RUNNYMEDE GAZETTE

OCTOBER 2011

CONTENTS

EDITORIAL

.

AIMING AT THE RIGHT TARGET

This edition of the Runnymede Gazette presents two statements of grievance from with the American Occupy movement. Whilst the first is perhaps excessively prolix, the second has the direct, terse, epigrammatic style more authentic to a declaration of remonstrance.

There is nothing incompatible between these statements. Indeed, they have much in common. At least we might be thankful that ... unlike the Tea Party ... we have a broad and coherent statement of agreed common ground. Equally there can be no doubt that these statements constitute a good few paces in the right direction.

Yet there are some startling flaws.The first is the lack of any appreciation or understanding of the money creation process which has led to the current crisis, or of the power which such an ability to create money places in the hands of the oligarchs which the Occupy Movement so rightly opposes.

Secondly, the Occupy Movement exhibits what is only, at best, a partial and incomplete understanding of the politics of institutional scale. It staggers uncertainly around the edges of this problem.

That these two items are placed after Paul Kingsnorth's article on Leopold Kohr is quite intentional. In reality the proposition is simple. A 'free market' run by an oligopoly ... as highlighted in the Coghlan/MacKenzie article ... cannot be truly 'free' at all. An essential component of Adam Smith's 'free market' model was approximate parity of power and influence between producer and consumer ... that is large numbers of small producers, as well as large numbers of (inevitably) small consumers.

The resulting proposition is even simpler ... that is we permit oligopoly, we will get oligarchy, as assuredly as night follows day.

Corporate 'super entities' of the sort described by Coghlan and

MacKenzie present at least as great a hazard to our self-determination as the EU. Indeed the EU itself can be seen as a large cog in an even larger machine. Essential control passes from governments to a global network of corporate boardrooms.

Worse still, the interconnections of ownership within such a corporate 'super entity', mean that if one party gets into trouble then it will drag the rest down with it. This is very apparent with the banking crisis where we are confronted by the sheer mass of inter-bank lending, the huge labyrinth of parties and counter-parties often trading exotic financial devices through offshore entities and the 'shadow banking' system. Although the banking system might appear to be a series of separate and competing entities it operates at its highest level as a single international and interdependent cartel.

Thus it is not so much a question of 'capitalism', but of the institutional scale of that capitalism. Once it is understood that all forms of corporatism will lead inevitably to oligarchy, that the politics of scale os itself one of our most pressing problems, and that oligarchy will in turn lead to a train of abuse of our self-determination, our privacy, our planet and our liberties;only then will the old politics of false left/right divides fade away and a genuine new politics of government by the people emerge.

Frank Taylor

RABBLE ROUSER

(A regular item on the possibilities and practicalities of resistance)

Student campaigns against Facebook data collection

Kevin Rawlinson; via Nathan Allonby

(Yet another item on the potential hazards of social networking sites! The internet is an electronic goldfish bowl. Fortunately I don't know anyone who give honest answers to the sort of questions that such sites, ISPs and other internet facilities ask. But there are obviously many millions who do reveal far too muCh about themselves and their lives. Just invent a second self with a complete biography and stick to that. Get their snooping noses out of our private business! -Ed)

Facebook confirmed that it had seen an increase in the number of requests for personal information since Mr Schrems began his campaign

Ever wondered what sites like Facebook know about you? Follow the lead of 24-year-old student Max Schrems, who has started a wave of so-called “Facebook data requests” after using a European law to force the company to release 1,200 pages of data it held on him, much of which he claims he had previously deleted from the site.

And Mark Zuckerberg's social network could reportedly face a fine if auditors uncover any breaches of data protection law in an investigation planned for the next ten days.

"I was given a CD with all of the information about friend requests I had ignored, people I had 'defriended', even messages I had deleted. Facebook had kept it all. The scary thing was, with a simple 'Ctrl+F' search function on the computer, I could search for terms and key words. I found it was possible to build up a picture of who I am, what I like, who I might vote for," said Mr Schrems.

He added: "There is a lot of data in there which is personal, which people might want to delete at some point but which Facebook is keeping hold of. And, since it is held in the USA, Europeans do not have the same sort of protection as they might have at home. They are subject to American laws like the Patriot Act, which could mean their data is released without their consent."

Facebook confirmed that it had seen an increase in the number of requests for personal information since Mr Schrems began his campaign.

An emailed response to a request reads: "Due to the volume of personal data access requests that we have recently received, we are experiencing significant delay in processing such requests. We therefore are unlikely to respond within 40 days of your initial request.

After receiving his data, Mr Schrems filed 22 complaints with the Irish Data Protection Commissioner, which has jurisdiction over Facebook in Europe because the social network's international headquarters are based in Dublin. A spokesman for the Commissioner confirmed an audit of Facebook's offices is due to begin "before the end of the month". But, she said, one had been planned prior to Mr Schrems complaints.

In a statement, the Office of the Data Protection Commissioner said the audit will "assess Facebook's compliance with the requirements of the Irish Data Protection Acts as they apply to its users outside of the US and Canada".

If Facebook is found to be retaining data illegally, it is likely to be served with an order demanding that it comply with the law. If that notice is broken, it faces a fine.

Mr Schrems, who has set up a website for his campaign called 'Europe versus Facebook', said he was confident of winning on "at least a few of the counts".

Facebook said it provided Mr Schrems with "all of the information required in response to his request". A spokesman added that some of the data requests would have required Facebook to give away the "secrets" of how its algorithms work.

She said the requests covered "a range of other things that are not personal information, including Facebook's proprietary fraud protection measures, and 'any other analytical procedure that Facebook runs'. This is clearly not personal data, and Irish data protection law rightly places some valuable and reasonable limits on the data that has to be provided".

The spokeswoman said: "The allegations are false. For example, we enable you to send emails to your friends, inviting them to join Facebook. We keep the invitees' email address and name to let you know when they join the service.

"Also, as part of offering people messaging services, we enable people to delete messages they receive from their inbox and messages they send from their sent folder. However, people can't delete a message they send from the recipient's inbox or a message you receive from the sender's sent folder," the spokeswoman added.

Revealed – the capitalist network that runs the world

Andy Coghlan and Debora MacKenzie; via Inquiring Minds

AS PROTESTS against financial power sweep the world this week, science may have confirmed the protesters' worst fears. An analysis of the relationships between 43,000 transnational corporations has identified a relatively small group of companies, mainly banks, with disproportionate power over the global economy.

The study's assumptions have attracted some criticism, but complex systems analysts contacted by New Scientist say it is a unique effort to untangle control in the global economy. Pushing the analysis further, they say, could help to identify ways of making global capitalism more stable.

The idea that a few bankers control a large chunk of the global economy might not seem like news to New York's Occupy Wall Street movement and protesters elsewhere (see photo). But the study, by a trio of complex systems theorists at the Swiss Federal Institute of Technology in Zurich, is the first to go beyond ideology to empirically identify such a network of power. It combines the mathematics long used to model natural systems with comprehensive corporate data to map ownership among the world's transnational corporations (TNCs).

"Reality is so complex, we must move away from dogma, whether it's conspiracy theories or free-market," says James Glattfelder. "Our analysis is reality-based."

Previous studies have found that a few TNCs own large chunks of the world's economy, but they included only a limited number of companies and omitted indirect ownerships, so could not say how this affected the global economy - whether it made it more or less stable, for instance.

The Zurich team can. From Orbis 2007, a database listing 37 million companies and investors worldwide, they pulled out all 43,060 TNCs and the share ownerships linking them. Then they constructed a model of which companies controlled others through shareholding networks, coupled with each company's operating revenues, to map the structure of economic power.

The work, to be published in PLoS One, revealed a core of 1318 companies with interlocking ownerships (see image). Each of the 1318 had ties to two or more other companies, and on average they were connected to 20. What's more, although they represented 20 per cent of global operating revenues, the 1318 appeared to collectively own through their shares the majority of the world's large blue chip and manufacturing firms - the "real" economy - representing a further 60 per cent of global revenues.

When the team further untangled the web of ownership, it found much of it tracked back to a "super-entity" of 147 even more tightly knit companies - all of their ownership was held by other members of the super-entity - that controlled 40 per cent of the total wealth in the network. "In effect, less than 1 per cent of the companies were able to control 40 per cent of the entire network," says Glattfelder. Most were financial institutions. The top 20 included Barclays Bank, JPMorgan Chase & Co, and The Goldman Sachs Group.

John Driffill of the University of London, a macroeconomics expert, says the value of the analysis is not just to see if a small number of people controls the global economy, but rather its insights into economic stability.

Concentration of power is not good or bad in itself, says the Zurich team, but the core's tight interconnections could be. As the world learned in 2008, such networks are unstable. "If one [company] suffers distress," says Glattfelder, "this propagates."

"It's disconcerting to see how connected things really are," agrees George Sugihara of the Scripps Institution of Oceanography in La Jolla, California, a complex systems expert who has advised Deutsche Bank.

