderberg meetings was quoted by the Financial Times in 2013 saying: “The reason it’s perceived as sinister is because it brings together big international institutions – the IMF, the World Bank and the European Union – with heads of state, royalty and corporate leaders, and they don’t produce a statement at the end of it.”

In 2001, founding member Denis Healey told the Guardian in an interview, “We aren’t secret... We’re private.” Speaking of the meeting’s critics who contend that the members of the conference aim to achieve a type of “global government,” Healey told journalist Jon Ronson: “To say we were striving for a one-world government is exaggerated, but not wholly unfair. Those of us in Bilderberg felt we couldn’t go on forever fighting one another for nothing and killing people and rendering millions homeless. So we felt that a single community throughout the world would be a good thing.”

The key issue, however, is that the world which Bilderberg is helping to shape and support is one in which financiers and industrialists are the key beneficiaries – one in which democratically-elected politicians engage with their real constituents behind closed doors, in “private” conversations that have profound and real effects upon policy and thus upon entire populations who are given no such access to public officials.

Elected leaders and policy-makers don’t meet in secret with the world’s major financiers and industrialists so they can discuss the best ways to serve the interests of the public, or populations, of their respective nations. They meet to serve their own collective and individual interests. It is not a conspiracy: it is a forum in which leaders from the upper echelons of Western power structures aim to establish consensus on priorities and policies for major political and economic issues.

Bilderberg contributes to directly undermining democracy, while further institutionalizing technocracy – the “rule by experts” – at the national and international level. This series of the Global Power Project aims to examine and further bring to light the activities and individuals behind the Bilderberg Group. Stay tuned for the second installment next week.

*Andrew Gavin Marshall is a researcher and writer based in Montreal, Canada. He is project manager of The People's Book Project, chair of the geopolitics division of The Hampton Institute, research director for Occupy.com's Global Power Project and World of Resistance (WoR) Report, and hosts a weekly podcast show with BoilingFrogsPost.*

- See more at: <http://www.occupy.com/article/global-power-project-meet-bilderberg-group-high-priests-globalization#sthash.7IbTbIEj.dpuf>

# **BIG BROTHER WATCH**

***Emma Carr***

## ***Merry Christmas from the Big Brother Watch Team***

2014 has been an incredible year for Big Brother Watch, with the team being busier than ever before. The aftermath of the Snowden revelations, surveillance legislation being pushed through Parliament in mere days, and landmark EU rulings on data retention, are just a few of the issues we have encountered this year that have highlighted why the work that Big Brother Watch does is more important than ever.

As we near our 5th anniversary it has been very exciting to see the team evolve and grow, with Emma Carr being promoted to the role of Director, Dan Nesbitt being promoted to Research Director and Renate Samson joining the team as Chief Executive.

2014 has also been a fantastic year for the organisation's ever-expanding media profile, with the team appearing in the national press 285 times -- including 8 front pages -- and in regional press 837 times, as well as featuring on national TV and radio on a combined total of 67 occasions. Not bad for a small team of 3 people!

Our research has also been far-reaching, resonating with both the public and private sectors and prompting a great deal of coverage, not only in the press but also in Parliament. The misuse of power on a police level was investigated in our report “Off the Record: How the police use surveillance powers”, which exposed the true frequency with which controversial RIPA-enabled powers are used. “Traffic Spies: A 300m surveillance industry” detailed the expansion of local councils mobile CCTV programs which have raised some £312 million nationwide. This revealing work led the Department for Communities and Local Government to ban the use of CCTV ‘spy cars’ in issuing fines.

We also published our “Biometrics in Schools” report which revealed that more than one million pupils were fingerprinted in 2012-13, whilst “NHS Data Breaches” demonstrated the inability of current Data Protection law to protect the most personal information that authorities hold. Far from improving since our similar report covering 2008-2011, the number of breaches suggests that the situation has worsened considerably.

2014 also saw more policy briefings being produced than ever before, with topics including RIPA, DRIPA, the Counter-Terrorism and Security Bill, the ‘capability gap’, communications data, the e-call system, body worn cameras and surveillance transparency.

Big Brother Watch has also been called to give evidence to Parliament on 5 occasions this year -- with contributions being given to the Home Affairs Select Committee, Health Select Committee, Science and Technology Committee (x2) and the Intelligence and Security Committee.

2014 has also seen the team speak at a number of universities and events, including debating at the Cambridge Union, giving evidence to the Google advisory council, and speaking in the literary tent at Latitude festival on the topic of secrets, truth and freedom. We were also well represented at the political party conferences this year, with us speaking at the Liberal Democrat Spring Conference on a digital bill of rights and organising panels at the Labour, Conservative and Liberal Democrat Autumn Conferences on the topic of civil liberties in a digital age.

As we approach the end of the year, we are looking to 2015, which already looks to be the busiest and most exciting yet. With the new team in place, we are looking forward to celebrating the organisation's 5th anniversary. We will also be continuing to publish unique and innovative research, with reports focusing on data breaches, CCTV, the Cloud and social media prosecutions.

Have a very Merry Christmas, a very happy New Year and thank you for your continued support



# **SOROS: THE EUROPEAN UNION IS A “FAILED” EXPERIMENT IN “INTERNATIONAL GOVERNANCE”**

*Steven MacMillan; Activist Post*

Is the Western elite’s brainchild – the European Union – disintegrating? Due to persistent economic problems, the rise of “popular resentment” across the continent, the political fallout after the illegal coup in Ukraine and the subsequent unpopular economic war on Russia, the EU is on the verge of crumbling.

In an interview with France 24, the hedge fund manager, billionaire and founder of the Open Society Foundation, George Soros, reveals that the European Union has failed to achieve the desires of the elite and many within Europe now see “Russia as a role model”:

*We have to recognise that the [European] Union itself, which is a noble, well-intended experiment in international governance, has failed, and has not delivered what it promised, and there is such a degree of disappointment that even Russia can offer an alternative.*

Soros then asserts that many in Europe – including the UK Independence Party (UKIP) leader Nigel Farage, Front National President Marine Le Pen in France, as well as “a lot of people in Germany” – find the idea of “closer cooperation with Russia rather attractive”.

Europe has been in crisis for years now and the outcome of this latest flare up with Russia could determine the future of the EU itself. In an article featured in The New York Review this month titled: Wake Up, Europe, Soros notes that since the financial crisis of 2008 and the subsequent austerity policies imposed by the nefarious troika, “popular resentment” and support for anti-European parties has risen:

*The European Union in general and the eurozone in particular lost their way after the financial crisis of 2008. The fiscal rules that currently prevail in Europe have aroused a lot of popular resentment. Anti-Europe parties captured nearly 30 percent of the seats in the latest elections for the European Parliament but they had no realistic alternative to the EU to point to until recently. Now Russia is presenting an alternative that poses a fundamental challenge to the values and principles on which the European Union was originally founded.... It is also high time for the European Union to take a critical look at itself... The bureaucracy of the EU no longer has a monopoly of power and it has little to be proud of.*

The elite have become increasingly fearful of popular uprisings across the West which they seek to “co-opt and channel”, as Paul Joseph Watson reported for Infowars in September. As anger continues to mount in the West at the ineptitude and immorality of government, the elite will attempt to “co-opt” organic movements and even create artificial political movements to guide and neutralize “popular passions”.

## ***The EU: An extension of the Anglo-American Elite***

The EU is the brainchild of an international elite who have been in the process of building an empire for over a century, with the EU serving as “a bold experiment in international governance and the rule of law, aimed at replacing nationalism and the use of force”. The EU is an experiment in replacing national countries with a union which is to be amalgamated with emerging sovereignty-usurping unions across the planet, including the North American Union and a possible Middle Eastern Union, into a global empire. The executive body of the EU – the European Commission – is a corporate partner of the Royal Institute of International Affairs (RIIA), the parallel British government which strives for global conquest.

Étienne Davignon, a former European Commissioner and an influential architect of European integration, revealed that the annual Anglo-American conference – the Bilderberg group – “helped create the Euro in the 1990s.” Soros himself is hugely entrenched within the shadow world empire, as he heads up the European Council on Foreign Relations in addition to being heavily involved with the Council on Foreign Relations in the U.S.

### ***Blowback from Economic Warfare on Russia***

Europe has been the home of protests by irate farmers who have been hit hardest by the nonsensical political decision to impose sanctions on Russia following the illegal Western coup in Kiev. In response to Western sanctions, Russia imposed a ban on food imports in August from countries backing the sanctions resulting in lower food prices in Europe as produce floods the market yet demand has dropped from a major importer in the East. This ban would never have been applied if the West did not overthrow the government in Kiev, and then further antagonise Moscow by implementing sanctions on the country. The loss of trade due to lower food exports is set to cost the EU an estimated \$6.6 billion a year, yet the social blowback from the agricultural sector in an already sensitive and potentially volatile continent could be unquantifiable.

France has been gripped by numerous protests over the past few months as living standards continue to fall and the prohibition of exporting certain foods to Russia takes effect. Farmers in Brittany torched tax offices in addition to dumping cauliflower, artichokes and manure outside government offices during a protest in mid September, due to frustration with government policies. An estimated 36,000 people participated in a nation-wide protest in France earlier this month where they again dumped manure and rotten vegetables outside local government buildings, partly due to being unable to export food to Russia.

Spain has also seen protests by the farming sector over Russian sanctions, as agricultural unions dumped surplus potatoes outside the French multinational retailer Carrefour in Granada. The unions were protesting against the price Carrefour pays for their crops as well as the European Commission’s Emergency Fund not covering the loss potato farmers are experiencing due to reduced food exports. The fund purchases surplus stock from certain products produced to compensate farmers unable to export food to Russia, but it does not cover superfluous potato stocks.

Dissent and opposition to the policies of the EU is much broader than just the blowback from imposing sanctions on Russia, however, as “it could be argued that the majority of citizens are opposed to the current conditions” on the continent. Austerity has decimated Southern Europe and anti-austerity rallies have become a fixture of life for many Europeans. In October, Naples witnessed thousands of people taking to the streets outside a European Central Bank (ECB) meeting held in Italy, where protestors demanded an end to austerity and high unemployment.

