

RUNNYMEDE GAZETTE

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Positive Money team

EDITORIAL

OCCUPY AND THE POLITICS OF INSTANT GRATIFICATION

A slightly belated August edition for which my apologies. I was recently able to meet some Occupy activists. I was somewhat shaken both by the realisation of how small the organising core of the movement had been, and by how few of those were still active after the the eviction from St Paul's and elsewhere. And that after a relatively brief campaigning period in the public eye.

There seems to have been an assumption that the protest would rapidly turn viral and that 'critical mass' would thus be quickly achieved. Wiser heads might have warned that a few brief occupations of various buildings and public places around the country would not bring the Walls of Jericho crashing down. The oligarchs are formidably well organised and have seen off many larger and more persistent movements than Occupy.

However, this aspect of Occupy is much in tune with the times ... instant gratification. If at first you don't succeed then throw on the towel and go and do something else!

I make no apologies in returning to a point made many times in these pages. We are confronted by a kleptocratic oligarchy with huge resources, many faces and tentacles, and vast experience and guile in dealing with dissent. The struggle is, and will continue to be, protracted, difficult, complex and multi-faceted. It is no place for the faint-hearted or for any short-termist expectation of instant results.

In constructing a vehicle which can achieve critical mass, an extensive and well-rooted network of local branches, cells, lodge, chapters ... call them what you will ... is essential. It is no use speaking for the supposed 99%, when you are not even 0.0099%.

The message has to go onto the doorsteps. Achieving critical mass not only involves mobilising a large number of people, but in ensuring that awareness and understanding are also fully mobilised. The message needs to be a clear and simple expression of the

common threads which unite grievances. I believe the Purton Declaration continues to provide the best template for the way forward.

I wish the best to those of Occupy who remain behind. The Mark I prototype didn't work, but that need not be the end of the story. The next step must involve a closer working relationship between many diverse campaigns and networks.

WANTED ... A HELPFULGEEK

The Runnymede website is still in need of completion. This editor boasts little in the way of any IT talents. Is there anyone out there who can help? Please get in touch asap.

RUNNYMEDE CONFERENCE CANCELLED

Sadly, there has been a huge clash of events and other conferences ... half a dozen and counting ... in late October, which has forced the postponement of this event until next year. Even then, it may emerge as a joint affair with others. If things turned out that way, it would be a good development, since that is the whole intention.

However, one of those events is a meeting in London during the previous week amongst a number of activists and networks as to how to achieve critical mass. Anyone who feels they may have an input into that process, please get in touch asap.

Frank Taylor

BIG BROTHER CLAIMS TO PREDICT MOVEMENTS BASED ON MOBILE PHONE USE

Madison Ruppert; Activist Post

Mobile devices are quickly becoming one of the most powerful tools for surveillance evidenced by the breakthroughs in ultra-precise location tracking technology, enabling citizen spying through so-called "soft control" techniques and even microchips capable of seeing through walls.

Considering these technologies together with the astounding amount of requests for subscriber information responded to by U.S. mobile phone companies and built-in technologies like Carrier IQ, a quite troubling picture begins to emerge.

It just gets worse when one considers the new research conducted by a team at the University of Birmingham which demonstrated the ability to predict future movements of users with an unbelievable margin of error of a mere 60 feet, according to the British Daily Mail.

While some say that this would be used for highly personalized marketing – like the creepy patent awarded to Google not too long ago – others rightly point to the massive invasion of privacy this represents.

Based on location data already collected by mobile phones, the researchers were able to create an algorithm to forecast the future movements of users with mind-bending accuracy.

The researchers worked in data from an individual as well as their social network, thus predicting future movements based on the amount of times places have been visited in the past and the frequency of contact between the individuals being studied.

"For example, if two individuals who have close contact visit a particular restaurant, it is highly likely that this is where they will be the next time they are both heading towards the area where the restaurant is," the Daily Mail reports.

The study's lead researcher, Dr. Mirco Musolesi, stated, "Information extracted from the usage of a

mobile phone is an intriguing source of data about people behavior.”

Intriguing indeed, but also quite troubling if you would rather not think about the fact that someone could accurately forecast where you'll go tomorrow night.

“We have shown that the accuracy of the prediction of an individual's future locations could be improved if his or her previous movement and the mobility information of his or her social group are taken into account,” Dr. Musolesi added.

The researchers studied 200 individuals living in and around Lausanne, Switzerland and found that this algorithm might not be representative of the general population as a whole, but instead might be more accurate in cities where the movements of individuals are usually synchronized.

Obviously the benefits of this technology for marketing purposes and as the Daily Mail rightly points out, law enforcement, are significant.

However, the potential negative impact on our already dwindling privacy is even more significant with privacy watchdog Big Brother Watch already speaking out against it.

“This development highlights huge privacy concerns,” Emma Carr, the deputy director of Big Brother Watch, said to the Sunday Times.

Even more concerning is the fact that Musolesi has stated that he is planning to release the algorithm as an Application Programming Interface (API) which would then open the technology up to exploitation by anyone and everyone.

While the Daily Mail attempts to highlight the ability of the technology to be used “to target individuals with personalized advertisements using information about where the person has been and where he or she might be going” and by “third-party apps offering discounts and other offers where the app would be able to provide real-time deals available at venues and areas where a person is predicted to beat a specific time and day,” the true intention of the technology was revealed by the researchers.

The Daily Mail article closes out with a quite telling sentence stating that the researchers hope that the algorithm can be leveraged by police in an attempt to predict the future location of criminal activity.

This, of course, is yet another shift in the direction of Minority Report-esque pre-crime technology which has seen a significant rise recently.

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This article first appeared at End the Lie.

Madison Ruppert is the Editor and Owner-Operator of the alternative news and analysis database End The Lie and has no affiliation with any NGO, political party, economic school, or other organization/cause. He is available for podcast and radio interviews. Madison also now has his own radio show on Orion Talk Radio from 8 pm -- 10 pm Pacific, which you can find [HERE](#). If you have questions, comments, or corrections feel free to contact him at admin@EndtheLie.com

5 STRATEGIES FOR PEACEFULLY UNDERTHROWING THE STATUS QUO

J.G. Vibes; Activist Post

(Agorism is a new word on me. So new, in fact, that there appears to be no entry for it in the Oxford English Dictionary. Has J.G. Vibes just coined this term? So that is what the Runnymede Gazette has been promoting all this time!

Agorism, passive resistance, civil non-cooperation, or whatever you want to call it, requires good organisation. Although his article is laudable as far as it goes. It exemplifies the common and erroneous thinking, highlighted once more in the editorial, that once we understand things will then just follow of their own accord – Ed)

One of the main obstacles that tie the general population to the status quo is that many people are looking for a step-by-step process for how we can peacefully neutralize the power structure and achieve peace on this planet.

This step-by-step process is not a possibility, because human actions and the advancement of technology are both totally unpredictable. Sadly, it seems that people are waiting for a list of instructions that could never exist.