Yaneer Bar-Yam, head of the New England Complex Systems Institute (NECSI), warns that the analysis assumes ownership equates to control, which is not always true. Most company shares are held by fund managers who may or may not control what the companies they part-own actually do. The impact of this on the system's behaviour, he says, requires more analysis.

Crucially, by identifying the architecture of global economic power, the analysis could help make it more stable. By finding the vulnerable aspects of the system, economists can suggest measures to prevent future collapses spreading through the entire economy. Glattfelder says we may need global anti-trust rules, which now exist only at national level, to limit over-connection among TNCs. Sugihara says the analysis suggests one possible solution: firms should be taxed for excess interconnectivity to discourage this risk.

One thing won't chime with some of the protesters' claims: the super-entity is unlikely to be the intentional result of a conspiracy to rule the world. "Such structures are common in nature," says Sugihara.

Newcomers to any network connect preferentially to highly connected members. TNCs buy shares in each other for business reasons, not for world domination. If connectedness clusters, so does wealth, says Dan Braha of NECSI: in similar models, money flows towards the most highly connected members. The Zurich study, says Sugihara, "is strong evidence that simple rules governing TNCs give rise spontaneously to highly connected groups". Or as Braha puts it: "The Occupy Wall Street claim that 1 per cent of people have most of the wealth reflects a logical phase of the self-organising economy."

So, the super-entity may not result from conspiracy. The real question, says the Zurich team, is whether it can exert concerted political power. Driffill feels 147 is too many to sustain collusion. Braha suspects they will compete in the market but act together on common interests. Resisting changes to the network structure may be one such common interest.

When this article was first posted, the comment in the final sentence of the paragraph beginning "Crucially, by identifying the architecture of global economic power…" was misattributed.

The top 50 of the 147 superconnected companies

1. Barclays plc
2. Capital Group Companies Inc
3. FMR Corporation
4. AXA
5. State Street Corporation
6. JP Morgan Chase & Co
7. Legal & General Group plc
8. Vanguard Group Inc
9. UBS AG
10. Merrill Lynch & Co Inc
11. Wellington Management Co LLP
12. Deutsche Bank AG
13. Franklin Resources Inc
14. Credit Suisse Group
15. Walton Enterprises LLC
16. Bank of New York Mellon Corp
17. Natixis
18. Goldman Sachs Group Inc
19. T Rowe Price Group Inc
20. Legg Mason Inc
21. Morgan Stanley
22. Mitsubishi UFJ Financial Group Inc
23. Northern Trust Corporation
24. Société Générale
25. Bank of America Corporation
26. Lloyds TSB Group plc

27. Invesco plc
28. Allianz SE 29. TIAA
30. Old Mutual Public Limited Company
31. Aviva plc
32. Schroders plc
33. Dodge & Cox
34. Lehman Brothers Holdings Inc*
35. Sun Life Financial Inc
36. Standard Life plc
37. CNCE
38. Nomura Holdings Inc
39. The Depository Trust Company
40. Massachusetts Mutual Life Insurance
41. ING Groep NV
42. Brandes Investment Partners LP
43. Unicredito Italiano SPA
44. Deposit Insurance Corporation of Japan
45. Vereniging Aegon
46. BNP Paribas
47. Affiliated Managers Group Inc
48. Resona Holdings Inc
49. Capital Group International Inc
50. China Petrochemical Group Company

*Lehman still existed in the 2007 dataset used

This economic collapse is a 'crisis of bigness'

Paul Kingsnorth; Guardian; via Ian Edwards. John Papworth and Inquiring Minds

Leopold Kohr warned 50 years ago that the gigantist global system would grow until it imploded. We should have listened

Living through a collapse is a curious experience. Perhaps the most curious part is that nobody wants to admit it's a collapse. The results of half a century of debt-fuelled "growth" are becoming impossible to convincingly deny, but even as economies and certainties crumble, our appointed leaders bravely hold the line. No one wants to be the first to say the dam is cracked beyond repair.

To listen to a political leader at this moment in history is like sitting through a sermon by a priest who has lost his faith but is desperately trying not to admit it, even to himself. Watch Nick Clegg, David Cameron or Ed Miliband mouthing tough-guy platitudes to the party faithful. Listen to Angela Merkel, Nicolas Sarkozy or George Papandreou pretending that all will be well in the eurozone. Study the expressions on the faces of Barack Obama or Ben Bernanke talking about "growth" as if it were a heathen god to be appeased by tipping another cauldron's worth of fictional money into the mouth of a volcano.

In times like these, people look elsewhere for answers. A time of crisis is also a time of opening-up, when thinking that was consigned to the fringes moves to centre stage. When things fall apart, the appetite for new ways of seeing is palpable, and there are always plenty of people willing to feed it by coming forward with their pet big ideas.

But here's a thought: what if big ideas are part of the problem? What if, in fact, the problem is bigness itself?

The crisis currently playing out on the world stage is a crisis of growth. Not, as we are regularly told, a crisis caused by too little growth, but by too much of it. Banks grew so big that their collapse would have brought down the entire global economy. To prevent this, they were bailed out with huge tranches of public money, which in turn is precipitating social crises on the streets of western nations. The European Union has grown so big, and so unaccountable, that it threatens to collapse in on itself. Corporations have grown so big that they are overwhelming democracies and building a global plutocracy to serve their own interests. The human economy as a whole has grown so big that it has been able to change the atmospheric composition of the planet and precipitate a mass extinction event.

One man who would not have been surprised by this crisis of bigness, had he lived to see it, was Leopold Kohr. Kohr has a good claim to be the most important political thinker that you have never heard of. Unlike Marx, he did not found a global movement or inspire revolutions. Unlike Hayek, he did not rewrite the economic rules of the modern world. Kohr was a modest, self-deprecating man, but this was not the reason his ideas have been ignored by movers and shakers in the half century since they were produced. They have been ignored because they do not flatter the egos of the power-hungry, be they revolutionaries or plutocrats. In fact, Kohr's message is a direct challenge to them. "Wherever something is wrong," he insisted, "something is too big."

Kohr was born in 1909 in the small Austrian town of Oberndorf. This smalltown childhood, together with his critical study of economics and political theory at the LSE, his experience of anarchist city states during the Spanish civil war, which he covered as a war reporter, and the fact that he was forced to flee Austria after the Nazi invasion (Kohr was Jewish), contributed to his growing suspicion of power and its abuses.

Settling in the US, Kohr began to write the book that would define his thinking. Published in 1957, The Breakdown of Nations laid out what at the time was a radical case: that small states, small nations and small economies are more peaceful, more prosperous and more creative than great powers or superstates. It was a claim that was as unfashionable as it was possible to make. This was the dawn of the space age – a time of high confidence in the progressive, gigantist, technology-fuelled destiny of humankind. Feted political thinkers were talking in all seriousness of creating a world government as the next step towards uniting humanity. Kohr was seriously at odds with the prevailing mood. He later commented, dryly, that his critics "dismissed my ideas by referring to me as a poet".

Kohr's claim was that society's problems were not caused by particular forms of social or economic organisation, but by their size. Socialism, anarchism, capitalism, democracy, monarchy – all could work well on what he called "the human scale": a scale at which people could play a part in the systems that governed their lives. But once scaled up to the level of modern states, all systems became oppressors. Changing the system, or the ideology that it claimed inspiration from, would not prevent that oppression – as any number of revolutions have shown – because "the problem is not the thing that is big, but bigness itself".

Drawing from history, Kohr demonstrated that when people have too much power, under any system or none, they abuse it. The task, therefore, was to limit the amount of power that any individual, organisation or government could get its hands on. The solution to the world's problems was not more unity but more division. The world should be broken up into small states, roughly equivalent in size and power, which would be able to limit the growth and thus domination of any one unit. Small states and small economies were more flexible, more able to weather economic storms, less capable of waging serious wars, and more accountable to their people. Not only that, but they were more creative. On a whistlestop tour of medieval and early modern Europe, The Breakdown of Nations does a brilliant job of persuading the reader that many of the glories of western culture, from cathedrals to great art to scientific innovations, were the product of small states.

To understand the sparky, prophetic power of Kohr's vision, you need to read The Breakdown of Nations. Some if it will create shivers of recognition. Bigness, predicted Kohr, could only lead to more bigness, for "whatever outgrows certain limits begins to suffer from the irrepressible problem of unmanageable proportions". Beyond those limits it was forced to accumulate more power in order to manage the power it already had. Growth would become cancerous and unstoppable, until there was only one possible endpoint: collapse.

We have now reached the point that Kohr warned about over half a century ago: the point where "instead of growth serving life, life must now serve growth, perverting the very purpose of existence". Kohr's "crisis of bigness" is upon us and, true to form, we are scrabbling to tackle it with more of the same: closer fiscal unions, tighter global governance, geoengineering schemes, more economic growth. Big, it seems, is as beautiful as ever to those who have the unenviable task of keeping the growth machine going.