Unemployment and contempt towards the political class has soared across the European continent since the financial crisis of 2008, and this could trigger a revolution in Europe in the coming years. There is no question that the elite will do everything in their power to prop up the EU and attempt to “co-opt” any movement challenging the established order, but this may prove ineffective at containing the imminent uprising...

*Steven MacMillan is an independent writer, researcher, geopolitical analyst and editor of The Analyst Report, especially for the online magazine “New Eastern Outlook”, where this first appeared.*

## **JOHN PILGER ON THE ABC OF MEDIA POWER**

### ***RealFare via Critical Thinking***

***Last week, renowned journalist John Pilger spoke at a Q&A on media power with Des Freedman from the Media Reform Coalition who released his new book ‘The Contradictions of***

***Media Power: We have picked some of our favourite quotes from John Pilger during the talk, which give us an insight of his experience and understanding of media power, which is something we can all learn from. And he definitely puts it best.***

“The whole essence of media is not about information. It’s about power.”

“Today the media is, as the father of propaganda, Edward Bernays described, ‘an invisible government.’ It’s in the government. It’s in the government’s vested interests. The Prime Minister is a PR man by trade, and not a very good one. That’s all he is. He shouldn’t be taken seriously, he just has the position. That position allows him certain aspects of power. But the real power resides in propaganda and the media. That’s true now all over the world.”

“In the run up to the invasion of Iraq, the journalism played a very, very critical role in ensuring that invasion took place. Especially in the United States, which has constitutionally the freest press in the world.

“Now, when discussing this with a number of distinguished colleagues in the US and in this country, following the invasion, they were unanimous in saying, had journalists in responsible positions, both in television and in newspapers (especially television because of its power), had they questioned the deceptions, had they challenged them, had they done their jobs as journalists, had they as Dan Rather of CBS said – asked the critical second question, instead of amplifying and echoing the lies told as pantomime. Had they done their job, they believe that invasion might not have taken place. The fact that they were saying that, and these are people from well inside the media establishment on both sides of the Atlantic, saying that had those journalists done their job, that invasion might not have taken place, and hundreds of thousands of people would be alive today. That’s the power of the media.”

“You’re working within a system that is inherently hostile to truth telling. And I don’t say that as satire, I mean that. It is hostile to truth telling. One only has to see the media reaction to the truth tellers Edward Snowden, Julian Assange. The bitter reaction of people who shamed much of the media, almost at a stroke.”

“There is something called censorship by omission. You don’t really discuss what you leave out but it’s left out.”

“If you look back to 2008, the stories on BBC News, all over the papers, the banks were suddenly crooks. When Northern Rock collapsed, the banks were crooks, they were all exposed. The Guardian was full of tombstones of copy about how the banks were rotten from the inside. It was the story.”

“A glimpse. That story ended after about three months and it was turned around, that it wasn’t really the bankers, but it all came down to a national debt and a controlled narrative was there and it’s called austerity and that debt had to be paid off. Why? Why did it have to be paid off? The people that you quote (46% of people believe that austerity has gone too far or is not needed) that’s a majority really. If you’re getting that in the poll, 46%, that’s a majority. Proving again that most people are ahead of the media. They usually are, they’re ahead of the media as far as going to war, they’re ahead of the media in terms of the economics of their lives, how they live.”

“So we saw this glimpse of the truth of this massive criminality.....all the rotten architecture had collapsed...almost collapsed. Banks were nationalised. Banks were nationalised with no conditions. The consciousness of how this happened which was there, for I suppose about six months, was, thanks to a very effective propaganda system, was shifted. That it wasn’t the banks’ fault, it was our fault.”

“We’ve almost got to stop using the term mainstream. It’s a misnomer. We’re always drawn to look through this prism of something called the mainstream. It’s not. It’s actually an extreme. What could be more extreme than various institutions that propagate rapacious illegal war, deception about economic policies. What could be more extreme than that? There’s nothing mainstream about that.”

“The greatest propaganda institute in Britain is the BBC. It is that because it has the greatest reputation. It has the greatest credibility. It has a worldwide reputation. Some of it earned. In news and current affairs, almost none of it earned. And I don’t say that again satirically. So this idea that we

concentrate on the demons, Murdoch , the Daily Mail (bad enough), because in a way the Mail and the BBC compliment each other and they all follow each other. ...It's about understanding that spectrum of propaganda and how it affects all of us."

"Should journalists represent the people? Yes of course but as Martha Gelhorn famously said; "All journalism should be from the ground up, not from the top down." It almost never is. And that is something again that has to be taught to young journalists. These basic things that you do, the most reliable sources of the truth, not all the truth, but of a way of finding the truth are to be found at ground level. That's my experience as a reporter. And I had to find out that the people who were above ground level, especially up there, were not reliable sources."

## **IMPLICATIONS OF TTIP FOR FINANCIAL REGULATION OF THE BANKS**

***Syzygysue; Think Left; via Lorenzo Abadinas; Occupy***

***(Further evidence of the loss of national control proposed by TTIP. The enforcement of 'investor expectations' by extra-judicial panels of 'insider lawyers' are especially worrisome. As the item says, TTIP ' ... would empower the very firms that financial regulations seek to govern to skirt host country domestic courts and directly challenge domestic policies as violations of expansive, TTIP-created foreign investor "rights." Were ISDS to be included in TTIP, foreign banks and other financial firms could pursue these challenges against the U.S. government and the EU before extrajudicial tribunals comprised of three private attorneys. These lawyers would be authorised to order unlimited taxpayer compensation for the non-discriminatory enforcement of new financial regulations on such sweeping grounds as that the policies frustrated foreign investors' "expectations."***

***Although this item is from the 'Think Left' site, the Runnymede Gazette does not buy in to the left/right paradigm. Such anxieties as those expressed below, are commonplace across the spectrum. - Ed)***

***To date, the critical focus of opposition groups has been the watering down of European consumer standards, under pressure from the US. However, leaked documents are now showing that it is a two-way street. The EU is evidently trying to protect the European banks from the stronger American Financial regulations. Nevertheless the American Chamber of Commerce is also using TTIP as an opportunity to push for the higher US financial service regulations to be watered down. The pressure from lobbyists, on both sides of the Atlantic, is to lower regulatory standards across the board.***

***EU and US NGOs and Trade Unions may be largely excluded from the TTIP negotiations but they are not silent... 24 US and 28 EU organisations pool their opposition in this detailed letter to the US and EU Trade negotiators:***

### **TTIP: Misguided proposals on finance**

To: Ambassador Michael Froman; United States Trade Representative  
Commissioner Karel De Gucht; Commissioner for Trade, European Commission

October 1, 2014

Your Excellencies,

We, the undersigned civil society organizations from the United States and the European Union (EU),

write with regards to the Transatlantic Trade and Investment Partnership (TTIP) negotiations and their potential impact on financial regulations.

We understand that a goal of the TTIP is to further liberalise the transatlantic financial services market. We further understand that liberalization would be done using rules that simultaneously constrain countries' ability to maintain or create regulatory policies with respect to liberalized sectors.

We believe it is highly inappropriate to include terms implicating financial regulation in an industry-dominated, non-transparent "trade" negotiation. Financial regulations do not belong in a framework that targets regulations as potential "barriers to trade." Such a framework could chill or roll back post-crisis efforts to re-regulate finance on both sides of the Atlantic whereas further regulation of the sector is much needed. Further, proposals to negotiate TTIP rules affecting regulation of the financial sector could turn financial regulations into bargaining chips that could be traded away for other concessions. We urge you to consider and respond to our specific concerns regarding specific TTIP proposals that would threaten financial stability measures and would limit States' ability to restore the financial system's role of serving the real economy.

First, we believe that including regulatory cooperation on financial services in TTIP is misguided and we support the U.S. government's rejection of that EU demand. While some degree of cross-border financial regulatory and supervisory cooperation is advisable to prevent regulatory arbitrage, such cooperation is already occurring in other international and bilateral fora. Should further cooperation be needed, it should take place in these fora, which should be reinforced for that purpose.

A TTIP-created process, particularly one conducted away from parliamentary and public scrutiny with heavy involvement from industry advisors, is not the appropriate forum to discuss regulatory cooperation. The EU proposals on regulatory cooperation would require U.S. and EU regulators to consult each other before new rules even are proposed to parliamentary bodies. Worse, the EU proposals would give industry "stakeholders" multiple opportunities to see regulations in preliminary draft form and to lobby policymakers against their enactment. These "stakeholders" are the same European and U.S. banks that have proven their resolve – and success – in chilling and weakening the re-regulation of finance in the EU and United States. Unsurprisingly, they are lobbying hard for a TTIP "regulatory cooperation" mechanism for the financial sector. At best, this mechanism would delay implementation of needed financial reforms. At worst, it would result in a watering down or outright blockage of said reforms.

This proposal is all the more dangerous given the terms in the EU's leaked proposal that U.S. or EU regulations would need to be analysed to determine whether they would have an unacceptable impact on trade. Such a requirement could impose a presumption that regulations must be judged on the basis of their trade impact rather than their effectiveness as public interest policies promoting financial stability. Such a requirement would also threaten regulatory safeguards that rightly restrict trade by their very design (e.g. restrictions on risky financial products).

While other trade limitations arise out of the differences between U.S. and EU approaches to regulation rather than the regulations themselves, the notion that a TTIP-created process should eliminate all such differences is also misguided. First, financial regulators and central bankers recognise that highly interconnected, financial markets exacerbated the financial crisis. Second, differences between nations in approaches to normative measures, monitoring and enforcement should be allowed and expected as the normal outgrowth of democratic policymaking. The proposed regulatory cooperation framework is premised on limiting the costs for the financial industry that can result from divergence in financial regulations. But if convergence, or substituted compliance/equivalence, results in a weakening of democratically-enacted safeguards and more financial instability, the costs to the majority of U.S. and EU residents, our economies and democracy would be enormous.