However, there is definitely hope, because although we cannot precisely chart the course to freedom, we can develop workable solutions that will lead us in the right direction and help us achieve greater levels of peace in our own lives. In this article I am going to list the 5 strategies that I am most supportive of right now, and offer a brief description of how they work and why I believe they are effective approaches to meeting this goal.

(1) - Finding personal freedom – This should definitely be the first step, because when we find peace in our own hearts we are much better prepared and equipped to bring peace into the hearts of others. A few months ago I wrote an article on this subject which offered some solutions to speed along this process. When you are able to find freedom in your own personal life, you will set a positive example for your peers to follow and you will be contributing to the paradigm shift by “being the change that you want to see in the world” as Gandhi said.

(2) - Practicing Agorism – Agorism is a strategy of noncompliance that uses counter economics and underground markets as a way of keeping power in the hands of the average people, thus slowly diminishing the power and relevance of the control structure. Growing food, using bitcoin, homeschooling, running a small business without licenses, bartering and starting community currencies are all examples of agorist activities. Some agorists are even so bold as to create businesses that will challenge existing state monopolies, like we saw earlier this year when Detroit residents created their own community protection agencies because the police were no longer responding to 911 calls. It is as simple as finding a need in your community for a particular good or service, and attempting to provide that value without any sort of interaction with the government or any other unchosen 3rd parties. In other words, the basic idea is to try solving the problem yourself, with your community instead of waiting around for a politician to make the problem worse.

(3) - Reinventing oldspeak – When it comes to the power of words, the general population is far outmatched by the ruling class. There have been generations of work among the aristocracy completely dedicated to mastering the art of verbal manipulation and deception. They have their newspeak, which cloaks their transgressions in an air of false legitimacy, so we in turn, need to develop an oldspeak that describes reality as it is, but we need to be just as innovative and creative as those working against us. I touched on this subject in my book *Alchemy of the Modern Renaissance* and I will share a short excerpt below:

“What we must do to counteract this problem is to expand the limits of our vocabulary and create new terms and new words to describe the indescribable. If you come up with a new word or new way of explaining something in your day to day conversations then by all means continue to use it! If it sounds good to you than your probably right and your addition to the language will most likely catch on, as long as it works. Terms like vibe, synchronicity, freedom, ego trip or civil liberties have revolutionized philosophical dialogue just as terms like inertia, gravity or relativity have revolutionized scientific dialogue. Imagine how hard it would be to have a conversation about the state of our society without words like “freedom”, “oppression” or “autonomy”.

These philosophical terms are all fairly new to our vocabulary and allow us to better describe things that were at one time just beyond our descriptive possibilities. Some of these terms were created by philosophers, scientist and psychologists, others by college students and hippies. Anyone can contribute to the positive expansion of their cultures vocabulary and tear down the linguistic barriers set by those who keep us mentally enslaved under their cultural paradigm.”

(4) - Peaceful parenting – The kind of society that we want to create, is eventually going to be the society that our children will be responsible for. When they become adults, they will interact with each other based on the example that was set for them by their elders. The more children who have lives that are filled with peace, negotiation and tranquility, the better chance there is of that kind of society existing when those children grow up.

Parenting is probably the most important responsibility that any of us will take on in our entire lives, and it is actually our greatest avenue of affecting real change in the world. It is very possible that the fight for freedom will be either won or lost by the next generation, which means that it is up to us to make sure that our children are free to create their own path in learning, without being subjected to the oppressive indoctrination processes that are so prevalent in government schools. Likewise, it is important that we are not authoritarian with our children, if we truly want the next generation to live in freedom. This does not mean letting children do whatever they want, but it means treating them with the same respect that you would treat an adult that was bigger than you.

(5) - Philosophy and education – As a society we have all been completely betrayed by the public education system and the mainstream media. We have been given false values, irrational principles, destructive examples and have been led completely astray to the point where it is difficult to make sense of the world, which ultimately results in unfavorable and dangerous behavior. A good many people in the world have fallen victim to this deception, but most people snap out of it quickly when they are able to make sense of reality. This is where philosophy and education come in, because the damage that propaganda has inflicted on our minds is actually fairly easy to reverse, and today with the internet people are now able to teach themselves any subject, any time, at any age and usually for free. So we do have that ability to advance philosophy and have widespread education even in this world today where we are still limited by the current system and its failures.

If you have any questions or disagreements feel free to email me at jgvibes@aotmr.com

*J.G. Vibes is an author with an established record label and event promotion company that hosts politically charged electronic dance music events. You can keep up with him and his new 87 chapter book *Alchemy of the Modern Renaissance*, as well as his *Voluntary Hippie Podcast* at www.aotmr.com*

ENERGY SMART METERS ARE A THREAT TO PRIVACY, SAYS WATCHDOG

Jamie Doward and Caroline Mortimer The Observer,

European Data Protection Supervisor warns 'massive collection of personal data' could be accessed without safeguards. Smart meters will be introduced into every UK home within the next seven years

Hi-tech monitors that track households' energy consumption threaten to become a major privacy issue, according to the European watchdog in charge of protecting personal data.

The European Data Protection Supervisor (EDPS) has warned that smart meters, which must be introduced into every home in the UK within the next seven years, will be used to track much more than energy consumption unless proper safeguards are introduced.

The EDPS warns that "while the Europe-wide rollout of smart metering systems may bring significant benefits, it will also enable massive collection of personal data".

It said the technology could be used to track what "households do within the privacy of their own homes, whether they are away on holiday or at work, if someone uses a specific medical device or a baby monitor, or how they spend their free time".

It claims the vast amount of information collected by the new generation of devices could have serious consequences for consumers and what they pay for their energy.

"These patterns can be useful for analysing our energy use for energy conservation but, together with data from other sources, the potential for extensive data mining is very significant," said Giovanni Buttarelli, assistant director of the EDPS.

"Profiles can be used for many other purposes, including marketing, advertising and price discrimination by third parties."

The European commission is now under pressure to consider whether legislation should be introduced to ensure that smart meters do not breach data protection rules.

All homes are expected to have their old meters replaced with the new technology by the end of 2019. The installation of smart meters will cost an estimated £11bn in the UK. However, few consumers are aware of the new technology.

"Many consumers don't know anything about smart meters, despite a nationwide rollout from 2014," said Zoe McLeod, head of smart and sustainable energy markets at Consumer Focus. "As with any new technology, there are potential benefits such as accurate bills and opportunities to help you save money on your energy bills, but also new issues that customers should be aware of."

Anna Fielder, consumer rights advocate and campaigner at Privacy International, which campaigns against commercial and state intrusion, said consumers in other countries were starting to question the roll-out of smart meters. "Research in Germany, for example, has found that consumers say it's really creepy and they don't want Big Brother in their houses," Fielder said.

She added that a key issue for privacy watchdogs would be the frequency at which information would be collected from the new meters. "If you collect energy information from a household very often, particularly live, even a few things at the end of each day, you get an awful lot of information about people's lifestyles that can potentially be abused in a number of different ways," Fielder said.