This shouldn't surprise us. It didn't surprise Kohr, who, unlike some of his utopian critics, never confused a desire for radical change with the likelihood of it actually happening. Instead, his downbeat but refreshingly honest conclusion was that, like a dying star, the gigantist global system would in the end fall in on itself, and the whole cycle of growth would begin all over again. But before it did so, "between the intellectual ice ages of great-power domination", the world would become "little and free once more".

THE 99% DECLARATION

via Global Table

ANNOUNCEMENT: Start meeting with people in your congressional districts to form election committees. Talk to your friends and neighbors and ask them to serve on the local election committee. We have gotten an overwhelming response to people who would like to run for delegate and be on election committees in the 435 districts. To make things more efficient, please sign up for your election committee here:

"Educate and inform the whole mass of the people. They are the only sure reliance for the preservation of our liberty."

-Thomas Jefferson

"Fascism should more appropriately be called Corporatism because it is a merger of state and corporate power."

-Benito Mussolini

WHEREAS THE FIRST AMENDMENT TO THE UNITED STATES CONSTITUTION PROVIDES THAT: Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances.

BE IT RESOLVED THAT:

WE, THE NINETY-NINE PERCENT OF THE PEOPLE of the UNITED STATES OF AMERICA, in order to form a more perfect Union, by, for and of the PEOPLE, shall elect and convene a NATIONAL GENERAL ASSEMBLY beginning on July 4, 2012 in the City Of Philadelphia.

I.Election of Delegates:

The People, consisting of all United States citizens who have reached the age of 18, regardless of party affiliation and voter registration status, shall elect Two Delegates, one male and one female, by direct vote, from each of the existing 435 Congressional Districts to represent the People at the NATIONAL GENERAL ASSEMBLY in Philadelphia. Said Assembly shall officially convene on July 4, 2012. The office of

Delegate shall be open to all United States citizens who have reached the age of 18. Election Committees, elected or appointed by local General Assemblies or the Working Group on the 99% Declaration, shall organize, coordinate and fund this election by direct democratic voting. The Election Committees, Working Groups and local General Assemblies shall operate as the original Committees of Correspondence once did but today we shall democratically elect, free from the corrupting influences of corporate greed and money, a NATIONAL GENERAL ASSEMBLY for the purpose of peacefully petitioning our government for a redress of grievances.

II. Meeting of the National General Assembly and Approval of a Petition for a Redress of Grievances:

In addition to ensuring a free and fair election of the Delegates to the NATIONAL GENERAL ASSEMBLY, the Working Group on the 99% Declaration shall be responsible for raising sufficient funds to secure a venue wherein the the 870 Delegates may convene, deliberate, consider, vote and ratify a PETITION OF GRIEVANCES to be presented to all 535 members of Congress, the 9 members of the Supreme Court, the President of the United States and each of the political candidates seeking to be elected to federal public office in November 2012. Subject to the voting procedure for the final vote of ratification of the PETITION OF GRIEVANCES as set forth in section III, the Delegates of the National General Assembly shall vote upon and implement their own rules, procedures, agenda, code of conduct, elections or appointments of committee members to efficiently and expeditiously accomplish the People's mandate to present a PETITION OF GRIEVANCES before the 2012 elections.

III. Content of the Petition for a Redress of Grievances:

The PETITION OF GRIEVANCES shall be non-partisan and specifically address the critical issues now confronting the People of the United States of America. The Delegates shall deliberate and vote upon proposals for the PETITION OF GRIEVANCES and if necessary adjourn for further consultation with the People of the United States of America as our founding fathers conferred during the first two Continental Congresses. The final vote ratifying the PETITION OF GRIEVANCES shall be by simple majority vote. A duly elected chairperson of the National General Assembly shall determine the outcome of the vote on ratification in the event of a tie.

IV. Suggested Content of the Petition for a Redress of Grievances:

In order to facilitate the timely election of the 870 Delegates to the National General Assembly by July 4, 2012 and petition the government for a redress of grievances before the 2012 elections, the Working Group on the 99% Declaration, founded and duly announced to the New York City General Assembly on October 15, 2011, shall draft a suggested list of grievances to be respectfully submitted to the Delegates of the National General Assembly no later than June 30, 2012. The final version of the PETITION OF GRIEVANCES ratified by the National General Assembly, MAY or MAY NOT include the following issues suggested by the Working Group on the 99% Declaration:

1 Elimination of the Corporate State. Implementing an immediate ban on all private contributions of money and gifts, to all politicians in federal office, from individuals, corporations, "political action committees," "super political action committees," lobbyists, unions and all other private sources of money or thing of value to be replaced by the fair, equal and total public financing of all federal political campaigns. We categorically REJECT the concepts that corporations are persons or that money is equal to free speech because if that were so, then only the wealthiest people and corporations would have a voice. The complete elimination of private contributions must be enacted by law or Constitutional amendment because it has become clear that politicians in the United States cannot regulate themselves and have become the exclusive representatives of corporations, unions and the very wealthy who indirectly and directly spend vast sums of money on political campaigns to influence the candidates' decisions when they attain office and ensure their reelection year after year. Our elected representatives spend far too much of their time fundraising for the next election rather than doing the People's business. The current system's propagation of legalized bribery and perpetual conflicts

of interests has reduced our once great republican democracy to a greed driven corporatocracy run by boardroom oligarchs who represent .05 to 1% of the population but own 38% of the wealth.

2.Rejection of the Citizens United Case. The immediate abrogation, even if it requires a Constitutional Amendment, of the outrageous and anti-democratic holding in the "Citizens United" case proclaimed by the United States Supreme Court. This heinous decision equates the payment of money by corporations, wealthy individuals and unions to politicians with the exercise of protected free speech. We, the People, demand that this institutional bribery and corruption never again be deemed protected free speech.

3. Elimination of Private Contributions to Politicians. Prohibiting all federal public employees, officers, officials or their immediate family members from ever being employed by any corporation, individual or business that they specifically regulated while in office; nor may any public employee, officer, official or their immediate family members own or hold any stock or shares in any corporation they regulated while in office until a full 5 years after their term is completed; a complete lifetime ban on the acceptance of all gifts, services, money or thing of value, directly or indirectly, by any elected or appointed federal official or their immediate family members, from any person, corporation, union or other entity that the public official was charged to specifically regulate while in office. In sum, elected politicians and public employees in regulatory roles may only collect their salary, generous healthcare benefits and pension. Any person, including corporate employees, found guilty and convicted of violating these rules in a court of law by proof beyond a reasonable doubt, shall be sentenced to a term of mandatory imprisonment of no less than one year and not more than ten years.

4. Term Limits. Members of the United States House of Representatives shall be limited to serving no more than four two-year terms in their lifetime. Members of the United States Senate shall be limited to serving no more than two six-year terms in their lifetime. The two-term limit for President shall remain unchanged. Serving as a member of Congress or as the President of the United States is one of the highest honors and privileges our culture can bestow. These positions of prominence in our society should be sought to serve one's country and not provide a lifetime career designed to increase personal wealth and accumulate power for the sake of vanity.

5. A Fair Tax Code. A complete reformation of the United States Tax Code to require ALL citizens to pay a fair share of a progressive, graduated income tax by eliminating loopholes, unfair tax breaks, exemptions and deductions, subsidies (e.g. oil, gas and farm) and ending all other methods of evading taxes. The current system of taxation favors the wealthiest Americans, many of whom pay fewer taxes to the United States Treasury than citizens who earn much less and pay a much higher percentage of income in taxes to the United States Treasury. We, like Warren Buffet, find this income tax disparity to be fundamentally unjust.

6. Healthcare for All. Medicare for all or adoption of a single-payer healthcare system. The Medicaid program will be eliminated.

7. Protection of the Planet. New comprehensive regulations to give the Environmental Protection Agency expanded powers to shut down corporations, businesses or any entities that intentionally or recklessly damage the environment, and to criminally prosecute individuals who intentionally or recklessly damage the environment. We also demand the immediate adoption of the most recent international protocols, including the "Washington Declaration" to cap carbon emissions and implement new and existing programs to transition away from fossil fuels to reusable or carbon neutral sources of energy.

8. Debt Reduction. Adoption of an immediate plan to reduce the national debt to a sustainable percentage of GDP by 2020. Reduction of the national debt to be achieved by BOTH fair taxation and cuts in spending to corporations engaged in perpetual war for profit, the "healthcare" industry, the pharmaceutical industry, the communications industry, the oil and gas industry, and all other sectors that use the federal budget as their income stream. We agree that spending cuts are necessary but those cuts must be

made to facilitate what is best for the People of the United States of America, not multinational and domestic corporations who currently have a stranglehold on all politicians in Washington, D.C. In both parties.