We support the U.S. position that the financial sector should be excluded from any TTIP terms on regulatory cooperation. However, we also believe that to adequately safeguard policy space for financial regulation requires that the financial sector not be subjected to market access terms proposed for TTIP that would invite challenges to regulations in liberalized sectors. We understand that TTIP negotiators are contemplating using market access rules borrowed from the Understanding on Commitments in Financial Services and Article XVI of the General Agreement on Trade in Services (GATS), both negotiated during the deregulatory period of the 1990s. Should a country commit to "liberalise" its financial services sector, these rules could expose certain types of financial regulation, to challenges before international tribunals, even when the regulations apply equally to domestic and foreign firms. Were the EU or United States to subject

financial services to these rules under TTIP, it could result in legal challenges to bans and other regulatory restrictions on risky financial services or products. Other increasingly common regulations that could potentially be challenged under these market access rules include policies that limit the size of financial firms so that they do not become “too big to fail,” structural reforms that limit the ability of deposit-taking banks to engage in hedge-fund-style bets and rules requiring certain legal structures as a condition for offering certain financial services.

TTIP should also not include the provisions of past deals that restrict the use of capital controls. The International Monetary Fund has officially shifted from opposition to qualified endorsement of capital controls as legitimate policy tools to prevent and mitigate financial crises caused by destabilizing floods of speculative money into and out of countries. Many mainstream economists have also vouched for capital controls as common sense measures with a proven track record of supporting financial stability.

The standard U.S. free trade agreement text ignores this emerging post-crisis consensus on the legitimacy of capital controls by banning their use under “transfers” provisions drafted before the crisis. The leaked EU negotiating mandate for TTIP includes similarly worrisome language, borrowed from existing EU FTAs, envisioning the “full liberalization of current payments and capital movements” with narrow exceptions (“e.g. in case of serious difficulties for monetary and exchange rate policy, or for prudential supervision and taxation”). Such provisions could not only restrict the usage of capital controls, but also financial transaction taxes, which eleven EU member nations are currently planning to implement to curb the destabilizing impacts of speculative, high-speed financial trading.

If any provisions on transfers or capital movements would be included, much broader exceptions would be required to safeguard the full range of legitimate policy objectives that governments pursue in enacting capital controls. These include preventing – not just responding to – balance-of-payment crises, stemming asset bubbles, avoiding currency appreciation, eliminating rent-seeking activities, protecting effective monetary policies, and ensuring a stable climate for long-term domestic investment. TTIP should not include any provisions limiting the usage of capital controls enacted for these or other legitimate policy objectives, or the usage of financial transaction taxes, regardless of whether such measures are temporary or permanent.

One of TTIP’s greatest threats to the re-regulation of finance is the unpopular proposal to include investor-state dispute settlement (ISDS) in the deal. Doing so would empower the very firms that financial regulations seek to govern to skirt host country domestic courts and directly challenge domestic policies as violations of expansive, TTIP-created foreign investor “rights.” Were ISDS to be included in TTIP, foreign banks and other financial firms could pursue these challenges against the U.S. government and the EU before extrajudicial tribunals comprised of three private attorneys. These lawyers would be authorised to order unlimited taxpayer compensation for the non-discriminatory enforcement of new financial regulations on such sweeping grounds as that the policies frustrated foreign investors’ “expectations.” Financial and non-financial firms have increasingly used ISDS provisions in other pacts to challenge financial regulations and emergency financial stability measures, including Belgian bank restructuring, the Czech Republic’s response to a systemic bank debt crisis, and actions taken by Greece to comply with the debt restructuring conditions imposed by the Troika bailout during the Eurozone crisis. Including ISDS in TTIP would newly empower the world’s largest banks to launch investor-state claims against U.S. and EU financial regulations, which could chill regulators’ resolve to enact the bold financial stability measures needed to prevent another crisis and/or result in major new liabilities for government treasuries. To foreclose this threat, TTIP must not include ISDS.

Financial regulations could be particularly threatened by TTIP if the deal included weak protections for prudential measures that could be interpreted by tribunals as insufficient to protect financial regulations challenged as TTIP violations. The prudential clauses found in the leaked European Commission draft TTIP text on services, investment and e-commerce require that prudential measures “shall not be more burdensome than necessary.” Such a stipulation could significantly constrain policy space by inviting tribunals to require governments to prove a negative – that financial regulations intended to prevent a financial crisis were “necessary” to achieve an observed lack of crisis and/or that no less “burdensome” option plausibly could have been pursued instead of the challenged measure. Such a difficult burden of proof must be avoided.

TTIP also should not replicate the prudential “exception” for financial regulations found in the GATS. While this exception may be invoked as a defence if a financial measure is challenged, the existing language

contains a clause requiring that the challenged measure not be used to contradict the Party's commitments. But a Party would not use the exception unless it felt that the challenged financial measure did just that. This circular wording could invite a tribunal to interpret the exception as ineffective for safeguarding a challenged financial regulation. Legal scholars, including those that have served on the WTO's Appellate Body, have noted that the meaning of this aspect of the GATS exception's language is not clear and that it should be clarified to ensure that it can be effectively applied.

In addition, the GATS text defines "prudential" as covering only a narrow range of financial measures. Financial regulations can be enacted for an array of legitimate policy objectives beyond those narrowly defined as "prudential," such as measures to finance a transition to a climate-friendly economy. Such policies should also be protected from TTIP-based challenges.

Rather than replicate weak language from past deals, TTIP should include an actual carve-out for financial regulatory measures. A true carve-out, unlike the clauses that EU texts have misbranded as "carve-outs," would state that the terms of the entire agreement simply are not applicable to financial regulatory measures. Such a clause would forbid foreign investors or States from bringing claims against financial regulatory measures in the first place.

As U.S. and EU regulators undertake the difficult work of re-regulating finance, TTIP cannot be allowed to undermine this historic task. We do not want the deregulatory rules that led us to financial crisis, such as those in GATS, inserted into any more binding trade agreements. This is particularly true for any agreements that could have investor-state enforcement. Nor do we want to empower financial service firms to undermine regulators' nascent efforts to rein in these firms' ability to take undue risks for the sake of profits.

While supervisory and regulatory cooperation across the Atlantic is needed and welcomed in other international fora, rules covering financial regulation do not belong in the confines of an industry-advised TTIP negotiation. We request a response to this letter from EU and U.S. negotiators and financial regulators to explain how they plan to take our concerns into account.

We are only now implementing the lessons of the last financial crisis. Let us not lay the groundwork for the next one.

Sincerely,

EU Organizations

Africa Europe Faith and Justice Network  
AGE Platform Europe  
ATTAC Hungary  
Attac Iceland  
Both ENDS  
Campact e.V.  
Centre for Global Education  
Centre for Research on Multinational Corporations (SOMO)  
CNCD-11.11.11  
Collectif Roosevelt  
Consumers' Protection Center (KEPKA)  
Corporate Europe Observatory  
Ecologistas en Acción  
European Network on Debt and Development (Eurodad)  
Federation of German Consumer Organisations (vzbv)  
Finance Watch  
Friends of the Earth Europe  
Global Policy Forum Europe  
INKOTA-netzwerk e.V.  
Jubilee Debt Campaign UK  
Kairos Europe WB  
PowerShift e.V.  
Presentation Justice Network  
Slovene Consumer's Association (ZPS)

Südwind  
Tax Justice Network  
UNI Europa  
World Economy, Ecology & Development

#### U.S. Organizations

AFL-CIO  
American Federation of State; County and Municipal Employees (AFSCME)  
Americans for Financial Reform  
Campaign for America's Future  
Center for Digital Democracy  
Center for Effective Government  
Center for Responsible Lending  
Center of Concern  
Citizens Trade Campaign  
Communications Workers of America  
Consumer Action  
Consumers Union  
Food & Water Watch  
Friends of the Earth  
Global Policy Forum  
Government Accountability Project  
Institute for Agriculture and Trade Policy  
National Association of Consumer Advocates  
New Rules for Global Finance Coalition  
Public Citizen  
Service Employees International Union  
U.S. PIRG  
United Food and Commercial Workers International Union  
United for a Fair Economy

*Posted by Corporate Europe Observatory (CEO) - a research and campaign group working to expose and challenge the privileged access and influence enjoyed by corporations and their lobby groups in EU policy making – under a Creative Commons Attribution-NonCommercial-ShareAlike 3.0 Unported License(link is external).*

## **AMAZON BOYCOTT**

***Martin Caldwell, SumOfUs.org***

Amazon's tax dodging affairs exploded in the media this year, and it's under fire from labour rights groups and environmentalists too. Now's the time to go Amazon free.

Sign the pledge to boycott Amazon this Christmas.

We all know just what a terrible company Amazon can be -- tax dodging, low wages and temporary contracts. But it doesn't have to be this way. We're joining forces with the Amazon Anonymous campaign to go Amazon free this Christmas. The Guardian reported last month that Amazon stand to lose business worth £500,000 this season from the boycott. That's the power of collective action!

This is Amazon's busiest time of year when it hopes we're going to keep its virtual tills ringing. We can't make Amazon change over night, but we can begin with a powerful consumer boycott pledge. Let Amazon know that you'll be shopping elsewhere for presents this year.

There are plenty of great alternatives to shopping at Amazon. If you want books, try your local book shop. If it's movies and DVDs, try Hive. They commit to donating a percentage of its profits to local independent retailers. If it's gifts you're after, you could even try John Lewis, owned and run by its staff. Whatever you need this Christmas, you don't have to buy from Amazon.

It's not easy, we know just how hard it is to quit. Christmas is rapidly approaching and that means a last minute frantic rush to buy presents. It's tempting to just pop on Amazon and order everything you



need. But it comes at a price -- in unpaid taxes, low wages and short term contracts.

SumOfUs was created so we can work together to take on big corporate baddies like Amazon. Just as it uses the internet to its advantage -- so can we. Whether you are an Amazon addict or have been Amazon-Free for a while, add your name to thousands of us pledging to avoid shopping Amazon this Christmas.