The EDPS recommends that states issue guidance on the frequency of meter readings, how long data can be stored and the use of sophisticated algorithms that allow companies to create profiles of their customers.

BIG BROTHER WATCH BULLETIN

Nick Pickles; Big Brother Watch Team

After ten years of RIPA it's time for a comprehensive review of surveillance law

Our latest report published today, 'A legacy of surveillance', exposes how the Regulation of Investigatory Powers Act has been used by both local and public authorities in recent years, with Secretary of State Eric Pickles MP contributing his thoughts in the foreword.

A decade on and more than three million authorisations later, our research found how there is still a great deal of uncertainty about how and why the powers are being used – and a clear need for more to be done to protect civil liberties and privacy.

The Coalition has started down the right path in limiting how councils can use these powers. Now it's time for a full and frank review of how RIPA functions – before the landscape is complicated even further with any more surveillance legislation that fiddles with the law in an effort to patch up existing failings.

We also argue that judicial authorisation of surveillance should be the norm, not the exception. These policies would help further restore and protect British liberties while ensuring that we do not exacerbate an already unsure situation with equally vague legislation. Given the Home Office has already promised a two year review of how powers of entry are used, now is a unique opportunity to have a serious debate about how we shape the future of privacy and security in Britain.

Google fined record-breaking \$22.5m

In the largest penalty ever imposed by the Federal Trade Commission (FTC), Google has been forced to hand over \$22.5m for its tracking of iPhone users without their knowledge or permission.

The fine was agreed after Google deliberately avoided Safari's usual default-block on cookies from 'third party' sites, such as advertising networks, to track people.

It is a very dangerous precedent for companies to deliberately circumvent privacy protection and so we welcome this ruling as an important milestone in returning to consumers true control over their personal information. Google's online help centre assured Safari users that they didn't need to do anything more to ensure their online activities wouldn't be logged by Google, however we now know this was not the case.

It is an essential part of a properly functioning market that consumers are in control of their personal information and are able to take steps to protect their privacy. In this case, Google deliberately worked around privacy protection to track people for its own commercial gain and it's absolutely right they have been punished for that.

Where businesses rely on personal information to offer better targeted advertisements there will be inherent tension between respecting consumer privacy and pursuing profit. The size of the fine in this case should deter any company from seeking to exploit underhand means of tracking consumers. It is essential that anyone who seeks to over-ride consumer choices about sharing their data is held to account.

Defending a free, open and private internet

Big Brother Watch has been at the forefront of the campaign against plans to control and

monitor how people use the internet. We believe that it is a fundamental part of a civil society that you should be able to communicate with people in private, and that the state has no right to demand every conversation is detailed and logged. We also believe that it is not the role of the state to decide what legal content you are and are not allowed to access.

This summer there are two very important consultations taking place. Firstly, the Department for Education is asking whether every person's internet access should be restricted unless they opt-out of controls. Secondly, the Joint Committee on the Draft Communications Data bill is calling for evidence to include in its inquiry.

We urge you to participate in both exercises - this is a key opportunity to make your voice heard. If you have any questions you can get in touch with us.

Audio CCTV comes to Doncaster

After the Information Commissioner's Office agreed with our campaigns against audio CCTV in Southampton and Oxford taxis, taking enforcement action against both authorities, we have been notified Doncaster Council is also requiring taxis record every conversation of passengers in taxis.

We have written to the ICO to ask they extend their enforcement action to Doncaster and urged the Council to abandon the policy.

Do you know somewhere else where this intrusive policy is being pursued? Let us know.

COMMUNICATIONS DATA BILL

Royal Mail Not Consulted

Nathan Allonby

An interesting piece of information has emerged about the draft Communications Data Bill, suggesting that the government may not have researched the cost of proposed new surveillance measures.

A Freedom of Information request to Royal Mail (attached below) has revealed that the government has not consulted with Royal Mail about the cost and feasibility of the new postal surveillance measures.

Although most press coverage of the draft Communications Data Bill 2012 has centred on "internet snooping", the Bill contains 94 references to postal surveillance. A major proposal within the Bill is to record information for all postal mail (Section 25), similar to the information already recorded for telecommunications - for example, recording each item delivered to each address, their date, and the sender's address (where shown).

Section 26 of the Bill makes provision for Royal Mail ("postal operators") to recover the incurred cost from government.

In USA, this form of postal surveillance is known as "Mail Cover" surveillance, and does not require a warrant. What is proposed in the UK differs from postal surveillance in the US because all mail would be recorded for every address, and every individual addressee, not just targeted suspects.

FoI reply from Royal Mail

Dear Mr Allonby,

I am writing in response to your recent request for information received 19 June 2012 which has been considered under the terms of the Freedom of Information Act 2000. You requested the following information:

Please could you provide information about government consultation with Royal Mail about these proposals, before the publication of this Bill, as follows: -

- i) Did the government consult with Royal Mail about the feasibility or cost of such a measure at any time in the two years preceding publication of the Bill in June 2012?
- ii) Approximately how many meetings or other communications were there between Royal Mail and the government on this subject during this period?

- iii) Did the government ask Royal Mail for a cost estimate for this measure?
- iv) What figure (if any) did Royal Mail provide the government as the cost estimate?
- v) Was Royal Mail given any money to conduct research on cost and feasibility of this measure?
- vi) Did Royal Mail consult with any other parties (e.g. equipment manufacturers) on the cost and implications of this measure? (It is not necessary to name the parties involved).
- vii) Approximately when was this type of measure (recording mail cover information) first discussed between government (including previous governments) and Royal Mail? Was this discussed between government and Royal Mail more than two years ago? Was this discussed more than ten years ago?

The Freedom of Information Act 2000 relates to information that is recorded at the time of a request. I can advise that there is no recorded information held which falls within scope of your request.

Royal Mail was not consulted in relation to the Communications Bill 2012, nor was any information provided to Royal Mail in relation to the Bill. Royal Mail was not asked to provide any information in relation to the Communications Bill 2012 and no records of any consultations with third parties are held. I am sorry we are unable to provide any further information on this occasion.

WIKILEAKS BYPASSES FINANCIAL BLOCKADE WITH BITCOIN

Andy Greenberg and Jon Matonis; Forbes; via Activist Post

People shouldn't fear their government; government should fear its people. Publishers and journalists will not be intimidated nor silenced. Now entering day 626 of the financial blockade against WikiLeaks, Julian Assange sits in the Ecuadorian Embassy in London awaiting safe passage.

Following a massive release of secret U.S. diplomatic cables in November 2010, donations to WikiLeaks were blocked by Bank of America, VISA, MasterCard, PayPal and Western Union on December 7th, 2010. Although private companies certainly have a right to select which transactions to process or not, the political environment produced less than a fair and objective decision. It was coordinated pressure exerted in a politicized climate by the U.S. government and it won't be the last time that we see this type of pressure.

Fortunately, there is way around this and other financial blockades with a global payment method immune to political pressure and monetary censorship.