9. Jobs for All Americans. Passage of a comprehensive job and job-training act like the American Jobs Act to employ our citizens in jobs that are available with specialized training and by putting People to work now by repairing America's crumbling infrastructure. We also recommend the establishment of an online international job exchange to match employers with skilled workers or employers willing to train workers in 21st century skills. In conjunction with a new jobs act, reinstitution of the Works Progress Administration and Civilian Conservation Corps or a similar emergency governmental agency tasked with creating new public works projects to provide jobs to the 46 million People living in poverty, the 9.1% unemployed and 10% underemployed.

10. Student Loan Forgiveness. Implementation of a student loan debt relief forgiveness program. Our young students are more than $830 billion in debt from education loans alone with few employment prospects due to financial collapse directly caused by the unbridled and unregulated greed of Wall Street. Interest on these debts should be reduced and deferred for periods of unemployment and the principal on these loans reduced or forgiven by using a Wall Street corporate tax surcharge as reparations for their conduct leading to the economic collapse of 2007-2008 and current worldwide recession. The tax code must also be amended so that employers will receive a student loan repayment tax deduction for paying off the loans of their employees.

11. Immigration Reform. Immediate passage of the Dream Act and comprehensive immigration and border security reform including offering visas, lawful permanent resident status and citizenship to the world's brightest People to stay and work in our industries and schools after they obtain their education and training in the United States.

12. Ending of Perpetual War for Profit. Recalling all military personnel at all non-essential bases and refocusing national defense goals to address threats posed by the geopolitics of the 21st century, including terrorism and limiting the large scale deployment of military forces to instances where Congressional approval has been granted to counter the Military Industrial Complex's goal of perpetual war for profit. The annual estimated savings of one trillion dollars per year saved by updating our military posture will be applied to the social programs outlined herein to improve the quality of life for human beings rather than assisting corporations to make ever-increasing profits distributed to the top 1% of wealth owners.

13. Reforming Public Education. Mandating new educational goals to train the American public to perform jobs in a 21st century economy, particularly in the areas of technology and green energy, taking into consideration the redundancy caused by technology and the inexpensive cost of labor in China, India and other countries. Eliminating tenure and paying our teachers a competitive salary commensurate with the salaries of employees in the private sector with similar skills because without highly-skilled teachers, there will never be a highly-skilled workforce.

14. End Outsourcing. Subject to the elimination of corporate tax loopholes and exploited exemptions and deductions stated above, offering tax incentives to businesses to remain in the United States and hire our citizens rather than outsource jobs. An "outsourcing tax" should be introduced to discourage businesses from sending jobs overseas. Providing tax breaks to companies that invest in reconstructing the manufacturing capacity of the United States so that we again make everyday products in the United States rather than importing them from countries like China and India.

15. End Currency Manipulation. Implementing immediate legislation and WTO intervention if need be, to encourage China and our other trading partners to end currency manipulation and reduce the trade deficit.

16. Banking and Securities Reform. Immediate reenactment of the Glass-Steagall Act and increased regulation of Wall Street and the financial industry by the SEC, FINRA and the other financial regulators. The immediate commencement of Justice Department criminal investigations into the Securities and Banking industry practices that led to the

collapse of markets, $700 billion bail-out, and financial firm failures in 2007-2008. Introduction of a small financial transaction fee to collect a tax on each and every stock trade and all other forms of financial transactions. Uniform regulations limiting what banks may charge consumers for ATM fees, the use of debit cards and other miscellaneous "fees." Ending the $4 billion a year "hedge fund loophole" which permits certain individuals engaged in financial transactions to evade graduated income tax rates by treating their income as capital gains which are taxed at a much lower tax rate (approximately 15%).

17. Foreclosure Moratorium. Adoption of a plan similar to President Clinton's proposal to end the mortgage crisis. The privately owned Federal Reserve Bank shall not continue to lower interest rates for loans to banks that are refusing to loan to small businesses and consumers, but instead shall buy all underwater or foreclosed mortgages. It will refinance these debts at an interest rate of 1% or less, because that is the interest rate it charges the banks that hoard the cash rather than loan it to the People and small businesses. These debts will be managed by the newly established Consumer Financial Protection Bureau (and foreclosure task force described below)

18. Ending the Fed. The immediate formation of a non-partisan commission, overseen by Congress, to audit and investigate the economic risks and possibility of eliminating the privately-owned Federal Reserve Bankand transferring its functions to the United States Treasury Department. The immediate one-year freeze on all foreclosures shall be implemented by an independent foreclosure task force appointed and overseen by Congress and the Executive Branch (in conjunction with the Consumer Financial Protection Bureau) to determine, on a case-by-case basis, whether foreclosure proceedings should continue based on the circumstances of each homeowner and the propriety of the financial institution's conduct when originating the loan.

19. Abolish the Electoral College, Comprehensive Campaign Finance and Election Reform. Subject to the above ban on all private money and gifts in politics, to enact additionaln campaign finance reform requiring new FCC regulations granting free air time to all candidates; total public campaign financing to all candidates who obtain sufficient petition signatures and/or votes to get on the ballot and participate in the primaries and/ or electoral process; shortening the campaign season to three months; and allowing voting on weekends and holidays; issuance of free voter registration cards to all citizens who are eligible to vote so that they cannot be turned away at a polling station because they do not have a driver's license or other form of identification; and expanding the option of mail-in ballots to all elections, especially for elderly and disabled voters. Abolishing the Electoral College in favor of the Popular Vote in presidential elections.

20. Ending the War in Afghanistan. An immediate withdrawal of all combat troops from Afghanistan and a substantial increase in the amount of funding for veteran job training and placement. New programs dedicated to the treatment of the emotional and physical injuries sustained by veterans of Iraq and Afghanistan. Our veterans are committing suicide at an unprecedented rate and we must help now.

BE IT FURTHER RESOLVED that IF the PETITION OF GRIEVANCES approved by the 870 Delegates of the NATIONAL GENERAL ASSEMBLY in consultation with the PEOPLE, is not acted upon within a reasonable time and to the satisfaction of the Delegates of the NATIONAL GENERAL ASSEMBLY, said Delegates shall organize a new INDEPENDENT POLITICAL PARTY to run candidates for every available Congressional seat in the mid-term election of 2014 and again in 2016 until all vestiges of the existing corrupt corporatocracy have been removed by the power of the ballot box.

★THE NINETY-NINE PERCENT★

This site went online on October 7, 2011 at 4:33 p.m. The #OWS Working Group on the 99% Declaration was announced to the New York City General Assembly on October 15, 2011 at 7:45 p.m and has since grown to more than 700 members.

DECLARATION OF THE OCCUPATION OF NEW YORK CITY

New York City General Assembly; via Inquiring Minds

As we gather together in solidarity to express a feeling of mass injustice, we must not lose sight of what brought us together. We write so that all people who feel wronged by the corporate forces of the world can know that we are your allies.

As one people, united, we acknowledge the reality: that the future of the human race requires the cooperation of its members; that our system must protect our rights, and upon corruption of that system, it is up to the individuals to protect their own rights, and those of their neighbors; that a democratic government derives its just power from the people, but corporations do not seek consent to extract wealth from the people and the Earth; and that no true democracy is attainable when the process is determined by economic power. We come to you at a time when corporations, which place profit over people, self-interest over justice, and oppression over equality, run our governments. We have peaceably assembled here, as is our right, to let these facts be known.

They have taken our houses through an illegal foreclosure process, despite not having the original mortgage.

They have taken bailouts from taxpayers with impunity, and continue to give Executives exorbitant bonuses.

They have perpetuated inequality and discrimination in the workplace based on age, the color of one's skin, sex, gender identity and sexual orientation.

They have poisoned the food supply through negligence, and undermined the farming system through monopolization.

They have profited off of the torture, confinement, and cruel treatment of countless animals, and actively hide these practices.

They have continuously sought to strip employees of the right to negotiate for better pay and safer working conditions.

They have held students hostage with tens of thousands of dollars of debt on education, which is itself a human right.

They have consistently outsourced labor and used that outsourcing as leverage to cut workers' healthcare and pay.

They have influenced the courts to achieve the same rights as people, with none of the culpability or responsibility.

They have spent millions of dollars on legal teams that look for ways to get them out of contracts in regards to health insurance.

They have sold our privacy as a commodity.

They have used the military and police force to prevent freedom of the press. They have deliberately declined to recall faulty products endangering lives in pursuit of profit.

They determine economic policy, despite the catastrophic failures their policies have produced and continue to produce.

They have donated large sums of money to politicians, who are responsible for regulating them.

They continue to block alternate forms of energy to keep us dependent on oil.

They continue to block generic forms of medicine that could save people's lives or provide relief in order to protect investments that have already turned a substantial profit.

They have purposely covered up oil spills, accidents, faulty bookkeeping, and inactive ingredients in pursuit of profit.

They purposefully keep people misinformed and fearful through their control of the media.