Take the Amazon free challenge and show Amazon that we won't take its abuses anymore.

## EURO CRISIS DEEPENS

*James Hall; Activist Post*

The alarm warnings are going off in Europe. International markets under pressure, global tensions rising and the financial system stressed to the point of breaking. Europe is ready for a relapse. It may be a very cold winter without Russian gas. Yet the technocrats in Brussels just go on their merry way in dictating the future to the vastly different societies and economies that make up the EU block. The Guardian expands this theme in the article, The eurozone crisis - history is repeating itself ... again.

*Monetary union is a textbook case of the dangers of allowing politics to trump economics. Germany is a completely different economy to Greece. Portugal's economy is not a bit like that of the Netherlands. Italy was able to remain competitive in the pre-euro days only by regular devaluations of the lira. To yoke all these countries together in a one-size-fits-all single currency was an act of supreme folly.*

The predictable consequences that brings back to reality the debt of some euro-zone economies looks unsustainable is a factor that cannot be resolved by injecting more money into a debt-ridden system.

*Government debt looks more intractable, especially in light of the lacklustre growth and slide towards deflation that now seem entrenched. A recent analysis by Fitch, a rating agency, suggests that it will be very hard for any highly indebted euro-zone government to reduce its debt-to-GDP ratio by 20 percentage points over the next eight years, still less return it to its pre-crisis level. Governments need to run primary (ie, before interest payments) surpluses in order to pay off existing debt.*

No sane person believes that government debt will be reduced. The imaginary recovery only became a painful hardship for EU subjects. Not so for the elites who benefit from the single currency at the expense of their fellow taxpayers. This time around the circumstances may be different. Even a publication like the Business Insider touts the Economists viewpoint in The Future Of The Euro Could See Trouble This Week.

*Indeed, the political risks to the euro may be greater now than they were at the height of the euro crisis in 2011-12. What was striking then was that large majorities of ordinary voters preferred to stick with the single currency despite the austerity imposed by the conditions of their bail-outs, because they feared that any alternative would be even more painful.*

The EURO currency has a permanent flaw that no amount of tweaking can correct. Europe has always been a hot bed of national differences. Utopian dreams of uniting dissimilar cultures and very divergent economies under the fig leaf of a political union have always been a formula for failure.

The German economy has emerged as the bankroll of last resort. Applying the same political pressure used throughout the post-war era to bully the Federal Republic of Germany into paying a disguised version of reparations to sustain the EU is coming to an end.

Spiegel Online, the German publication provides an interesting article on Monetary Fallacy? - Deep Divisions Emerge over ECB Quantitative Easing Plans.

*If the ECB does launch a buying program for government bonds, another problem arises. To avoid coming under the suspicion of trying to provide funding primarily to crisis-ridden nations, it will probably have to acquire the bonds of all euro-zone countries. For the ECB itself, the most likely approach is to simply base its bond-buying program on each country's initial contribution to the ECB, known as the capital key.*

*It's no surprise that the ranks of skeptics are also growing within the ECB. Bundesbank President Weidmann has long warned that the central bank cannot be allowed to become a "sweeper" for policymakers. Now German ECB Supervisory Board member Sabine Lautenschläger is coming to his defense, saying that the purchase of government bonds could only be a "last resort" in the event of a deflationary spiral, essentially the final ammunition of monetary policy. The critics of further quantitative easing measures also include the Executive Board members from Luxembourg, Austria, the Netherlands and Estonia.*

The toolbox of the EU's monetary gears is clashing with the speed of the declining health of commerce. Even cheap oil will not get the economic machine back on track. The psychology of deflationary expectations builds fear at a much higher pace than transactions in the cash register.

Tourism has long deposited favorable sums in the EU economies. As long as the feeble international recovery crawls along, this may delay panic from internal downturn in domestic activity. The vulnerability of any reduction in foreign visits is an added component that does not affect most of the rest of the world in the same way.

So what signs to watch as the New Year unfolds? Peter Spence in the Telegraph provides a list of Six triggers that could renew a eurozone crisis in 2015.

Germany loses faith in euro project  
Spanish uncertainty reaches breaking point  
France calls it a day  
Pain of Italian reforms drives country away  
Greece turns to left-wing extremes  
European Central Bank runs into Berlin Wall

Each of these national concerns that could spark a new run on the EU currency can only accelerate the deficits in governmental budgets and depress economic activity.

The risks of a political implosion in the EU union among conflicting economic and social concerns are mounting. However, the entrenched elites who dominate global commerce control the political decisions. Unruly protests have a long tradition in Europe. As the velocity of money slows, the prospects of earning a livable existence sink. The socialist model has only been sustained by massive sovereign debt financing.

When the European financial press reports on the warning signals of a significant crisis brewing, everyone should take notice. The relative foreign exchange conversion rate for the EURO may not concern most Americans. However, the long history of European political intrigue has always influenced global economic realities. The next chapter of financial crisis may well be written in Brussels.

*James Hall is a reformed, former political operative. This pundit's formal instruction in History, Philosophy and Political Science served as training for activism, on the staff of several politicians and in many campaigns. A believer in authentic Public Service, independent business interests were pursued in the private sector. Speculation in markets, and international business investments, allowed for extensive travel and a world view for commerce. Hall is the publisher of BREAKING ALL THE RULES. Contact [batr@batr.org](mailto:batr@batr.org)*

# LORD STODDART REVEALS CAMERON'S £50 BILLION TO EU

## *Euro Realist Bulletin*

On Friday 17th October, the independent Peer, Lord Stoddart, of Swindon, asked the following written question, as reported in Hansard: "EU Budget: Contributions Question. Asked by Lord Stoddart of Swindon. To ask Her Majesty's Government what is the total amount of the United Kingdom net contributions paid to the European Union budget in the years 2010–13 inclusive; what is the estimated total for 2014; and how those contributions are financed.

The Commercial Secretary to the Treasury (Lord Deighton) (Con): The United Kingdom's net contributions to the EU Budget over the period 2009-10 to 2013-14 were £41.1 billion. The current forecast for 2014-15 by the Office for Budget Responsibility is £9.1 billion. All data can be found in Table C.1 of HM Treasury's Public Expenditure Statistical Analyses of July 2014.

In response to this written question from Lord Stoddart of Swindon (Hansard 17.11.14), the Government has confirmed that by the end of the current financial year, it will have spent more than £50 billion (net) on contributions to the EU budget, since David Cameron came to power.

Responding for the Government, the Commercial Secretary to the Treasury, Lord Deighton said: 'The United Kingdom's net contributions to the EU Budget over the period 2009-10 to 2013-14 were £41.1 billion. The current forecast for 2014-15 by the Office for Budget Responsibility is £9.1 billion.'

Commenting on the Government's response, Lord Stoddart said: "As ever with EU costs, the figures are colossal. We must put this enormous figure against the austere background of the last 4-5 years, in which we have seen public services cut to the bone and standards of living fall as people have lost their jobs or faced long term pay freezes. We also have to put it against a background of a Government that is always telling us it wants to cut the cost of the EU. The reality is that the costs are constantly rising and the EU is ever greedy for more, as we have seen with its outrageous recent demand for an extra £1.7 billion. £50 billion on belonging to the EU, an organisation whose objectives are inimical to our long term interests and which does so much damage to our Parliamentary democracy and economic future is simply not sustainable."

Lord Stoddart: EU cost, "figures are colossal".

# THE EUROPEAN COMMISSION PLANS TO SCRAP ITS FLAGSHIP CIRCULAR ECONOMY PACKAGE AND ANTI-AIR POLLUTION RULES.

## *EurActive; via Nathan Allonby*

The executive will ditch the rules from its 2015 work programme, sources told EurActiv. The Circular Economy package is designed to increase resource efficiency and recycling, and the Clean Air Package imposes rules that set member states' air quality targets.

Sources told EurActiv that Commissioners were handed a secret document yesterday (10 December) at their weekly meeting. The document, outlining a list of bills to be killed off by Commission Vice-President Frans Timmermans, was taken back from the Commissioners, after it was read and discussed. A leaked version of the work programme, which emerged today, appeared to confirm the environmental laws, and 78 other pieces of pending legislation, would be scrapped. The Air Quality rules would be modified in view of the 2030 Climate and Energy package, the document said.

Timmermans is conducting a screening exercise of pending legislation as part of the Commission's drive for "better regulation". He sent a letter to the Commissioners last month, which suggested the rules were under threat.

Commissioners will meet on Tuesday to discuss the programme. An official announcement should follow the next day in the European Parliament. The decision has not yet been finalised and could still change. Any withdrawal will first be discussed with the European Parliament and Council.

EurActiv has obtained a copy of a letter sent by European Parliament President Martin Schulz to Commission President Jean-Claude Juncker, dated 9 November. Schulz stressed concerns that environmental and social policy feature adequately in the programme.

Both bills were on a hit list of laws that trade association BusinessEurope sent to the Commission. BusinessEurope wanted the Circular Economy package to be withdrawn and re-tabled as an economic piece of legislation". Laws to reduce air pollution should be withdrawn, they said. Environmental NGOs responding by writing to Juncker and Timmermans, asking the Commission to speed up the implementation of the bills.

Belgium, Germany, Greece, Spain, France, Italy, Cyprus, Luxembourg, Portugal, Slovenia and Sweden wrote a letter to Commission President Jean-Claude Juncker on 1 December, calling on him to keep the Air Quality and Circular Economy packages.

The European Commission said it could not confirm or deny the legislation would be ditched, as the contents of its work programme had not yet been finalised. "In some cases the Commission, whilst fully supporting the objectives behind certain proposals, is considering withdrawing them to replace them with more effective means to achieve them, with a realistic chance of being adopted," the executive said (see positions for full statement).

The Circular Economy package was proposed in July 2014. It contained a wide-ranging list of legally binding targets. They include:

- a 70% recycling target for municipal waste by 2030;
- an 80% recycling target for packaging, such as glass, paper, metal and plastic by 2030;
- and a ban on landfilling of all recyclable and biodegradable waste by 2025.