On its public bitcoin address, Wikileaks has taken in over \$32,000 equivalent in more than 1,100 separate bitcoin donations throughout the blockade (1BTC = \$10.00). But these amounts may be significantly higher, because it does not even include the individually-generated bitcoin addresses that WikiLeaks provides for donors upon request.

WikiLeaks Reopens Channel For Credit Card Donations, Dares Visa And MasterCard To Block Them

Also announced last month, WikiLeaks appears to have found another way around the VISA and Mastercard blockade by using the French national credit card system, Carte Bleue, to process these payments (at least temporarily).

According to WikiLeaks, VISA and MasterCard are contractually barred from directly cutting off merchants through the Carte Bleue system and the French non-profit FDNN (Fund for the Defense of Net Neutrality- Fonds de Défense de la Net Neutralité) has set up a Carte Bleue fund for WikiLeaks.

Time Magazine declares that WikiLeaks "could be as important a journalistic tool as the Freedom of Information Act."

It used to be that people had secrets and the government was transparent; now it's the people that lack privacy and the government has secrets. Freedom of payments is an extension of financial privacy and digital cash-like transactions without financial intermediaries become a critical piece of that foundation. Money was never intended to act as a form of identity tracking or payments restriction and this is why the option for anonymous and untraceable transactions is so vital as society moves to a world of digital currency.

"It is the privatization of censorship, because this is being done because of extreme pressure by

the U.S. Government,” says Kristinn Hrafnsson, spokesman for WikiLeaks. “It’s extremely important to fight back and stop this process right here and now so that we won’t see in the future, ...where we have the financial giants deciding who lives and who dies in this field.”

To those that don’t support freedom of payments, consider this financial blockade invoked in the name of political correctness before you dismiss the inherent value of a nonpolitical unit of account and of a decentralized medium of exchange. It should be offensive to most free-minded people that you are not the final arbiter of how and where you spend your money. Bitcoin restores the balance.

UK CALL CENTRES AND CUSTOMER SERVICES

Jean Fredmal via Dave Barnby

Did you know that you have the right to speak to a UK person when you call a company for a service or whatever. I've done this when I simply couldn't understand the person talking to me. But I never realised that this is a proactive way of bringing jobs back to the UK .

Do the following when you phone any customer service operation that is based in a foreign country. I have done this twice and it works! Any time you call a company about a problem with a credit card, bank account, computer, product, etc and you are answered by a person in a call centre abroad, eg. in India , try this:

As soon as you realise that the customer service person is not in the UK (you can always ask if you are not sure about the accent), please very politely (very politely - this is not about trashing other cultures) say, "I'd like to speak to a customer service person in the United Kingdom."

The rep might suggest talking to his/her manager, but, again, politely say, "Thank you, but I'd like to speak to a customer service person in the UK .."

YOU WILL BE IMMEDIATELY CONNECTED to a rep in the UK .. It only takes a few seconds to have your call re-directed to the UK. Tonight when I got redirected to a UK rep, I asked again to make sure - and yes, she was in Swansea. Imagine if tomorrow, every UK citizen requests a UK rep, how that would impact the number of extra UK jobs needed. Imagine what would happen if every UK citizen insisted on talking to only UK phone reps from this day on.

Remember - the goal is to ensure better service & restore jobs back here at home - not to be abrupt or rude to a foreigner.

If you agree, please tell 10 people you know and tell them to tell 10 people they know.

THE PLANNING LAWS ARE BEING REFORMED IN THE WRONG DIRECTION

Michael Meacher MP; via Dave Barnby

Pickles’ statement in the House today aimed to embed in the planning system a presumption in favour of development, combined with proposals to speed up the planning approval process for major infrastructure projects. But that misses the point about the real flaws in the planning framework. The real problem is that it is already massively tilted in favour of corporate power and against democracy. It is already the case that the developer almost always and inevitably gets his way whilst even the most resolute and determined objectors are virtually always forced to concede. The odds are already stacked so unevenly, yet the government ignores it.

At present if a Council representing local residents refuses planning permission, the developer can appeal to the Secretary of State. Losing the appeal can cost hundreds of thousands of pounds. Tesco or other huge organisations make that sort of money in hours or even minutes. The local Council however, if it loses, has no alternative but to put up its Council Tax, with all the inevitable political consequences, or make deep cuts in one or more of its public services. The present planning structure amounts to authorised blackmail.

If on the other hand the developer loses, it's no more than a temporary setback. Either he can wait two years and then submit the same plan again, having softened up the resistance in the meantime or taking advantage of a change of political control, or he can make substantial changes in the plan and then submit it immediately. Intimidating the Council or grinding down local resisters into submission by these tactics virtually always does the trick.

And even if there is strong local objection, there is no guarantee that the Council will side with it. In Bristol recently 500 local people were asked their reaction to a Tesco development and 96% were against it, yet the Council, having received 2500 complaints and only 2 in favour, still went ahead and granted permission.

What today's planning statement should have offered local communities is a right of appeal against planning decisions, with a protective costs order attached to equal the playing field with the likes of Tesco. Allied to that should be some limit applied to the developers' rights of appeal.

But that is unlikely to happen when the government's presumption in favour of development was first proposed by Lord Wolfson, a Tory peer and chief executive of Next which builds shopping storage outside towns. The Daily Telegraph unearthed a new cash for access scam whereby property developers cough up £2,500 to get to meet Ministers to put their views. And that was before the price rocketed to £250,000 for the 'premier league' members to get their sticky fingers in the No.10 policy machine.

NEW NCIA/TUC PUBLICATION TAKES THE LID OFF 'LOCALISM'

NCIA

(This booklet produced jointly by the TUC and NCIA contains a detailed critique of the new brand of 'localism' which is well worth reading. Many of us are aware of the ersatz brand of 'subsidiarity' which has been around for a while. 'Localism' now follows much the same pattern, of supposedly 'local' institutions which have been hijacked by design by central institutions with central agendas ... the so-called 'third sector' being a principle culprit - Ed)

This week sees the publication of a booklet that we have produced in collaboration with the TUC. 'Localism: Threat or Opportunity?' is a series of short essays from 12 contributors expressing a range of critical views about the intentions and likely consequences of the Government's Localism Act. Included are articles on:

- public services privatisation through the right to challenge
- the damage of commissioning practices
- the confidence trick of the neighbourhood planning framework
- so-called reforms to public sector pay
- and the likely impact of the Act on social housing, equalities, older people, women, and people from ethnic minorities.

A theme running through these pieces is how the provisions of the Act appear to offer new rights and opportunities, whilst a different reality emerges from an analysis of the detail. As NCIA's Adrian Barritt says in his introduction:

"There is no blueprint response to this dilemma. Resolutions need to be worked out in local practice. This can only be done if the voluntary action world understands what is taking place, is prepared to recognise the political nature of these choices, and refuses to connive in bad policy. One pathway ahead lies through stronger routine dialogue with public sector paid staff, trade unions and church or faith groups, who are developing challenges to policies which are destroying hard-won services. A plea for independence, free thinking and action lies close to this heart of darkness. Voluntary action is a complement to our welfare state, not a substitute for it."