They have accepted private contracts to murder prisoners even when presented with

serious doubts about their guilt.
They have perpetuated colonialism at home and abroad. They have participated in the torture and murder of innocent civilians overseas.
*They continue to create weapons of mass destruction in order to receive government contracts. **

To the people of the world,

We, the New York City General Assembly occupying Wall Street in Liberty Square, urge you to assert your power.
Exercise your right to peaceably assemble; occupy public space; create a process to address the problems we face, and generate solutions accessible to everyone.
To all communities that take action and form groups in the spirit of direct democracy, we offer support, documentation, and all of the resources at our disposal.
Join us and make your voices heard!
*These grievances are not all-inclusive.

Andrej Hunko's speech at the Athens conference on debt and austerity

via Nathan Allonby

First of all, I would like to express my gratitude for being given the opportunity to speak to you at this most interesting conference. Public debate on how to deal with the debt crisis is valuable and necessary. There should be more conferences on this issue, since such debate is needed on a pan-European level. That this conference should take place in Greece is particularly fitting: Greece is the very cradle of democracy, and democracy means that the people have a say in decisions that affect their lives – and thus the people should decide who will bear the costs of the crisis.

Incidentally, Iceland is another country in which democracy took root very early; it has the oldest continuously existing parliament in the world. The economic crisis had a particularly severe impact on Iceland because neo-liberalism and deregulation of financial markets in the 1990s and in the first decade of this century were especially extensive there. Iceland is also the only European country so far to have held two referendums on whether the debts of a private bank, in this case the Icesave Bank, should be assumed by the public – and its citizens voted “no” both times. This is a message of symbolic value for other European nations, too: The brunt of the crisis should not be borne by those who have the least responsibility for causing it.

As a member of the German Bundestag's Committee on the Affairs of the European Union, the role I have speaking to you here today is a bit like reporting from the “belly of the beast”. I well remember sitting in a meeting of the Committee one year ago discussing the draconian austerity package imposed on Greece as part of the so-called aid package. And I am also well aware that it was the German government that advocated the social programme cuts and privatisation measures tied to the EU-IMF package most adamantly on the EU level. When we reached this point on the agenda, the government parliamentary groups closed the session to the public and the Greek ambassador was obliged to leave. She called me up afterwards to ask what we had discussed and I apologised for the stance of the German government, and I would like to repeat that apology here to you all today.

The so-called Greece Package and the euro rescue fund are not the aid packages they are always painted as; they are actually life buoys of lead. They are aid packages for the financial markets but not for the people, not in Greece, nor in Ireland, nor in Portugal. In the Left Party parliamentary group, we all voted against these packages – not because we didn't want to help these countries but because we are opposed to the conditions tied to them, namely social programme cuts, pressure for more privatisation and austerity programmes. These are not only antidemocratic and socially unjust, they also make no sense economically, and it was clear they would lead to the situation we are now facing: The crisis has intensified and the chances of finding a solution under these conditions are growing ever slimmer.

Dear Friends, I would also like to address another issue here today: The so-called Greece Package has been accompanied in Germany by an intolerable anti-Greek campaign, especially in the tabloids. The cheap propaganda about the supposedly "lazy Greeks" that "we Germans" have to bail out now has become deeply ingrained in the minds of a wide section of the public. These basest xenophobic and nationalistic sentiments have been whipped up to distract attention from the actual reasons for the crisis, and I regret to say that these efforts have been partly successful. And, as we can see from the most recent elections in Finland, such propaganda prepares the ground for right-wing populist parties to flourish – yet another reason to take a closer look at what caused the crisis.

I would now like to briefly address some of the causes of the euro crisis:

1.A major factor behind the crisis is the great current-account imbalance between the different national economies. Germany runs a huge current-account surplus, as the German economy is heavily export-oriented. This might make Germany world champion in exports, but only at the price of wage dumping within the country itself. Germany does not have a legal minimum wage, and Germany is the only country in the EU where real wages have dropped by around five percent over the last 12 years. This is putting great pressure on the weaker national economies in the euro area, a situation that will endanger the internal cohesion of the EU over the long term. It is insupportable that the German government refuses to accept economic redress of these imbalances.

2.A redistribution of wealth from bottom to top is taking place throughout Europe. This is sapping the purchasing power of the masses on the one hand, and on the other it is creating enormous piles of money that is disconnected from the real economy and generating a spree of speculation. Some of this capital is being used to speculate against individual countries, for example Greece.

3.Privatisation and the deregulation of financial markets have depleted state coffers, not only in Greece, but in Germany, as well. The balance of power between the public budgets and democratically elected governments on the one hand and the financial markets on the other has shifted drastically in favour of the financial markets. It is insufferable to watch EU governments making far-reaching decisions based purely on fear of the reactions of the financial markets.

The so-called "solutions" that have so far been proposed by the European Council will only serve to further entrench the problem. They want to give us more of the same medicine that caused the crisis in the first place: more “competitiveness”, more privatisation, no regulation of the financial markets. The EU and the IMF want Greece to cut spending by an additional 20 billion euros and privatise 50 billion euros worth of state assets. One almost gets the impression that those neo-liberals in Germany who called for Greece to sell off its islands actually meant their cynical appeals seriously.

What we really need to do is tackle the roots of the crisis and rein in the financial markets and the inordinate power they have amassed. That means regulation of financial markets with measures such as a tax on financial transactions, monitoring of capital flows, public rating agencies and enabling the ECB to issue direct loans to states. It also entails taking steps to even out the economic imbalances within the EU, especially with measures aimed at those countries with a large current-account surplus. And finally, it also means looking at the possibility of giving “haircuts” with the aim of making marauding speculators and others who have profited from the crisis pay, rather than taking money from workers’ pension funds.

Finally, we will not be able to take the steps we need to take within the current framework of the EU’s basic treaties as defined in the Lisbon Treaty. These treaties were produced in the time before the crisis, when neo-liberalism reigned supreme, and are not suited to dealing with the crisis. We need to completely revise the treaties in order to create a Europe that is more socially just, ecologically sustainable and peaceful. We have two options: Either we create more social justice in Europe – or we will ultimately see Europe fail.

Dare Less Democracy

German-Foreign-Policy.Com via Edward Spalton

(Here we have another sinister voice from the Oligarchy, expounding the virtues of the 'post democratic age' ... and in a week when it was revealed that the boardroom pay of the top corporates has increased by almost 50% in a single year, whereas we, the Hoi Poloi, the Great Unwashed, benefit by a mere 2.5%.
It transpires that we have too much democracy. What we really need is "leadership" in the form of a "bit of dictatorship" in the Chinese manner. For that, read 'government by a transnational elite of corporate kleptocrats'.)

A recently published book, by one of the most influential German newspaper publishers, is pleading for a transition toward "less democracy." The "voice of the people" and the "emancipatory Zeitgeist, putting everything into question," has a too "paralyzing influence" on current governance, writes the publishing house in its blurb for the book. The author therefore demands to "correct the system" for "more efficient policy making." These "corrections" must include the dismantlement of democratic participation. The book, recently published under the title "Dare Less Democracy" is being heavily promoted by public broadcasting stations, for example the Westdeutsche

Rundfunk (WDR), with close affiliation to the Social Democrats. Since some time, influential circles of the German elite have been demanding dismantlement of democracy in Germany. The recently published book will bring this debate into a broader public.

The book "Dare Less Democracy" was published in August by the publishing house of the Frankfurter Allgemeine Zeitung, one of the most influential German dailies. The author Laszlo Trankovits is the bureau chief and correspondent of the Deutsche Presse Agentur (dpa) in South Africa. He had previously worked for dpa in Washington - as its "White House correspondent," explains the publisher.[1] The title of the book is hinting at social modernization that was introduced in the 1960s and often described with the demand to "Dare More Democracy." This was the formulation used by Chancellor Willy Brandt (SPD) in his government declaration speech in October 1969.

Functioning Leadership

Laszlo Trankovits opposes continuing this development. He claims that the politicians and the economy are presently faced with enormous problems that would only worsen with demands for popular participation, such as "Stuttgart 21." Frequent elections only increase pressure on politicians, who, out of fear of losing elections, avoid necessary and painful social cuts. Revelations on the internet, such as those by WikiLeaks, are exacerbating the policy making problems to the extreme. "The functioning and efficiency of a society, state and economy" are threatened, if "everyone can have their say and participate in everything."[2] It is therefore necessary to "debate how the systems of leadership, planning and shaping the future can continue to function." But this will lead to conflict with "political correctness," which "usually" proscribes "all demands (...) for a moderate limitation of participation and transparency."