The package also lists a series of "aspirational" goals, which are not legally enforceable:

- a phase out of landfilling of all recoverable waste by 2030;
- a 30% reduction of waste by 2025;
- and a 30% fall in marine litter by 2020.

The Air Quality package revises rules first set in 1999. The 2013 proposal revises targets set in 1999, toughening them and increasing its scope to cover some new pollutants.

It fixes emissions ceilings at national level, for nitrogen dioxide for example, obliging member states to hit air quality targets. Supporters say it is the only way to reduce cross-border pollution in the EU. Sectors such as vehicle and fuel legislation, shipping regulations and UN agreements are covered by the draft law.

The European Commission said, "This Commission is committed to making a difference and to doing things differently. The Work Programme for 2015 will be an opportunity for a fresh start, focusing on what truly matters for citizens – jobs, growth and investment. "The Commission Work Programme will translate the ten points of the Political Guidelines into concrete deliverables. It will be the 'to do list' for 2015 - namely the new initiatives the Commission will deliver on next year because these can make a real difference for citizens. "The Commission is also reviewing all pending proposals, in accordance with the principle of political discontinuity and to allow all the institutions to focus their efforts on priorities. The Commission is considering proposing to withdraw proposals which do not match the political priorities or which are out of date. In some cases the Commission, whilst fully supporting the objectives behind certain proposals, is considering withdrawing them to replace them with more effective means to achieve them, with a realistic chance of being adopted.

"The Commission is also looking at how to put a renewed effort into implementing what already exists, also making sure it's fit for purpose and works on the ground. To build consensus on priorities across EU institutions, the Commission has been preparing this Work Programme in a dialogue with both the European Parliament – in the context of the structured dialogue foreseen under the Framework Agreement - and for the first time also the Council – in the context of the General Affairs

Council. This dialogue is still ongoing. On the 10th of December the College held an orientation debate on the 2015 Work Programme and intends to adopt the Work Programme next week."

Pieter de Pous, the European Environmental Bureau's policy director, said: "The Commission would be sending out an extremely negative message to European citizens. Basically, it no longer cares about improving their health and quality of life, nor will it try to protect the environment. Instead it is guided by short-sighted business interests which are unwilling to develop new and cleaner business models. Better regulation is deregulation pure and simple."

Angelo Caserta, director of Birdlife Europe and current chair of the Green 10, the ten leading environmental NGOs in Europe, said, "We are deeply concerned that environmental protection and sustainability is not only going to be absent in the Commission's Workplan for 2015 but that Vice-President Timmermans is even planning to withdraw two recently proposed pieces of legislation that would bring major benefits for citizens' health, the environment as well as for Europe's economy – the air package and circular economy package. "By withdrawing the air quality proposal, the European Commission would miss the opportunity to prevent as many as 58,000 premature deaths per year that result from air pollution, when the current toll is 400,000 premature deaths per year. We would also miss a huge economic benefit to the European economy as the air quality directive would deliver health benefits of €40-140 billion in avoided external costs and provide about €3 billion in direct benefits due to higher productivity of the workforce, lower healthcare costs, higher crop yields and less damage to buildings".

"Withdrawing the circular economy package would also go against the number one priority of the European Commission. Europe would fail to create as many as 180,000 new jobs through turning waste into a resource while making business more competitive and reducing demand for and dependency from costly scarce resources from outside the continent".

Greg Archer, Transport & Environment's clean vehicles manager, said, "President Juncker and vice-president Timmermans think they are playing a clever PR card by axing the Clean Air package in a bid to cut so-called red tape. But the fact is air pollution is the single biggest environmental concern of Europeans and the press has stories week-in week-out about how dirty air is choking our cities and causes 400,000 premature deaths a year."

Keith Taylor, Green MEP for South East England, said, "Scrapping the EU's Clean Air package to limit air pollution at a time of increased scientific and medical understanding of the enormous risks that air pollution represents to public health would send out completely the wrong message. Allowing air pollution to go unchecked would mean sentencing children and adults to poor respiratory health and earlier death. I call on European Commission President Jean Claude-Juncker to keep this crucial piece of legislation in order to protect the health of our 507 million European Citizens."

In the European Parliament, the British Conservatives reacted with dismay to the news and called on the Commission to reinstate the package to next year's legislative programme. Julie Girling is the Conservative environment spokesman in the European Parliament and lead MEP on the proposed legislation.

She said, "We entirely support Mr Juncker's objective of making sure the EU concentrates on really effective legislation – and drops proposed laws which would be too complicated, too burdensome or would produce harmful knock-on consequences. But unfortunately this time he has chosen the wrong target."

Catherine Bearder, a Liberal Democrat MEP, agreed. "There is plenty of scope to improve EU regulation without taking an axe to environmental legislation," she said in a statement. "Thousands of people in die prematurely each year from diseases caused by air pollution. To withdraw this proposal would send a message that the new Commission puts the interests of big business ahead of the health of European citizens. The EU should be cutting red tape, not cutting life expectancy."

Health NGOs were also dismayed. The European Respiratory Society and European Lung Foundation (ELF) are advocating for cleaner air as part of the Healthy Lungs for Life campaign. They said: "If the Juncker Commission is looking for big problems to solve that will have a big impact on the health and well-being of the European population, air pollution is one of the most important as it affects 100% of us. By dropping the Clean Air Package and the National Emission Ceilings directive, Mr Timmermans is missing a prime opportunity – the NEC Directive would reduce exposure to pollutants in the air which currently cause 400,000 premature deaths in Europe each year. It would also testify to EU's leadership on green growth and environmental protection on the international stage, would act as a catalyst for energy policy targets and would encourage industry to innovate on their climate change

action. Instead, the health concerns of Europeans have been dropped and our health will suffer."

Cor Lamers, mayor of Schiedam and member of the Committee of the Regions said, "I am concerned that the European Commission could withdraw its Clean Air Policy Package. Europe's cities and regions are committed to delivering improvements in air quality. In its recent opinion the Committee of the Regions stated that appropriate legal framework focusing on combatting air pollutant emissions at source is expected and should be applied. We expect the Commission to stay committed to the Clean Air Policy Package and its legislative proposals and allow the European Parliament and Council to reach a robust agreement as soon as possible."

## **THE 67 PEOPLE AS WEALTHY AS THE WORLD'S POOREST 3.5 BILLION**

***Kasia Moreno; Forbes; via Lorenzo Abadinas; Occupy***

Oxfam International, a poverty fighting organization, made news at the World Economic Forum in Davos earlier this year with its report that the world's 85 richest people own assets with the same value as those owned by the poorer half of the world's population, or 3.5 billion people (including children). Both groups have \$US 1.7 trillion. That's \$20 billion on average if you are in the first group, and \$486 if you are in the second group.

Oxfam's calculations of the richest individuals are based on the 2013 Forbes Billionaires list. I decided to take a closer look at this group of 85 in search of trends. That's when I realized that they are by now a much wealthier group. The rich got richer. And it was quite fast and dramatic. For example, while last year it took \$23 billion to be in the top 20 of the world's billionaires, this year it took \$31 billion, according to Luisa Kroll, Forbes wealth editor, writing on Forbes.com.

As a result, by the time Forbes published its 2014 Billionaires List in early March, it took only 67 of the richest peoples' wealth to match the poorer half of the world. (For the purpose of this blog, I will put aside the conversation about the importance of income inequality versus impoverishment. This has recently been skewing strongly toward recognition of the importance of income distribution and its inequality, most recently with the publication of *Capital in the Twenty-First Century* by Thomas Piketty.)

Each of the 67 is on average worth the same as 52 million people from the bottom of the world's wealth pyramid. Bill Gates, the world's richest man, with a net worth of \$76 billion, is worth the same as 156 million people from the bottom.

Who are the 67? The biggest group—28 billionaires, or 42% of them—is from the United States. No other country comes close. Germany and Russia have the second-highest number, with six each. The rest are sprinkled among 13 countries in Western Europe, APAC and the Americas.

That the biggest group of the super rich comes from the U.S. should not be a surprise, as the country holds almost a third of the world's wealth (30%), significantly more than any other country, according to the *Global Wealth Databook*, from Credit Suisse Research Institute. However, Europe, with a slightly bigger chunk of the world's wealth (32%), produced substantially fewer of the richest. That is due to less dynamic economies, which do not equal the U.S. in how they foster innovation, on which many of the newest U.S. fortunes are based.

When comparing the ratio of the richest to the percentage of the world's wealth held by each country, it is Russia that comes out the most lopsided, with its holdings skewed to the super rich. As a country, Russia holds only half a percent of the world's wealth, and yet it has 9% of the 67 richest.

The 67 fortunes come from three main industries: technology (12), retail (12) and natural resources-based sectors such as oil and gas, mining and steel. The geographical split by industry illustrates the state and progression of the various economies. Almost all technology fortunes are recent and from the U.S. (Microsoft MSFT -0.89%, Oracle, Facebook). Retail is dominated by second- or third-generation Western Europeans. The majority of the rich whose money comes from natural resources are from emerging markets, with most of them from Russia.

The majority of the 67—40, or 60%, to be precise—are self-made. This rarified group of people thus shows that there is wealth mobility over time in the highest echelons, among both individuals and countries. Had there been less global mobility, the majority of the richest would necessarily have inherited wealth and come from the countries with the oldest fortunes, which are in Western Europe. Already back in the late 1980s, when Forbes first started to compile its Billionaires list, Western Europe stood apart from the rest of the world, with the majority of its fortunes inherited. That did not provide a long-term edge. Today, just 13 of the 67 come from Western Europe.

Of course, part of the reason behind the high number of self-made fortunes of the 67 lies in economic upheavals, such as the fall of communism or the opening of countries like India, which has allowed for the creation of huge new fortunes over the last couple of decades. And while they are self-made in the sense that they have not been inherited from family members, at least some of them are based on privatizations of formerly state-owned assets, making them the inheritors of their peoples' wealth.