You can download the booklet here: https://www.tuc.org.uk/tucfiles/354/Localism_Guide_2012.pdf

THE ASCENDANCY OF A CRIMINAL FINANCIAL ELITE

The Two Faces of a Police State: Sheltering Tax Evaders, Financial Swindlers and Money Launderers while Policing the Citizens

Prof. James Petras; Global Research

URL of this article: www.globalresearch.ca/index.php?context=va&aid=32220

"The rotten heart of finance" The Economist

"There is a degree of cynicism and greed which is really quite shocking"

Lord Turner Bank of England , Financial Service Authority

Introduction

Never in the history of the United States have we witnessed crimes committed on the scale and scope of the present day by both private and state elites.

An economist of impeccable credentials, James Henry, former chief economist at the prestigious consulting firm McKinsey & Company, has researched and documented tax evasion. He found that the super-wealthy and their families have as much as \$32 trillion (USD) of hidden assets in offshore tax havens, representing up to \$280 billion in lost income tax revenue! This study excluded such non-financial assets as real estate, precious metals, jewels, yachts, race horses, luxury vehicles and so on. Of the \$32 trillion in hidden assets, \$23 trillion is held by the super-rich of North America and Europe .

A recent report by a United Nations Special Committee on Money Laundering found that US and European banks laundered over \$300 billion a year, including \$30 billion just from the Mexican drug cartels.

New reports on the multi-billion dollar financial swindles involving the major banks in the US and Europe are published each week. England 's leading banks, including Barclay's and a host of others, have been identified as having rigged the LIBOR, or inter-bank lending rate, for years in order to maximize profits. The Bank of New York, JP Morgan, HSBC, Wachovia and Citibank are among scores of banks, which have been charged with laundering drug money and other illicit funds according to investigations from the US Senate Banking Committees. Multi-national corporations receive federal bailout funds and tax exemptions and then, in violation of publicized agreements with the government, relocate plants and jobs in Asia and Mexico .

Major investment houses, like Goldman Sachs, have conned investors for years to invest in 'garbage' equities while the brokers pumped and dumped the worthless stocks. Jon Corzine, CEO of MF Global (as well as a former CEO of Goldman Sachs, former US Senator and Governor of New Jersey) claimed that he "cannot account" for \$1.6 billion in lost client investors funds from the collapse of MF Global in 2011.

Despite the growth of an enormous police state apparatus, the proliferation of investigatory agencies, Congressional hearings and over 400,000 employees at the Department of Homeland Security, not a single banker has gone to jail. In the most egregious cases, a bank like Barclay's will pay a minor fine for having facilitated tax evasion and engaging in speculative swindles. At the same time, the principle 'miscreant' in the LIBOR swindle, Chief Operating Officer (COO) of Barclay's Bank, Jerry Del Missier, will receive a severance payout of \$13 million dollars.

In contrast to the 'lax' law enforcement practiced by the burgeoning police state with regard to the swindles of the banking, corporate and billionaire elites, it has intensified political repression of citizens and immigrants who have not committed any crime against public safety and order.

Millions of immigrants have been seized from their homes and work-places, jailed, beaten and deported. Hundreds of Hispanic and Afro-American neighborhoods have been the target of police raids, shootouts and killings. In such neighborhoods, the local and federal police operate with impunity – as was illustrated by shocking videos of the police shootings and brutality against unarmed civilians in Anaheim , California . Muslims, South Asians, Arabs, Iranians and others are racially profiled, arbitrarily arrested and prosecuted for participating in charities and humanitarian foundations or simply for attending religious institutions. Over 40 million Americans engaged in lawful political activity are

currently under surveillance, spied upon and frequently harassed.

The Two Faces of the US Government: Impunity and Repression

Overwhelming documentation supports the notion that the US police and judicial system has totally broken down when it comes to enforcing the law of the land regarding crimes among the financial, banking, corporate elite.

Trillion-dollar tax-evaders, billionaire financial swindlers and multi-billionaire money launderers are almost never sent to jail. While some may pay a fine, none have their illicit earnings seized even though many are repeat criminals. Recidivism among financial criminals is rife because the penalties are so light, the profit are so high and the investigations are infrequent, superficial and inconsequential. The United Nations Office on Drugs and Crime (UNODC) reported that \$1.6 trillion was laundered, mostly in Western banks, in 2009, one fifth coming directly from the drug trade. The bulk of income from the cocaine trade was generated in North America (\$35 billion), two-thirds of which were laundered in North American banks. The failure to prosecute bankers engaged in a critical link of the drug trade is not due to 'lack of information', nor is it due to the 'laxness' on the part of regulators and law enforcement. The reason is that the banks are too big to prosecute and the bankers are too rich to jail. Effective law-enforcement would lead to the prosecution of all the leading banks and bankers, which would sharply reduce profits. Jailing the top bankers would close the 'revolving door', the golden portal through which government regulators secure their own wealth and fortune by joining private investment houses after leaving 'public' service. The assets of the ten biggest banks in the US form a sizeable share of the US economy. The boards of directors of the biggest banks inter-lock with all major corporate sectors. The top and middle financial officials and their counterparts in the corporate sector, as well as their principle stockholders and bondholders, are among the country's biggest tax evaders.

While the Security and Exchange Commission, the Treasury Department and the Senate Banking Committee all make a public pretense of investigating high financial crimes, their real function is to protect these institutions from any efforts to transform their structure, operations and role in the US economy. The fines, which were recently levied, are high by previous standards but still only amount to, at most, a couple of weeks' profits.

The lack of 'judicial will', the breakdown of the entire regulatory system and the flaunting of financial power is manifested in the 'golden parachutes' routinely awarded to criminal CEOs following their exposure and 'resignation'. This is due to the enormous political power the financial elite exercise over the state, judiciary and the economy.

Political Power and the Demise of 'Law and Order'

With regard to financial crimes, the doctrine guiding state policy is 'too rich for jail, too big to fail', which translates into multi-trillion dollar treasury bailouts of bankrupt kleptocratic financial institutions and a high level of state tolerance for billionaire tax-evaders, swindlers and money launderers. Because of the total breakdown of law enforcement toward financial crimes, there are high levels of repeat offenders in what one British financial official describes as 'cynical (and cyclical) greed'.

The current 'banner' under which the financial elite have seized total control over the state, the budget and the economy has been 'change'. This refers to the deregulation of the financial system, the massive expansion of tax loopholes, the free flight of profits to overseas tax havens and the dramatic shift of 'law enforcement' from prosecuting the banks laundering the illicit earnings of drug and criminal cartels to pursuing so-called 'terrorist states'. The 'state of law' has become a lawless state. Financial 'changes' have permitted and even promoted repeated swindles, which have defrauded millions and impoverished hundreds of millions. There are 20 million mortgage holders who have lost their homes or have been unable to maintain payments; tens of millions of middle class and working class taxpayers who were forced to pay higher taxes and lose vital social services because of upper class and corporate tax evasion. The laundering of billions of dollars in drug cartel and criminal wealth by the biggest banks has led to the deterioration of neighborhoods and rising crime, which has destabilized middle and working class family life.