Fewer Elections, More Concentration of Power

Trankovits however, is publicly calling for means of reducing democratic participation in Germany. He demands: "Fewer elections, longer legislative periods" and for the government "more centralization, more concentration of power, more control." In reference to the Federal Constitutional Court being repeatedly summoned on the constitutionality of new laws, Trankovits writes: "The increasing involvement of the Constitutional Court is heading in the wrong direction."[3] Rather than democratic participation, "Governance" needs "competence, decisiveness and leadership." It should never be suggested that a "democratic society can do away with inequality and establish social justice." Trankovits, a member of the elitist Rotary-Club, demands that the elite clearly "commits itself to capitalism and profit," and that "intelligent forms of public relations" be used to communicate policy measures to the population. However, the demand for more "transparency" is "counterproductive and paralyzing" for any "governance efficiency" and must be rejected, declares Trankovits.

Feelings of Superiority of Democrats

The call to dismantle democratic participation must obviously be seen in light of the West's loss of global influence to China's advantage. Trankovits explains [4] that

"German top managers (...) often are ravished, when they speak of China's huge development leaps." In "western democracies" we are accustomed to "years, if not decades of debate on the construction of a new power plant, airport or railway station." China's economic success causes "doubts about democracy's superiority" and the "traditional feelings of superiority held by democrats" is dwindling. This will induce efforts to reshape western societies, so that they can again take the leadership in global competition.

A Bit of Dictatorship

All this corresponds to assessments expressed in a review published in the periodical "Internationale Politik" last year.[5] The review also explained that China's economic boom "has reignited the competition of systems." Particularly "managers and industrialists" are hoping that the dismantlement of democratic participation will enhance "their opportunities." In their discussions, the elites are particularly bemoaning the inertia of democratic procedures and "the lack of a selection of political personnel." This induces a wish for "conceptualization of pertinent, depoliticized, bureaucratic procedure" and for "a bit of dictatorship." In fact, circles of the Berlin's establishment are already discussing dictatorial methods. The key Nazi jurist, Carl Schmitt, differentiated between provisional and sovereign dictatorships. "If there is various talk of dictatorial powers and measures today, it is usually [! german-foreign-policy.com] in the sense of what Schmitt referred to as a provisional dictatorship," the review explains, while also recognizing certain problems in its implementation. (german-foreign-policy.com reported.[6]) "But no constitutional institution is prepared to take the risk of installing a provisional dictator."

Initial State Support

Trankovits' recent book, presented by the publishing house of the Frankfurter Allgemeine Zeitung, pursues the debate described in the periodical " Internationale Politik". The book is particularly promoted by public broadcasting stations. For example, according to the Westdeutsche Rundfunk (WDR), closely affiliated with the Social Democrats, Trankovits has "carefully analyzed why too many opinion polls, too much democratic participation and accessibility to the citizens could paralyze Germany."[7] And according to the Hessische Rundfunk (HR), "his book seeks to counteract disenchantment with politics (and politicians) and is an encouragement to all of us."[8] Both broadcasting stations are providing much space and praise to the author and his publication - initial state support for an attempt to bring the debate on dismantling democracy into a larger public.

A review of Laszlo Trankovits' book "Dare less Democracy" can be found here.

[1] Die Obama-Methode; www.faz-institut.de

[2], [3], [4] Laszlo Trankovits: Weniger Demokratie wagen! Wie Politik und Wirtschaft wieder handlungsfähig werden, Frankfurt am Main 2011 (Frankfurter Allgemeine Buch)

[5], [6] Internationale Politik Mai/Juni 2010. See also A Bit of Dictatorship

[7] Die Stimme des Volkes; www.wdr2.de

[8] "Weniger Demokratie wagen!" - Laszlo Trankovits im Gespräch; www.hr-online.de

SOS FOR SOS

Iris Binstead

This notice from Iris Binstead, editor of SOS ... Save Our Sovereignty. Iris has served the cause for many years and is now having to step aside. She has a considerable mailing list, and a large number of long-standing correspondents who feed her with material on European affairs and other matters. Like the Runnymede Gazette, she is always confronted with far more material than she can publish, some of which could possibly be used in other ways.

It would be a great pity if all that were lost. If anyone wants to take on the editorship of SOS, please contact Iris at;-

5 Battery Park, Polruan-by-Fowey Cornwall PL23 1PT
Tel: 01726 870850 e-mail: iric.binstead@virgin.net

Dear SOS Reader

I am sorry to have to tell you that, mainly for health reasons, I have decided to discontinue writing the SOS.

I had hoped that somebody could be found to take over this newsletter but so far nobody has come forward. **If you know of anyone who would be prepared to take on this task, I would be grateful if you would let me know.**

When Pam Barden started SOS some 15 years ago there was very little press coverage of the European Union and any criticism of it was very much frowned upon by the Government. Even six years ago when I took over the newsletter, very little information was in the public domain. Now the situation has radically changed and rarely a day goes by when the newspapers are not full of EU news and frequently with a lot of critical comment.

For those people with internet access there are many web sites providing a vast amount of information about the EU and I would particularly draw your attention to www.th-eu-nit.com, a non-party political site edited by Trevor Colman MEP. The Campaign for an Independent Britain quarterly newsletter can be downloaded from http://www.freebritain.org.uk, and a hard copy of this quarterly newsletter can be obtained on application to the CIB, 78 Carlton Road, Worksop, Nottinghamshire,

S80 1PH. A useful source of information is 'Eurofacts', published by the June Press and available from PO Box 119, Totnes, Devon TQ9 7WA or by email at Eurofacts@junepress.com. Another interesting read is the 'Eurorealist' available from WEAC, 53 Daisy Bank Crescent, Walsall WS5 3BH, email Eurosceptic@aol.com

In closing, may I thank everyone for all the support and encouragement I have received over the last six years, and for the many generous donations which have enabled me to keep SOS going.

Yours sincerely

Iris Binstead

Slovakia - "A far away Country of which we know Nothing"

Edward Spalton

(For a short article this covers much ground. It encompasses the manner in which the EU 'level playing field" is very far from level and is used to further accelerate the de-industrialisation of our country {Yes, treason certainly has an economic dimension}, the workings of the EU 'debt union', and the impossibility of a 'single currency' which does not stand behind the debts of its constituent states. As we now see, written in spades before our eyes, a currency without a state is like a tail without a dog.
One important aspect of our relationship with the EU which is rarely mentioned, even by the most confirmed Eurosceptic, is the disonance between our own constitutional tradition and that of much of continental Europe. The notion that any state or public authority is immune from prosecution and thus above the law is utterly repugnant to our own tradition)

That was how Neville Chamberlain characterised Czechoslovakia whilst throwing it to the Nazi wolves by the Munich agreement. It was supposed to guarantee “Peace in our time”.

Until recently, I knew one thing about Slovakia which was once a joined in a single state with the Czechs. The country cost our car workers at Peugeot's Ryton plant their jobs.

The EU Commission offered large grants and concessions to the Slovaks for a new car plant. The British government, just like Mr. Hammond today, was bound by “EU rules” and could offer no similar incentive. “It's hands were tied” and Peugeot moved the production to subsidised Slovakia. That is how the EU's “level playing field” works.

To do Slovakia credit, it was one of the few EU states which stuck to all the rules to qualify for joining the euro currency and now it is required to bail out other, richer countries which played fast and loose.

EU rules explicitly forbade one country to be made responsible for the debts of another but now the eurozone countries have been panicked into a debt union. Tiny Slovakia alone has voted against it. This refusal will be short lived. As with Czechoslovakia in 1938, pressure from larger countries will soon prevail. Euro ueber Alles!

The cost will be equivalent to 300 hours extra work from every Slovak worker – but that is not the end of it. The EU debt union can make extra capital calls at any time. It is a thoroughly authoritarian set up. Whilst it has “legal personality” and can take legal action against governments, businesses and people, both the institution and its officers “shall enjoy immunity from every form of judicial process”. Its records and premises are “immune from search, requisition, confiscation, expropriation or any other form of seizure, taking or foreclosure, judicial, administrative or legislative action”.

A new night of authoritarianism is drawing in over Europe and it is rotten luck that this small country, a victim of fascism and communism, should be drawn into that darkness again.

It is even more deplorable that Her Majesty's Government, in its present role as a sort of EU County Council, is assisting the process by extending loans to support the euro – both directly and via the IMF. There is no realistic prospect of these loans being repaid.

It is time to stop feeding our wealth to this malignant cancer upon the continent's body politic.

Publicly-owned Banks as an Instrument of Economic Development: The German Model

Ellen Brown; WebofDebt; Global Research

URL of this article: www.globalresearch.ca/index.php?context=va&aid=27054

(This is the latest of a series of articles from Ellen Brown advocating local publically owned banks. Her first articles focussed on the Bank of North Dakota, the only 'state bank' in the USA. That North Dakota has amongst the best infrastructure in that country, and is one of only two states of the union to have its public finances resolutely in the black, is no coincidence. The key factor with a state or municipal bank is that all interest charged is redeemed to the public as dividend, resulting in huge savings on interest charges, and obviating any need for devices such as PFI.
Here Ellen Brown takes a look at Germany, a country well known for the high quality of its public infrastructure. She also looks at the attempts by both the IMF and the EU to destroy this system. Anything the EU doesn't like is almost certainly worth a second look!)