There will be more mobility among the richest individuals if more of the world's richest give away their money to philanthropy, expecting future generations to start anew. Out of the 67, eight have signed a giving pledge, promising to leave the majority of their wealth to philanthropy. All but one, Indian billionaire Azim Premji, are from the U.S. That amount pledged to charity comes to at least \$150 billion, assuming half of their fortunes are given away. That means that these eight people have pledged to give to philanthropy what some 309 million people (average members of the group of 3.5 billion poorest) today have. Presumably, this philanthropy, which has been increasingly systemic—meaning that it aims to create long-term change instead of alleviating immediate needs—will in the long run help more than 300 million people.

Turning fortunes over to philanthropy will also drastically change the makeup of the richest, making room for more of the self-made. It has to be noted, however, that not every region of the world is on the same wavelength in this respect, with family legacy in business especially important in Europe.

Late breaking: Forbes has just announced it is updating its Billionaires rankings in real time now. The latest counts show that over the last month the number of billionaires whose net worth equals that of the 3.5 billion poorest people has fallen to 66.

## UPDATE: CARE.DATA

### *Thirty Eight Degrees*

***(This is a good example of one of those issues that will never go away. We can add, ID systems (cardless or otherwise), mass unwarranted surveillance, Fluoridated water, GMO's, 'European Integration'; corporate asset stripping, the abrogation of basic civil liberties, economic globalisation. There is nothing so glacially relentless as an oligarchy that has made up its mind. - Ed)***

Apparently NHS England are delaying Care.data, the scheme that would see our private medical records sold to private companies. Again! [1]

So far, NHS England's dodgy plans have been scuppered at every stage. In February they postponed the scheme for six months after over one hundred thousand 38 Degrees members voted to launch a mass opt-out. [2] Then in September they announced a new roll out in six trial areas.

38 Degrees members voted on what we should do to fight the plans - like raising money for an ad campaign to increase awareness of Care.data and creating a website to help the public opt-out. [3] But NHS England have been silent up until news stories came out this week about the latest delay.

Done right, Care.data could be used to make our NHS better. But our medical records should only be used by researchers to develop new treatments and improve public health - not by private companies to make a profit.

Delays have been reported in the media, but who knows what's really going on behind the scenes. Whatever's happening inside NHS England, one thing's for certain - our campaign has rattled them and Care.data is in a bit of a mess.

So, thank you for everything you've done so far. Together, we've come up with a plan and we're ready to jump into action when NHS England make their next move.

It's a bit frustrating not being able to put our plans into action. But as soon as we know the launch date, we'll be ready.

#### NOTES:

[1] Guardian: Controversial NHS patient data sharing pilot scheme may be delayed until 2015: <http://www.theguardian.com/society/2014/dec/12/nhs-patient-care-data-sharing-scheme-delayed-2015-concerns>

[2] 38 Degrees: NHS Care.data: we've won a breakthrough:

<http://blog.38degrees.org.uk/2014/02/19/nhs-care-data-weve-won-a-breakthrough/>

Guardian: NHS in England delays sharing of medical records:

<http://www.theguardian.com/society/2014/feb/18/nhs-delays-sharing-medical-records-care-data>

[3] 38 Degrees: It's time to protect our medical data:

<http://blog.38degrees.org.uk/2014/11/07/its-time-to-protect-your-medical-records/>

# MARK OF THE BEAST: MICROCHIPS 'TRENDING' TO BECOME ESSENTIAL KEEPER OF PASSWORDS AND DIGITAL CURRENCY

*Mac Slavo; Activist Post*

*And he causes all, the small and the great, and the rich and the poor, and the free men and the slaves, to be given a mark on their right hand or on their forehead, and he provides that no one will be able to buy or to sell, except the one who has the mark, either the name of the beast or the number of his name.... - Revelation 13:16-17*

Today, mandatory RFID microchips for humans are still a distant and creepy possible future, with a handful of tech-trendy volunteers trying to revolutionize use of the icon of the tracked and traced society.

Many see microchips becoming not only mandatory under an Orwellian super-surveillance state – but utterly indispensable to modern life, as dozens of hard-to-remember passwords, payments and transactions for online business and leisure become not just commonplace but overwhelming and pervasive. The chip might become too necessary not to take.

How will you keep track of all your online keys, and how will they know you are who you say you are?

It may someday soon become so essential to online, data-driven life – filled with authentications and location-based and secure user-specific applications – that few will resist taking the chip ... despite the warnings in prophecy and by modern day privacy advocates. A number of brave new technerds are chipping themselves to go boldly into the biometric future. And the trend is becoming more popular:

*Worldwide some 2,000 people have been 'chipped' and their number is growing. Oudennarden expects their number to grow considerably next year, particularly among what he calls 'technerds'.*

*Martijn Wismeijer, who has had two chips in his hand for a couple of weeks, says the pain was over after a couple of days. 'You can still feel them, but you forget they are there,' he said. He uses one chip as a savings account for bitcoins – which he says is the safest way to keep them. The chip on his other hand stores the passwords for 900 websites. 'Many people use the same password for everything but I think that is a bad habit,' he says.*

The Dutch entrepreneur Martijn Wismeijer, who has been profiled by CBS News and other media outlets, has been dubbed "Mr. Bitcoin," and is on the cutting edge of consumer-oriented NFC, or near-field communication, which uses to microchips or wearable devices to communicate with mobile and tablet devices to unlock and initiate:

"Mr. Bitcoin" will never forget where he left his wallet. It's implanted under his skin.

Wismeijer and his compatriots got tiny NFC chips injected into their hands. NFC, which stands for near-field communications, is the same type of technology built into the Apple Pay digital payment system and numerous Android devices.

"It is compatible with all NFC compliant devices such as mobile phones, tablets, etc. and can be used to launch URLs, share contact details, unlock phones, etc." It says the chip "can also be used with several types of commercial readers to unlock doors, start cars, log into computers."

*Never mind that these chips can be easily hacked, and are vulnerable unless further steps are taken to secure the data. These technerds have cool haircuts, handlebar mustaches and techno beats. Maybe it is just a handful of 'technerds' right now, but the transition is happening faster than most*



of us realize. Right now, “wearables” are quickly on their way to becoming consumer must-haves, and the latest Christmas gadget crazes: Google Glass has made its mark, now smart watches, bracelets and fitness monitors are coming to the fore under a variety of brand names. Many are mini-computers and all can share data with a wide range of digital systems.

Soon, wearables are supposed to integrate with clothing, shoes, etc. as well, as the Daily Mail reported. But it won't be long before “wearables” become implantables...

### **“Epic Sh\*t”: Electronic Tattoos and Edible Passwords**

Regina Dugan, the former director of DARPA is currently Google's Vice President of Engineering, Advanced Technology and Projects and in charge of special projects for the Google-owned Motorola Mobility. In 2013, Dugan presented a vision for the near-future that is sure to make your skin crawl:

*“We got to do a lot of epic shit when I was at DARPA,” Dugan said onstage at D11. But the stuff she is working on at Motorola is pretty cool (and totally creepy!) too:*

- *An electronic tattoo that can be used to authenticate a user instead of some flimsy password. It's made by a company called MC10 that Motorola is partnering with, and Dugan is wearing it on her own arm.*
- *Another option in a similar vein: Vitamin authentication. Dugan shows a pill that can be ingested and then battery-powered with stomach acid to produce an 18-bit internal signal. After that, the swallower's whole body becomes a password.*

January 2014 saw the trade show roll out of the smart baby – where newborns can be outfitted with an RFID-embedded techno-onesie that monitors and tracks vital stats via Intel's Edison micro-computer ... and even predicts when babies will fall asleep, lulling parents into buying once again into the promise of technology:

*When I chatted with Rest Devices, I was shown a demo baby, outfitted in a high-tech onesie called Mimo. Those green stripes and attached device you can see lying across the baby are fully equipped with sensors that monitor a baby's breathing, temperature and activity level. But that's not all... Mimo also has an algorithm that can work out when your baby is about to fall asleep. Valuable information for parents that allows them to optimize their sleep time, too!*

As you can see, RFID microchips are not only ominous and foreboding, they are likely just the beginning of a future so technologically driven that humanity could be easily put in the backseat, dwarfed, diminished, disposed of and transcended.

Today it is trendy, new and surely useful. And they are much more likely to enter everyday life through the convenience of online life than through draconian, mandatory compliance with something like Obamacare, thought that could conceivably come to pass as well. But, for tomorrow, the writing is on the wall, and you have been warned. Before the microchip becomes a 'red line' requirement with consequences for resisting, it will be a 'don't be left behind' staple of consumer life that will be integrated with everyday life, perhaps with little notice.

Related Activist Post Article: [In The Internet of Things, YOU Will Be The Key](#)

*You can read more from Mac Slavo at [SHTFplan.com](#), where this article first appeared.*

## **NEW G20 RULES: CYPRUS-STYLE BAIL-INS TO HIT DEPOSITORS AND PENSIONERS**

*Ellen Brown; [Opednews.com](#)*

*(Further warnings concerning the possibility, if not probability of confiscation of assets when the next crash happens. It must be re-iterated that money placed into bank accounts cedes ownership and control to the bank – Ed)*

On the weekend of November 16th, the G20 leaders whisked into Brisbane, posed for their photo ops, approved some proposals, made a show of roundly disapproving of Russian President Vladimir Putin, and whisked out again. It was all so fast, they may not have known what they were endorsing when they rubber-stamped the Financial Stability Board's "Adequacy of Loss-Absorbing Capacity of Global Systemically Important Banks in Resolution," which completely changes the rules of banking.

Russell Napier, writing in ZeroHedge, called it "the day money died." In any case, it may have been the day deposits died as money. Unlike coins and paper bills, which cannot be written down or given a "haircut," says Napier, deposits are now "just part of commercial banks' capital structure." That means they can be "bailed in" or confiscated to save the megabanks from derivative bets gone wrong.