Conclusion

The ascendancy of a criminal financial elite and its complicit, accommodating state has led to the breakdown of law and order, the degradation and discrediting of the entire regulatory network and judicial system. This has led to a national system of 'unequal injustice' where critical citizens are prosecuted for exercising their constitutional rights while criminal elites operate with impunity. The harshest enforcement of police state fiats are applied against hundreds of thousands of immigrants,

Muslims and human rights activists, while financial swindlers are courted at Presidential campaign fund raisers.

It is not surprising today that many workers and middle class citizens consider themselves to be 'conservative' and 'against change'. Indeed, the majority wants to 'conserve' Social Security, public education, pensions, job stability, and federal medical plans, such as MEDICARE and MEDICAID against 'radical' elite advocates of 'change' who want to privatize Social Security and education, end MEDICARE, and slash MEDICAID. Workers and the middle class demand stability of jobs and neighborhoods and stable prices against run-away inflation of medical care and education. Wage and salaried citizens support law and order, especially when it means the prosecution of billionaire tax evaders, criminal money-laundering bankers and swindlers, who, at most, pay a minor fine, issue an excuse or 'apology' and then proceed to repeat their swindles.

The radical 'changes' promoted by the elite, have devastated life for millions of Americans in every region, occupation and age group. They have destabilized family life by undermining job security while undermining neighborhoods by laundering drug profits. Above all they have totally perverted the entire system of justice where the 'criminals are made respectable and the respectable treated as criminals'.

The first defense of the majority is to resist 'elite change' and to conserve the remnants of the welfare state. The goal of 'conservative' resistance will be to transform the entire corrupt legal system of 'functional criminality' into a system of 'equality before the law'. That will require a fundamental shift in political power, at the local and regional level, from the bankers' boardrooms to neighborhood and workplace councils, from compliant elite-appointed judges and regulators to real representatives elected by the majority groaning under our current system of injustice.

TITANIC BANKS HIT LIBOR ICEBERG: WILL LAWSUITS SINK THE SHIP? ANTITRUST VIOLATIONS, WIRE FRAUD, BID-RIGGING, AND PRICE-FIXING

By Ellen Brown; Global Research; Web of Debt

URL of this article: www.globalresearch.ca/index.php?context=va&aid=31994

At one time, calling the large multinational banks a "cartel" branded you as a conspiracy theorist. Today the banking giants are being called that and worse, not just in the major media but in court documents intended to prove the allegations as facts. Charges include racketeering (organized crime under the U.S. Racketeer Influenced and Corrupt Organizations Act or RICO), antitrust violations, wire fraud, bid-rigging, and price-fixing. Damning charges have already been proven, and major damages and penalties assessed. Conspiracy theory has become established fact.

In an article in the July 3rd Guardian titled "Private Banks Have Failed – We Need a Public Solution", Seumas Milne writes of the LIBOR rate-rigging scandal admitted to by Barclays Bank:

"It's already clear that the rate rigging, which depends on collusion, goes far beyond Barclays, and indeed the City of London. This is one of multiple scams that have become endemic in a disastrously deregulated system with inbuilt incentives for cartels to manipulate the core price of finance. . . . It could of course have happened only in a private-dominated financial sector, and makes a nonsense of the bankrupt free-market ideology that still holds sway in public life

. . . A crucial part of the explanation is the unmuzzled political and economic power of the City. . . . Finance has usurped democracy."

Bid-rigging and Rate-rigging

Bid-rigging was the subject of U.S. v. Carollo, Goldberg and Grimm, a ten-year suit in which the U.S. Department of Justice obtained a judgment on May 11 against three GE Capital employees. Billions of dollars were skimmed from cities all across America by colluding to rig the public bids

on municipal bonds, a business worth \$3.7 trillion. Other banks involved in the bidding scheme included Bank of America, JPMorgan Chase, Wells Fargo and UBS. These banks have already paid a total of \$673 million in restitution after agreeing to cooperate in the government's case.

Hot on the heels of the Carollo decision came the LIBOR scandal, involving collusion to rig the inter-bank interest rate that affects \$500 trillion worth of contracts, financial instruments, mortgages and loans. Barclays Bank admitted to regulators in June that it tried to manipulate LIBOR before and during the financial crisis in 2008. It said that other banks were doing the same. Barclays paid \$450 million to settle the charges.

The U. S. Commodities Futures Trading Commission said in a press release that Barclays Bank "pervasively" reported fictitious rates rather than actual rates; that it asked other big banks to assist, and helped them to assist; and that Barclays did so "to benefit the Bank's derivatives trading positions" and "to protect Barclays' reputation from negative market and media perceptions concerning Barclays' financial condition."

After resigning, top executives at Barclays promptly implicated both the Bank of England and the Federal Reserve. The upshot is that the biggest banks and their protector central banks engaged in conspiracies to manipulate the most important market interest rates globally, along with the exchange rates propping up the U.S. dollar.

CFTC did not charge Barclays with a crime or require restitution to victims. But Barclays' activities with the other banks appear to be criminal racketeering under federal RICO statutes, which authorize victims to recover treble damages; and class action RICO suits by victims are expected.

The blow to the banking defendants could be crippling. RICO laws, which carry treble damages, have taken down the Gambino crime family, the Genovese crime family, Hell's Angels, and the Latin Kings.

The Payoff: Not in Interest But on Interest Rate Swaps

Bank defenders say no one was hurt. Banks make their money from interest on loans, and the rigged rates were actually LOWER than the real rates, REDUCING bank profits.

That may be true for smaller local banks, which do make most of their money from local lending; but these local banks were not among the 16 mega-banks setting LIBOR rates. Only three of the rate-setting banks were U.S. banks—JPMorgan, Citibank and Bank of America—and they slashed their local lending after the 2008 crisis. In the following three years, the four largest U.S. banks—BOA, Citi, JPM and Wells Fargo—cut back on small business lending by a full 53 percent. The two largest—BOA and Citi—cut back on local lending by 94 percent and 64 percent, respectively.

Their profits now come largely from derivatives. Today, 96% of derivatives are held by just four banks—JPM, Citi, BOA and Goldman Sachs—and the LIBOR scam significantly boosted their profits on these bets. Interest-rate swaps compose fully 82 percent of the derivatives trade. The Bank for International Settlements reports a notional amount outstanding as of June 2009 of \$342 trillion. JPM—the king of the derivatives game—revealed in February 2012 that it had cleared \$1.4 billion in revenue trading interest-rate swaps in 2011, making them one of the bank's biggest sources of profit.

The losers have been local governments, hospitals, universities and other nonprofits. For more than a decade, banks and insurance companies convinced them that interest-rate swaps would lower interest rates on bonds sold for public projects such as roads, bridges and schools.