Publicly-owned banks were instrumental in funding Germany's "economic miracle" after the devastation of World War II. Although the German public banks have been targeted in the last decade for takedown by their private competitors, the model remains a viable alternative to the private profiteering being protested on Wall Street today.

One of the demands voiced by protesters in the Occupy Wall Street movement is for a "public option" in banking. What that means was explained by Dr. Michael Hudson, Professor of Economics at the University of Missouri in Kansas City, in an interview by Paul Jay of the Real News Network on October 6:

"The demand isn't simply to make a public bank but is to treat the banks generally as a public utility, just as you treat electric companies as a public utility. . . . Just as there was pressure for a public option in health care, there should be a public option in banking. There should be a government bank that offers credit card rates without punitive 30% interest rates, without penalties, without raising the rate if you don't pay your electric bill. This is how America got strong in the 19th and early 20th century, by essentially having public infrastructure, just like you'd have roads and bridges. . . . The idea of public infrastructure was to lower the cost of living and to lower the cost of doing business."

We don't hear much about a public banking option in the United States, but a number of countries already have a resilient public banking sector. A May 2010 article in The Economist noted that the strong and stable publicly-owned banks of India, China and

Brazil helped those countries weather the banking crisis afflicting most of the world in the last few years.

In the U.S., North Dakota is the only state to own its own bank. It is also the only state that has sported a budget surplus every year since the 2008 credit crisis. It has the lowest unemployment rate in the country and the lowest default rate on loans. It also has oil, but so do other states that are not doing so well. Still, the media tend to attribute North Dakota's success to its oil fields.

However, there are other Western public banking models that are successful without oil booms. Europe has a strong public banking sector; and leading it is Germany, with eleven regional public banks and thousands of municipally-owned savings banks. Germany emerged from World War II with a collapsed economy that had degenerated into barter. Today it is the largest and most robust economy in the Eurozone. Manufacturing in Germany contributes 25% of GDP, more than twice that in the UK. Despite the recession, Germany's unemployment rate, at 6.8%, is the lowest in 20 years. Underlying the economy's strength is its Mittelstand—small to medium sized enterprises—supported by a strong regional banking system that is willing to lend to fund research and development.

In 1999, public banks dominated German domestic lending, with private banks accounting for less than 20% of the market, compared to more than 40% in France, Spain, the Nordic countries, and Benelux. Since then, Germany's public banks have come under fire; but local observers say it is due to rivalry from private competitors rather than a sign of real weakness in the sector.

As precedent for a public option in banking, then, the German model deserves a closer look.

From the Ashes of Defeat to World Leader in Manufacturing

Germany emerged Phoenix-like from its disastrous defeat in two world wars to become Europe's economic powerhouse in the second half of the 20th century. In 1947, German industrial output was only one-third its 1938 level, and a large percentage of its working-age men were dead. Less than ten years after the war, people were already talking about the German economic miracle; and twenty years later, its economy was the envy of most of the world. By 2003, a country half the size of Texas had become the world's leading exporter, producing high quality automobiles, machinery, electrical equipment, and chemicals. Only in 2009 was Germany surpassed in exports by China, which has a population of over 1.3 billion to Germany's 82 million. In 2010, while much of the world was still reeling from the 2008 financial collapse, Germany reported 3.6% economic growth.

The country's economic miracle has been attributed to a variety of factors, including debt forgiveness by the Allies, currency reform, the elimination of price controls, and the reduction of tax rates. But while those factors freed the economy from its shackles, they don't explain its phenomenal rise from a war-torn battlefield to world leader in manufacturing and trade.

One overlooked key to the country's economic dynamism is its strong public banking system, which focuses on serving the public interest rather than on maximizing private profits. After the Second World War, it was the publicly-owned Landesbanks that helped family-run provincial companies get a foothold in world markets. As Peter Dorman describes the Landesbanks in a July 2011 blog:

They are publicly owned entities that rest on top of a pyramid of thousands of municipally owned savings banks. If you add in the specialized publicly owned real estate lenders, about half the total assets of the German banking system are in the public sector. (Another substantial chunk is in cooperative savings banks.) They are key tools of German industrial policy, specializing in loans to the Mittelstand, the small-to-medium size businesses that are at the core of that country's export engine. Because of the landesbanken, small firms in Germany have as much access to capital as large firms; there are no economies of scale in finance. This also means that workers in the small business sector earn the same wages as those in big corporations, have the same skills and training, and are just as productive.

The Landesbanks function as "universal banks" operating in all sectors of the financial services market. All are controlled by state governments and operate as central administrators for the municipally-owned savings banks, or Sparkassen, in their area.

The Sparkassen were instituted in Germany in the late 18th century as nonprofit organizations to aid the poor. The intent was to help people with low incomes save small sums of money, and to support business start-ups. The first savings bank was set up by academics and philanthropically-minded merchants in Hamburg in 1778, and the first savings bank with a local government guarantor was founded in Goettingen in 1801. The municipal savings banks were so effective and popular that they spread rapidly, increasing from 630 in 1850 to 2,834 in 1903. Today the savings banks operate a network of over 15,600 branches and offices and employ over 250,000 people, and they have a strong record of investing wisely in local businesses.

Targeted for Privatization

The reputation and standing of the German public banks were challenged, however, when they emerged as competitors in international markets. Peter Dorman writes:

"The EU doesn't like the landesbanken. They denounce the explicit and implicit public subsidies that state ownership entails, saying they violate the rules of competition policy. For over a decade they have fought to have the system privatized. In the end, the dispute is simply ideological: if you think that public ownership should only be an exception, narrowly crafted to address specific market failures, you want to see the landesbanken put on the auction block. If you think an economy should be organized to meet socially defined needs, you would want a large part of capital allocation to be responsive to public input, and you'd fight to keep the landesbanken the way they are." (There is a movement afoot in the US to promote public banking.)

The vicissitudes of German banking in the last decade were traced in a July 2011 article by Ralph Niemeyer, editor-in-chief of EUchronicle, titled "Commission's Dirty Task: WESTLB Devoured by Private Banks." He notes that after 1999, the major private banks left the path of sustainable traditional banking to gamble in collateralized debt obligations, credit default swaps, and derivatives. Private German banks accumulated an estimated 600 billion euros in toxic assets through their investment banking branches, for which German taxpayers wound up providing guarantees. Deutsche Bank AG was feeding its record profits almost exclusively through its investment banking division, which made a fortune trading credit default swaps on Greek state obligations. When this investment turned sour, the German government had to bail out the financial institution into which Deutsche Bank AG dumped these toxic assets.

While the large private banks were betting on the casinos of the financial markets, lending to businesses and the "real" economy was left to the public Sparkassen, which were more efficient in serving average citizens and local business because they were not stock companies that had to satisfy shareholders' hunger for ever-larger dividends. Today the market share of private banks in Germany is only 28.4%, and Deutsche Bank AG dominates the segment. But with its 7% market share, it is still well behind the public banks owned by municipalities and communities.

Neimeyer says the private banks wanted to break up the market dominance of the public banks to get a bigger piece of the pie themselves, and they used the European Commission to do it. The Commission had been lobbied since the early 1990s by German private banks and by Deutsche Bank AG in particular to attack the German government over the country's "inflexible" public banking sector.

The IMF, too, had long demanded that any competing public monopolies in the German banking market be broken up, citing their "inefficiencies." When the German public Sparkassen and Landesbanken were reluctant to turn to investment banking with its skyrocketing profits, they were branded as bureaucratic and "unsexy." When they were pressured to increase their returns for their government owners, the German Landesbanken did get sucked to some extent into derivatives and CDOs (fraudulently rated triple A). But while they "lost billions in the Goldman Sachs, Deutsche Bank and Lehman Brothers Ponzi scheme," Niemeyer says the extent to which they became involved in highly speculative transactions was "laughable in comparison with the damage done by private banks, for whom taxpayers are now providing guarantees."

It was the public banks and Sparkassen that supplied the real economy with liquidity, and that stepped in for the private banks when they withdrew to bet in the financial casino; but it was on the failings of the Landesbanken and Sparkassen that the media focused their attention. The real motive, says Niemeyer, was that the large private banks wanted the public banks' market share themselves:

In order to win back this important market share, it has become a prerogative to destroy public banking in Germany completely. This unpopular move could never come from the German government itself, so that's why the [European] Commission is being employed for this dirty job.

The Price of Success

The German public banks were brought down by knocking their public legs out from under them. Previously, they had enjoyed state guarantees that allowed them to acquire and lend funds at substantially better rates than private banks were able to do. But in 2001, the European Commission ruled to strip the Landesbanks of their explicit state credit guarantees, forcing them to compete on the same terms as private banks. And today the European Banking Authority is refusing to count the banks' implicit state guarantees in their "stress tests" for banking solvency.