Rather than reining in the massive and risky derivatives casino, the new rules prioritize the payment of banks' derivatives obligations to each other, ahead of everyone else. That includes not only depositors, public and private, but the pension funds that are the target market for the latest bail-in play, called "bail-inable" bonds.

"Bail in" has been sold as avoiding future government bailouts and eliminating too big to fail (TBTF). But it actually institutionalizes TBTF, since the big banks are kept in business by expropriating the funds of their creditors.

It is a neat solution for bankers and politicians, who don't want to have to deal with another messy banking crisis and are happy to see it disposed of by statute. But a bail-in could have worse consequences than a bailout for the public. If your taxes go up, you will probably still be able to pay the bills. If your bank account or pension gets wiped out, you could wind up in the street or sharing food with your pets.

In theory, US deposits under \$250,000 are protected by federal deposit insurance; but deposit insurance funds in both the US and Europe are woefully underfunded, particularly when derivative claims are factored in. The problem is graphically illustrated in this chart from a March 2013 ZeroHedge post:

More on that after a look at the new bail-in provisions and the powershift they represent.

### ***Bail-in in Plain English***

The Financial Stability Board (FSB) that now regulates banking globally began as a group of G7 finance ministers and central bank governors organized in a merely advisory capacity after the Asian crisis of the late 1990s. Although not official, its mandates effectively acquired the force of law after the 2008 crisis, when the G20 leaders were brought together to endorse its rules. This ritual now happens annually, with the G20 leaders rubberstamping rules aimed at maintaining the stability of the private banking system, usually at public expense.

According to an International Monetary Fund paper titled "From Bail-out to Bail-in: Mandatory Debt Restructuring of Systemic Financial Institutions":

[B]ail-in . . . is a statutory power of a resolution authority (as opposed to contractual arrangements, such as contingent capital requirements) to restructure the liabilities of a distressed financial institution by writing down its unsecured debt and/or converting it to equity. The statutory bail-in power is intended to achieve a prompt recapitalization and restructuring of the distressed institution.

The language is a bit obscure, but here are some points to note:

What was formerly called a "bankruptcy" is now a "resolution proceeding." The bank's insolvency is "resolved" by the neat trick of turning its liabilities into capital. Insolvent TBTF banks are to be "promptly recapitalized" with their "unsecured debt" so that they can go on with business as usual. "Unsecured debt" includes deposits, the largest class of unsecured debt of any bank. The insolvent bank is to be made solvent by turning our money into their equity -- bank stock that could become worthless on the market or be tied up for years in resolution proceedings. The power is statutory. Cyprus-style confiscations are to become the law.

Rather than having their assets sold off and closing their doors, as happens to lesser bankrupt businesses in a capitalist economy, "zombie" banks are to be kept alive and open for business at all costs -- and the costs are again to be borne by us.

### ***The Latest Twist: Putting Pensions at Risk with "Bail-Inable" Bonds***

First they came for our tax dollars. When governments declared "no more bailouts," they came for our deposits. When there was a public outcry against that, the FSB came up with a "buffer" of securities to be sacrificed before deposits in a bankruptcy. In the latest rendition of its bail-in scheme, TBTF banks are required to keep a buffer equal to 16-20% of their risk-weighted assets in the form of equity or bonds convertible to equity in the event of insolvency.

*Ellen Brown is an attorney, founder of the Public Banking Institute, and author of twelve books including the best-selling WEB OF DEBT. In THE PUBLIC BANK SOLUTION, her latest book, she explores successful public banking models historically and (more...)*

## **ALL THAT GLITTERS ISN'T GOLD, EVEN GOLD - THE POTENTIAL & PERILS OF PRECIOUS METALS**

***Ulson Gunnar; New Eastern Outlook; via Activist Post***

*(Economists are at least, if not more, prone to superstition than the rest of this. One of the more important of these superstitions concerns gold. For example, this is still a recurrent theme on Russia Today.*

*This article brings us down to earth and serves as a timely reminder, Gold does not have any 'intrinsic value' ... it is not dug out of the ground denominated in Dollars, Dinars, Yen, Euros or any other currency. It is a commodity like any other; and like any other commodity is prone to price fluctuations.*

*Indeed, as the item underscores, in a number of circumstances it might be of less use as an actual currency than some might suppose.*

*Another common superstition concerns so-called 'gold backed' currencies. Even in the days of the Gold Standard and the times when Bretton Woods still ruled, currencies were often leveraged eight, or ten times, sometimes more, of their 'gold base'. The relationship between the 'gold base' of many states, and the actual currency in circulation was often, at best, tangential. The Gold Standard did not prevent the Crash of 1929 and many earlier 'trade cycles - Ed)*

In times of socioeconomic turmoil, gold receives renewed interest. It is seen as a means of exchange with enduring value that can transcend the various currencies that generally displace its use during times of economic growth and stability. However, it must be remembered that gold's value is only as good as the markets within which it is traded. If they collapse, gold's value may become highly unpredictable.

### ***For Gold, Perception is Everything***

Much of gold's value is a matter of perception. Gold's enduring value can be owed to the fact that it has been fully integrated into financial systems since ancient times. Its rarity and aesthetic appeal in ancient times, combined with industrial applications today, have helped it keep its place within international financial systems. While gold holds true value as a natural resource, much of its value still stems from perceived value just like many of the currencies it is seen as an alternative to.

The value of gold is only as strong as the system it is a part of. No matter how valuable gold may be perceived within a functioning economic system, should that system collapse, so too will gold's perceived value. Gold cannot be eaten, used as a source of fuel, nor be used for clothing or housing. Without a functioning market to trade it in, its value becomes highly unpredictable.

Whichever markets survive a hypothetical collapse would serve as one possible means to trade gold. Whether those markets are overseas, or built within the system suffering from collapse, gold's value would depend on the ability for these alternatives to transform physical gold into currency or resources required for maintaining a thriving society. Beyond this, amid a crisis gold could be theoretically bartered, though it would be highly impractical compared to the trading of necessities.

### ***Determining the Real Value of Gold***

For those already invested in gold, or contemplating investing in gold, several exercises should be considered. First, determining what real value it has even now, within a functioning economic system. Can it be easily exchanged for its perceived value in currency? How easy is that exchange made and how would it fair in a time of crisis? Is it possible to exchange gold into daily necessities even now, before a crisis? How much harder would it be to exchange it for daily necessities amid a financial collapse?

Second, how easy is it to travel with gold and exchange it in a foreign market? Could gold bought in New York be easily sold in Asia? Do such markets exist? How would they function in a crisis? What medium would one use in a time of crisis? Gold coins? A currency based on gold? Do such markets or currencies exist today?

These two exercises and the questions they raise illustrate that as a personal means of hedging against a financial crisis and more specifically, surviving amid a crisis, gold fairs poorly as an immediate means of exchange. That is not to say that systems couldn't be created to make gold's use as an alternative currency, or at least, one of several alternatives, more viable.

However, if gold investors are able to sell gold today and profit from price increases, and a potential crisis unfolds that is only temporary, gold could at least serve as an excellent means of "storing" value during that crisis. While it may not be easily accessible during the crisis, holding physical gold (for those that can afford to do so) for when a stable financial system is reestablished and gold's perceived value restored, would eliminate obvious risks of keeping a collapsing currency in a compromised financial institution.

### ***Alternatives to the Current Gold Paradigm***

Ultimately, for individuals, creating local or online gold markets and exchanges where the use of gold becomes trivial and its ability to be traded day-to-day as an alternative currency would mean that should say, the US Dollar collapse, a viable alternative currency would already be up and running and people holding physical gold would be well positioned to survive, even thrive during the collapse of the dollar.

Additionally, human survival and indeed progress itself depends on resources. Available resources are the bottom line. An economic system based on resources and their exchange, not the perceived value of a national currency or precious metal, would appear to be a far more sustainable and intuitive economic system. From actual resources all real power is derived.

The possession of forests, oil, seas, minerals, agricultural land, or even highly developed human resources and the ability to organize and exploit them are the primary source of power for any nation, organization or institution. The encouragement of those holding monopolies over these resources for the common individual to instead accumulate otherwise useless currency may go far in explaining the socioeconomic disparity inherent amid the process of increasing globalization.

For individuals, organizations and even nations, the pursuit of actual resources and the means to more efficiently use them provides the greatest hedge of all against financial turmoil on a global scale.

A microcosm of this in action we can observe today are nations currently cut off from globalization due to economic sanctions imposed upon them by those interests at the head of globalism. Nations like Cuba, Iran and North Korea, for example, show us how societies may react to a catastrophic global financial meltdown where everything beyond their sovereign borders effectively disappears and all that is left is what they can devise themselves.

For nations like Cuba and Iran, developing human resources, alternatives to large multinational

corporations and their products and services have allowed them to weather sanctions for decades. While these nations are perceived to be behind the socioeconomic curve, should the US Dollar collapse tomorrow and the numerous interdependencies that define globalization unravel, they would be positioned well not only to weather the global fallout, but profit from teaching other struggling nations the lessons they've learned in dealing with socioeconomic isolation.

In summation, while gold certainly has its place and holds value both perceived and as an industrial resource, the only true way to hedge against financial collapse is by preventing it in the first place. And to do this nations, communities and individuals must understand that the development and efficient exploitation of resources is key to both survival and in order for civilization to thrive.

For gold specifically, even if individuals believe its current use is adequate, it could never hurt to create more means of exchanging it via local, national and international markets both in person and online. Just as in nature, diversity in financial markets provide the best chances of survival and the only avenue toward continued evolution.

*Ulson Gunnar, a New York-based geopolitical analyst and writer especially for the online magazine "New Eastern Outlook".*

# POSITIVE MONEY BULLETIN

***Ben Dyson/ Fran Boait***

Banks create money out of thin air - we know it, you know it, but most people on the street still have no idea! They have even less understanding about how the current monetary system contributes to high levels of debt, unaffordable housing, inequality and environmental breakdown.

Our supporter conference in March 2014 focused on local organising. This triggered an incredible amount of energy from supporters to set up and sustain groups in their local area. Our supporter network is essential for getting new people involved, taking action locally and building the Positive Money campaign.