The swaps are complicated and come in various forms; but in the most common form, counterparty A (a city, hospital, etc.) pays a fixed interest rate to counterparty B (the bank), while receiving a floating rate indexed to LIBOR or another reference rate. The swaps were entered into to insure against a rise in interest rates; but instead, interest rates fell to historically low levels.

Defenders say "a deal is a deal;" the victims are just suffering from buyer's remorse. But while that might be a good defense if interest rates had risen or fallen naturally in response to demand, this was a deliberate, manipulated move by the Fed acting to save the banks from their

own folly; and the rate-setting banks colluded in that move. The victims bet against the house, and the house rigged the game.

Lawsuits Brewing

State and local officials across the country are now meeting to determine their damages from interest rate swaps, which are held by about three-fourths of America's major cities. Damages from LIBOR rate-rigging are being investigated by Massachusetts Attorney General Martha Coakley, New York Attorney General Eric Schneiderman, officers at CalPERS (California's public pension fund, the nation's largest), and hundreds of hospitals.

One victim that is fighting back is the city of Oakland, California. On July 3, the Oakland City Council unanimously passed a motion to negotiate a termination without fees or penalties of its interest rate swap with Goldman Sachs. If Goldman refuses, Oakland will boycott doing future business with the investment bank. Jane Brunner, who introduced the motion, says ending the agreement could save Oakland \$4 million a year, up to a total of \$15.57 million—money that could be used for additional city services and school programs. Thousands of cities and other public agencies hold similar toxic interest rate swaps, so following Oakland's lead could save taxpayers billions of dollars.

What about suing Goldman directly for damages? One problem is that Goldman was not one of the 16 banks setting LIBOR rates. But victims could have a claim for unjust enrichment and restitution, even without proving specific intent:

Unjust enrichment is a legal term denoting a particular type of causative event in which one party is unjustly enriched at the expense of another, and an obligation to make restitution arises, regardless of liability for wrongdoing. . . . [It is a] general equitable principle that a person should not profit at another's expense and therefore should make restitution for the reasonable value of any property, services, or other benefits that have been unfairly received and retained.

Goldman was clearly unjustly enriched by the collusion of its banking colleagues and the Fed, and restitution is equitable and proper.

RICO Claims on Behalf of Local Banks

Not just local governments but local banks are seeking to recover damages for the LIBOR scam. In May 2012, the Community Bank & Trust of Sheboygan, Wisconsin, filed a RICO lawsuit involving mega-bank manipulation of interest rates, naming Bank of America, JPMorgan Chase, Citigroup, and others. The suit was filed as a class action to encourage other local, independent banks to join in. On July 12, the suit was consolidated with three other LIBOR class action suits charging violation of the anti-trust laws.

The Sheboygan bank claims that the LIBOR rigging cost the bank \$64,000 in interest income on \$8 million in floating-rate loans in 2008. Multiplied by 7,000 U.S. community banks over 4 years, the damages could be nearly \$2 billion just for the community banks. Trebling that under RICO would be \$6 billion.

RICO Suits Against Banking Partners of MERS

Then there are the MERS lawsuits. In the State of Louisiana, 30 judges representing 30 parishes are suing 17 colluding banks under RICO, stating that the Mortgage Electronic Registration System (MERS) is a scheme set up to illegally defraud the government of transfer fees, and that mortgages transferred through MERS are illegal. A number of courts have held that separating the promissory note from the mortgage—which the MERS scheme does—breaks the chain of title and voids the transfer.

Several states have already sued MERS and their bank partners, claiming millions of dollars in unpaid recording fees and other damages. These claims have been supported by numerous studies, including one asserting that MERS has irreparably damaged title records nationwide and is at the core of the housing crisis. What distinguishes Louisiana's lawsuit is that it is being brought under

RICO, alleging wire and mail fraud and a scheme to defraud the parishes of their recording fees.

Readying the Lifeboats: The Public Bank Solution

Trebling the damages in all these suits could sink the banking Titanic. As Seumas Milne notes in The Guardian:

“Tougher regulation or even a full separation of retail from investment banking will not be enough to shift the City into productive investment, or even prevent the kind of corrupt collusion that has now been exposed between Barclays and other banks. . . .”

Only if the largest banks are broken up, the part-nationalised outfits turned into genuine public investment banks, and new socially owned and regional banks encouraged can finance be made to work for society, rather than the other way round. Private sector banking has spectacularly failed – and we need a democratic public solution.

If the last quarter century of U.S. banking history proves anything, it is that our private banking system turns malignant and feeds off the public when it is deregulated. It also shows that a parasitic private banking system will NOT be tamed by regulation, as the banks’ control over the money power always allows them to circumvent the rules. We the People must transparently own and run the nation’s central and regional banks for the good of the nation, or the system will be abused and run for private power and profit as it so clearly is today, bringing our nation to crisis again and again while enriching the few.

*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>*

SAVE THE EURO? WHO FOR?

Golem XIV; via Edward Spalton

This piece was written as part of a debate currently being run by Open Democracy called “Writing on the wall for the Eurozone”. You can read the other pieces written for the debate at the Open Democracy site.

<http://www.opendemocracy.net/freeform-tags/writing-on-wall-for-eurozone>

The strongest force holding the Euro together is the political force of creditors. Were the currency to collapse, much of the debt would collapse with it. So the question is, who are we saving the Euro for?

Once again, George Soros exhorts European leaders to save the Euro. But what does this curious phrase ‘Save the Euro’ actually mean?

The Euro is not like the Giant Panda: a cuddly creature that ornaments our world. The Euro is not one thing. It is different things to different groups. It’s a currency used in day to day transactions by people who live in a group of semi-sovereign nations. It is part of the underpinning of the European political experiment we call the EU. It is a settlement currency which rivals the Dollar. As such it is part of Europe’s challenge to American hegemony both financial and political. It is the currency in which a huge amount of wealth is denominated. And last but by absolutely no means least it is one of the global currencies in which a truly titanic amount of private and sovereign debt is denominated.

So when George Soros and various politicians and bankers insist on exhorting us to ‘Save the Euro’ might it not be helpful if they could at least be clear what exactly they have in mind to be saved, who will benefit if it is, who will lose if it isn’t and who will pay either way?

One question we could ask about the Euro is what exactly will be lost if the Euro were not ‘saved’? Funnily enough, given all the Chicken Little hyperventilating and shrieking of our political class about the end of civilization should the Euro collapse, nations do not depend on the euro. Certainly they would be disrupted and there would be widespread suffering if their currency collapsed. One look at Germany between the wars makes that clear. But it also makes rather clear that nations and their people continue on.

It’s an interesting thing about currencies, that because we use them to buy things day to day and

get paid in them, we equate currencies with wealth. But when talking about a nation of people, a political and cultural entity,

it turns out that the wealth of nations will not be lost if the euro dies. But their debts could well be. And this, I think, is a clue to the panic that emerges – in certain quarters – when default or collapse of the euro is mentioned. It is also one fairly simple thing amidst all the confusion and intimations of doom.