The upshot is that the German public banks are being stripped of what has made them stable, secure, and able to lend at low interest rates: they have had the full faith and credit of the government and the public behind them. By eliminating the profit motive, focusing on the public interest, and relying on government guarantees, the German public banks were able to turn bank credit into the sort of public utility described by Prof. Hudson.

The example of Germany shows that even success is no guarantee in the face of a relentless onslaught of propaganda by large privately-owned banks interested only in making money for their CEOs, wealthiest clients and shareholders. But peering behind the propaganda, the public banking model that helped underwrite Germany's economic success might be the fast track to a U.S. banking system that serves Main Street rather than Wall Street.

Ellen Brown is an attorney and president of the Public Banking Institute, http://PublicBankingInstitute.org. In Web of Debt, her latest of eleven books, she shows how a private cartel has usurped the power to create money from the people themselves, and how we the people can get it back. Her websites are http://webofdebt.com and http://ellenbrown.com.

The Triumph of Capitalism: Jobless Nations

Prof. John Kozy; Global Research

URL of this article: www.globalresearch.ca/index.php?context=va&aid=26639

The Obama administration is intent on applying supply side principles to get the American economy out of the present recession, but supply side principles are based on the belief that if the government cuts taxes on the wealthy, they will invest their savings in new factories, that newly hired workers will increase employment, and that more output will increase tax receipts. But there is no way to make sure the wealthy actually invest their wealth in productive enterprises, especially in the U.S.

This entire theory is based on the mere pop-psychological belief that if you give a person money, s/he will invest it in productive ways. But nothing forces wealthy people to do that, and they haven't, worse, never really have, since creating jobs is not an essential business function, only making money is, and getting financial incentives from government is merely another way of making money, Giving money to businesses will not end recessions or depressions. In fact, it is likely to prolong them, since businesses will not create jobs until it is evident that those jobs will result in profits.

During the California Gold Rust, merchants went to the camps only after gold was discovered, and they left when the lode petered out. They did not use the capital they acquired from the miners to open productive businesses to provide jobs to the now jobless prospectors. In capitalist economies, capital is not acquired to be spent; it is acquired to be accumulated. Businesses do not exist to create jobs. Jobs are created by businesses only when it suits their purposes.

Beliefs in conventional wisdom are always dangerous. More often than not, conventional wisdom is wrong. But there are two kinds of conventional wisdom—the pro and the con. Every bit on conventional wisdom has its naysayers, and just as conventional wisdom can amount to nothing more than mere beliefs, so can the beliefs of naysayers. For instance, that today's economy is failing is rather evident, but many critics of it seem to believe that the problems with today's economy are of recent origin. But that's false. The economy today is little different in essence than it was is the 1600s when the colonists brought it with them from England. The horrors of England's 17th Century economy then are exactly its horrors today. Wealth held in the hands of a few and poverty experienced by the many. High levels of crime infused throughout society. Widespread unemployment, underemployment, and degrading employment. The destruction of human dignity. Homelessness, hunger, and frequent wars fought by common people for the benefit of the merchant class. Prevalent discrimination of various kinds. Government which governs for the wealthy and not for the people in general. And although there have been short-lived periods when the people were led to believe that their prospects were improving, these periods have regularly ended in economic collapses that wiped out any gains the common people had acquired.

The universal features of this economy are exemplified in the following historical vignette.

On January 24, 1848, gold was discovered by James W. Marshall at Sutter's Mill in Coloma, California. When people learned about the discovery, hundreds of thousands rushed to California. Wherever gold was discovered, miners collaborated to put up a camp and stake claims. Rough and Ready, Hangtown, and Portuguese Flat, among many others, sprang up, and merchants flocked to them, set up business in hastily built buildings, lean-tos, tents, and anywhere else serviceable to sell everything imaginable. Miners lived in tents, shanties, and deck cabins removed from abandoned ships. Each camp often had its own saloon and gambling house. Women of various ethnicities played various roles including that of prostitute and single entrepreneurs.

At first, the gold was simply "free for the taking." Disputes were often handled personally and violently. When gold became increasingly difficult to retrieve, Americans began to drive out foreigners. The State Legislature passed a foreign miners tax of twenty dollars per month, and American prospectors began organized attacks on foreigners, particularly Latin Americans and Chinese. In addition, the huge numbers of newcomers drove Native Americans out of their traditional hunting, fishing and gathering areas. Some responded by attacking miners. This provoked counter-attacks. The natives were often slaughtered. Those who escaped were unable to survive and starved to death. Natives succumbed to smallpox, influenza, and measles in large numbers. The Act for the Government and Protection of Indians, passed by the California Legislature, allowed settlers to capture and use natives as bonded workers and traffic in Native American labor, particularly that of young women and children, which was carried on as a legal business enterprise. Native American villages were regularly raided to supply the demand, and young women and children were carried off to be sold. The toll on the American immigrants could be severe as well: one in twelve forty-niners perished, as the death and crime rates during the Gold Rush were extraordinarily high, and the resulting vigilantism also took its toll.

Hydraulicking as a means of extracting the gold became prevalent. A byproduct of this was that large amounts of gravel, silt, heavy metals, and other pollutants went into streams and rivers. Many areas still bear the scars of hydraulic mining since the resulting exposed earth and downstream gravel deposits are unable to support plant life.

The merchants made far more money than the miners. The wealthiest man in California during the early years of the Gold Rush was Samuel Brannan, the tireless self-promoter, shopkeeper and newspaper publisher. About half the prospectors made a modest profit. Most, however, made little or wound up losing money. By 1855, the economic climate had changed dramatically. Gold could be retrieved profitably from the goldfields only by medium to large groups of workers, either in partnerships or as employees. By the mid-1850s, it was the owners of these gold-mining companies who made the money. When the lode petered-out, the merchants abandoned the sites faster than the miners. The gold rush was over.

I have, in the past, written about many of these horrid features of Capitalist economies, especially its abject immorality. Today I want to discuss an obvious falsehood that still gets repeated especially by right wing politicians and their counterparts in the economics profession and the business community, that is, businesses, not governments, create jobs.

This generic claim is, of course, obviously false and its generality makes it grossly ambiguous. What precisely does it mean, especially since the politicians who utter it spend piles of money and time trying to get jobs that are not created by any business? No business created the jobs of Congressman or President, so what sense does it make for such a person to claim that businesses, not government, creates jobs? The claim is utterly stupid.

In fact, businesses have no interest in creating jobs. Consider the vignette described above. Merchants flocked to the mining camps after gold was discovered and they left when the lode petered out. They did not use the capital they acquired from the miners to open productive businesses to provide jobs to the now jobless prospectors. In capitalist economies, capital is not acquired to be spent; it is acquired to be accumulated. Employees are merely means to that end, and whenever a business can accumulate capital without the use of employees, it will do it. And that is what has happened in large measure in America today. Businesses have found ways of accumulating capital without the need for American employees and government has aided and abetted businesses in doing so.

So, when a politician advocates giving financial incentives to businesses to induce them to create jobs, those politicians are involved in a ludicrous absurdity. All the proposal does is provide businesses with another tool for extracting money from common people without even having to deal with them, and the capital acquired by businesses in this way will merely be added to the capital accumulation bank. Why would a business want to create a job with it and put that capital in jeopardy? To assume that businesses will use that capital to create jobs is the fallacy of supply side economics, which, incidentally, is based on nothing but pop-psychology.

Supply side economics is based on the belief that if the government cuts taxes on the wealthy, they will invest their savings in new factories fitted with new technologies that will produce goods at lower costs, that newly hired workers will increase employment, and that more output will increase tax receipts. The economy will lift itself by its bootstraps. But there is no way to make sure the wealthy actually invest their wealth in productive enterprises, especially in the U.S. This entire theory is based on the mere pop-psychological belief that if you give a person money, s/he will do "the right thing" with it, namely, invest it in productive ways. But nothing forces wealthy people to do that, and they haven't, worse, never really have, since creating jobs is not an essential business function, only making money is, and getting financial incentives from government is merely another way of making money, Giving money to businesses will not end recessions or depressions. In fact, it is likely to prolong them, since businesses will not go where money cannot be made, because merchants are attracted to money like flies are attracted to dung. Businesses do not exist to create jobs. Jobs are created by businesses only when it suits their purposes.

John Kozy is a retired professor of philosophy and logic who writes on social, political, and economic issues. After serving in the U.S. Army during the Korean War, he spent 20 years as a university professor and another 20 years working as a writer. He has published a textbook in formal logic commercially, in academic journals and a small number of commercial magazines, and has written a number of guest editorials for newspapers. His on-line pieces can be found on http://www.jkozy.com/ and he can be emailed from that site's homepage.

RUNNNYMEDE GAZETTE EDITED BY;-

FRANK TAYLOR
2 CHURCH VIEW
ST GILES TERRACE
CHETTON
BRIDGNORTH
SHROPSHIRE
WV16 6UG
Tel; (01746) 789326
frankinshropshire@hotmail.co.uk