The Positive Money network has 30 groups up and down the country - from Aberdeen to Belfast, Cambridge to Devon. Over the course of this year local groups have been busy organising events, film screenings and talks, attending festivals, holding street stalls, connecting with other organisations, contacting Members of Parliament, writing to local newspapers, talking to local people and explaining the issues.

Looking for a New Year's resolution? Why not join a Positive Money local group?

2015 is the time to take an active role in creating a money system that works for people and not against them. Tanveer Saifee, Coordinator of the Hammersmith local group:

"My whole life I had vaguely associated having an interest in money with an unhealthy obsession with getting more and more of the stuff. It was only after the financial crisis in '07 and '08 that it dawned on me that the true story of our times is one that is unfolding in the financial markets and money systems that rule our lives. Many of the most important power structures in our society are more or less unexplained by the mainstream media, operating behind closed doors or under a thicket of complex terminology and obscure jargon.

So it was hugely empowering for me to get active and get involved with Positive Money. I started by following the website for a couple of years, but things really kicked off when I attended the conference in March 2014. Although my intention had been just to meet a few of the people involved with the organisation, I got caught up in the enthusiasm and joined a local group. From there I went on to jointly co-ordinating the group and now our monthly meetings are a highlight of the month for me. We have discussions on money creation and other aspects of money, banking, finance and economics. You don't need to be an expert to join and we just concentrate on learning together, asking the basic questions and building our knowledge through discussion and reading."

Is there a group in your local area? If not, we can help you set one up.

Over the past year, Positive Money supporter events have doubled. In the run-up to the election in May 2015, we are calling on our local groups to hold events and invite MPs and councillors along. It is by making the link between the monetary system and issues such as inequality, house prices and the environment that we can get our politicians to really engage with the Positive Money campaign and

recognise its importance. Saija Lukkaroinen, Coordinator of the Hackney local group, writes about the event they hosted in autumn:

*For Hackney's Housing Event on the 19th October 2014, 120 people gathered at Chats Palace in Homerton to discuss the causes and consequences of the current housing crisis. The sold-out event was entitled The Hackney Housing Debate and it was hosted by the Positive Money Hackney Local Group.*

*The debate was attended by local residents as well as Hackney politicians. Diane Abbott, MP for Hackney North and Stoke Newington, spoke at the event and the councillor Philip Glanville, Hackney Cabinet Member for Housing, took part in a panel discussion. The Liberal Democrat electoral candidate Simon De Deney also attended and contributed to the debate.*

*The popularity of the event and the feedback from attendees clearly shows that housing is an issue people feel strongly about. Whilst it should be noted that there are many factors affecting housing, it seems more urgent than ever to stimulate further public discussion about the role played by private banks' lending activity in pushing up house prices. If banks continue to be allowed to create new money through mortgage lending, they will continue to be incentivised to lend more and more – resulting in house prices remaining beyond the reach of more and more ordinary people.*

Julian Jones, Coordinator of the Bristol local group, writes about their successful event:

*Being involved with both Friends of the Earth and Positive Money local groups in Bristol, I was keen that we put on an event that would raise the profile and understanding of key economic issues, and give the local MPs encouragement to research them and a chance to engage with their constituents. We were a bit worried that it might be difficult to attract a crowd for an economics themed hustings, so we thought we'd combine the Positive Money topic with something else. Friends of the Earth also sees reform at the Treasury as key to a more positive future, and had separately identified TTIP, the Transatlantic Trade and Investment Partnership between the EU and US, as a key issue to campaign on. So we decided on TTIP and Financial Reform as the subject area. In the end, the hall was filled with around 600 attendees, and many came to see a 1-hour film before the main debate, with others staying for a drinks reception afterwards.*

We have a lot planned for 2015. In January alone we will be launching an online platform for our local groups, hosting a Positive Money quiz night in London and developing training and resources that will be released later in the year. If you are interested in any of these developments and would like to know more, email [dora@positivemoney.org](mailto:dora@positivemoney.org) for details.

***We hope you had a wonderful Christmas and wish you a very happy New Year!***

2014 has been an eventful year for the Positive Money campaign. Thanks to the incredible activity and momentum of our supporters, we have managed to achieve a lot more than we could have ever predicted this time last year.

Below are some of our highlights from the past year - What were yours? We would love to hear your Positive Money highlights from 2014. Share them with us on Facebook and Twitter.

Spring was kicked off by an amazing supporters conference which focused on developing the Positive Money local groups network. This was swiftly followed by a huge and unexpected breakthrough: The Bank of England released a bulletin confirming that banks create money when they issue loans. In April, Martin Wolf, Chief Economics Commentator at the Financial Times, wrote an article entitled 'Strip private banks of their power to create money', referring directly to Modernising Money.

In Summer we got the results from a Dodds Monitoring poll we commissioned. This confirmed our suspicion that the money system is poorly understood by our political representatives. An incredible 4,317 supporters emailed their MP alerting them to the poll results and asking if they could confirm that they understood how money is created.

During Autumn we hosted the first ever Positive Money retreat in the Lake District. 20 supporters, 5 directors and the staff team hiked through beautiful scenery and discussed how to grow and develop the network. We also hosted events with Martin Wolf, and Lord Adair Turner, former Chief of FSA.

Winter began with money creation being debated in UK Parliament for the first time in 170 years. In just two weeks, 3,060 emails were sent by our supporters to almost every MP in the UK asking them to attend the debate. The backbench debate saw a high level of discussion from MPs across the political spectrum and concluded with several MPs calling for a commission to be set up to further investigate the issue.

In 2014, we saw mainstream journalists talking openly about the way money is created as debt by the banks, the dangers of this and the alternatives to get newly-created money into the real economy. This is a big step forward in our campaign. In addition to the amazing Martin Wolf's article in the Financial Times, Positive Money has been mentioned in the Guardian, Telegraph, Independent and Open Democracy. Interviews with Ben Dyson appeared on BBC World Service, Max Keiser Show and Sky News TV. (more here)

We released 2 animated videos in 2014: 'Could these 3 simple changes to banking fix the economy?' (which has over 55,000 views) and 'How to waste £375 billion? - The Failure of Quantitative Easing' and a number of presentations from the 2014 conference and other events. On youtube, our videos have been viewed over 1 million times!

We've published 2 new reports: 'Creating a Sovereign Monetary System' which outlines in plain English, how we can prevent commercial banks from being able to create money, and move this power to create money into the hands of a transparent and accountable body. It also outlines the transition and responds to common critiques. We recently submitted the report 'Increasing competition in payment services' to the Competition and Market Authority.

This year, the number of people who joined us on Facebook has more than doubled from 17,000 to over 38,000. Our posts are being shared by thousands of people, e.g. this image was shared over 5,500 times. Thank you to everyone who shares, likes and comments on our posts - it is essential for growing our campaign and reaching new people.

The grassroots Positive Money movement in the UK has gone from strength to strength during 2014. 30 local groups are meeting regularly up and down the country and the number of supporter events more than doubled this year - with over 200 Positive Money events taking place!

The movement to democratise money and banking is spreading all over the world, with new campaign groups being set up in more and more countries - including Spain, Portugal, Italy, Albania, Slovenia & Puerto Rico in 2014 - check out the International Movement for Monetary Reform.

We have had an amazing year. With your support, we are confident we will be able to make 2015 even more of a success.

If you'd like to get more involved in the coming year join a local group or become a regular donor to help us keep growing.

On the 20th November 2014 UK Parliament held a back bench debate on "Money Creation and Society". This marked the first time in 170 years, since the Bank Charter Act in 1844, that the topic has been fully debated in Parliament. Thank you to all of you who contacted your MP and helped to make the debate a success.

Over 35 MPs attended and 21 MPs spoke throughout the debate. This included: Steve Baker MP, Michael Meacher MP, Peter Lilley MP, Austin Mitchell MP, Zac Goldsmith MP, Catherine McKinnell MP (shadow front bench) and Andrea Leadsom MP (from the government).

The debate is an important step. Members of Parliament at the debate acknowledged that banks create new money when they make a loan and there was a consensus amongst most MPs present that this is a problem.

The aim of this debate was not to take a vote or change laws, however, it provided an unprecedented opportunity to discuss this topic, which is outside of the government's agenda. We were overwhelmed by the quality of the discussion and the cross-party nature of the debate.

*"Democracy tends to move forward in small, often almost indiscernible steps. All of you at Positive Money, and of course the speakers, should be very proud of today's debate in the House of Commons. The whole subject is of such fundamental importance that it is curious how little money creation and use is understood. Bringing it into the public realm is vital for our future success and prosperity as a nation. I believe that everyone associated with Positive Money is doing this country a very great service, for which I congratulate you. I am proud to be associated with you all. May we have many more small steps frequently in the future."*

Tim Delap, Positive Money supporter

We've made it this far thanks to the 450 individuals who donate monthly. If you're able to join them by making a small monthly or one-off donation, we'll be able to push the campaign for a democratic money system even further in 2015.

The government's view on this debate was provided by Andrea Leadsom MP, the Economic Secretary to the Treasury. She raised seven 'important questions'. We have written a detailed response and addressed them all.

Perhaps most importantly, cross-party support came for a proposal to set up a monetary

commission in order to explore this issue in detail.

Thousands of you, Positive Money supporters, helped to make this historic debate a success. Thank you for taking the time to contact your MP!

We rely on regular donations from our supporters to make our work possible. So thank you to everyone who enables the Positive Money campaign to continue.

***Upcoming Events:***

Monthly meetup – Oxford; January 14, 2015

**RUNNYMEDE GAZETTE EDITED BY;- FRANK TAYLOR, 2 CHURCH VIEW, ST GILES TERRACE.  
CHETTON, BRIDGNORTH, SHROPSHIRE, WV16 6UG; Tel; (01746) 789326  
[frankinshropshire@hotmail.co.uk](mailto:frankinshropshire@hotmail.co.uk)**