Currencies do not create wealth they merely denote it and allow its exchange. On the other hand, debt actually depends on the currency in which the debt contract is written. Wealth comes from productive activities. Debt comes from honouring an agreement to pay someone an agreed amount. Wealth creation carries on after a currency collapses and soon enough a new currency takes over the job of conveying arbitrary units of the wealth created. Again please see Germany or any other nation – and there are many – who have defaulted or whose currency has collapsed. Debt, however, either does not survive the death of the currency in which it was agreed or does so as a fragment of its former worth.

It is a troubling aspect of our present financial and political situation that there has been a tendency, I would say a deliberate desire, to confuse wealth with debt; to present them as flip sides of each other when they are, in fact, entirely different. Why should this be? Well it might be because much of Mr Soros' wealth, the wealth of the institutions he owns shares in, the wealth of banks and other financial institutions and the wealth of those who own and run them, is tied up in debt agreements of one kind or another. Your wealth and mine is probably in sovereign issued 'money'. Most of us don't have investments. Many don't have savings to speak of. The wealth of the top 10%, on the other hand, is tied up in debt of one kind or another.

Since the advent of securitization, that process whereby debts can circulate as a form of currency, which can be used as collateral for issuing loans and can be counted as capital, debt has become a larger repository of wealth than sovereign currencies. Why do you think no one talks about the money supply the way they did in the 80's? Governments do not control the money supply. The issuers of private debt control it.

This may seem an odd claim, but the amount of debt issued by private banks denominated in euros, dollars, yen and Yuan, is far greater than the amount of those currencies issued by the sovereign nations. Derivative agreements denominated in sovereign currencies run to the tens if not hundreds of trillions.

Were the debt backed currency in which those private debt agreements are denominated to collapse, then those agreements would be worth very little, if anything. They would be like finding a parchment of a debt owed in golden pазoozas from a long lost kingdom. Good luck cashing it.

I suggest that it is not a concern for the people of Greece, Spain or indeed any of the people's of Europe that fuels concerns among the banks and the super wealthy about the Euro and its future. If the Euro were to evaporate what would happen to all of their wealth that is tied to debt agreements denominated in Euros?

Now of course people will argue that were the euro to collapse then Greece or Spain would be thrown into the street, so to speak, with nothing in their pockets and no one would lend them a dime for their daily bread. On a larger scale it is argued that civilization would become paralyzed were the Euro to go bust.

Let's get a few things straight. First, Europe is one of the three largest economic entities in the world. If we think JP Morgan is too big to fail, what do you think that makes Europe?

If any nation were to be ejected from the Euro it would survive. The fate of the Euro and the wider European Political experiment would be more drawn out. The country involved would issue its own currency and yes it would find it difficult to borrow. But then again as a sovereign nation with its own currency it would, once again, be able to do what neither Greece nor Spain nor Ireland can currently do: print. Would its newly minted currency become instantly worthless? No, of course not. Would it be worth less than the Euro? Yes.

The nation with its new currency would find it was less able to borrow and that imports would be expensive. On the other hand exports would be cheaper by far. And the currency it would print would allow its citizens to continue to carry tokens of their productive labour around with them and exchange them with other citizens. Greece should take a look at Iceland.

I think the fall out would be more profound for the remaining Euro zone than it would be for the ejected country. For a start if one country goes it is quite likely others would follow. If any of them had any sense they would make common cause and find themselves part of another grouping who would not be as powerless as our present leaders would have us and them believe.

Although that is a large statement to make I feel it justified because the nation involved would still be able to produce wealth. What is more it would do so without the crushing burden of its debts. Many of those would have gone much like a fart does in a healthy breeze.

It is worth remembering that there is international precedent for debt commissions to look at a nation's debts and dismiss those found to be odious. The idea of a debt commission was in fact discussed by the US government as a way of helping in the 'liberation' of Iraq. The discussions only stalled, it is said, when it was pointed out that many of the odious debts were held by US banks.

But what about the remaining Euro countries and the European Union project? Could it survive the exit of one or more of its members?

According to John Mauldin in his article, "The Bang! Moment is now",

"Europe is down to two choices. Either allow the eurozone to break up or go for a full fiscal union with central budget controls."

I agree those are two possible choices, but I think he is wrong to declare they are the only two.

This crisis is not about which countries leave the Euro or which countries default on their debt, it is about which countries remain in the Euro but continue to bail out the bad private debts of their banks. If our leaders insist on saving the private debts in the private banks within the Euro system then it will break apart.

It is too easy to become transfixed by Greece and its public debts. Spain is far larger and its problems are private debts not public ones. The same is true for Belgium, Ireland and Cyprus. Sure the private debts have been made public but such debts can and should be repudiated and thereby thrown back on to the private parties who were stupid and feckless enough to make the bad loan agreements in the first place.

On the charade of national agency, Tony Crurzon Price, Argues that,

"The game is up not because Europe has won, but because the powerlessness of the nation is being revealed. Watch Rajoy, Hollande, Merkel, Hollande, Tsipras and more trip from crisis to crisis as they try to wear the myth of power to the very end."

I agree this crisis has shown the powerlessness of the nation. But for me it is powerlessness not in the face of Europe but in the face of international finance. And the powerlessness is not so much financial as political.

There is simply no political will to force the losses to be taken by those who made them. But this, we are told, we cannot do. We can. We put men on the moon and brought them home again. It is not beyond us to close insolvent banks and open new ones. We need a banking system. But it does not have to be made up of the banks, the insolvent banks, that we currently are crippling ourselves trying to 'save'.

Would this destroy the Euro? It might. It would certainly destroy much debt backed wealth that is currently held by the wealthiest 1% and is on the balance sheets of Europe's largest banks. And of course if any nation did leave the Euro then those banks holding their sovereign euro debts might have a hard time collecting those too.

The Bundesbank could find itself holding agreements under Europe's Target2 agreement, whereby central banks hold IOU's from other central banks and nations, amounting to over €600 billion in a currency that no longer existed. That alone is reason to expect that the Euro will survive in some form.

Of course this is just one aspect of a complicated situation. I understand that. But I think in a world where it suits some to have as much confusion as possible and for economic matters, especially concerning their wealth and our debts, to be presented as being too complicated for us 'little people' to follow, let alone have an opinion about, it is important to sometimes hold on to certain simple facts. Like a torch on a dark night, even though they leave most things still shrouded in darkness, they do at least illuminate a way forward.

Our present crisis is one of democracy even more than it is of finance. It is about a lack of honesty as much as it is a lack of growth. Debt and dishonesty are together strangling European democracy.

We should rid ourselves of both

THE BRISTOL POUND

via Dave Barnby

(An interesting little by-line showing the launch of another local currency, and giving at least a little feel of what is involved. If our economic situation follows the worst case scenario that many predict, then many more such currencies will be needed. By all means post me any news on local currencies, and local financial institutions such as credit unions ...Ed)

The Bristol Pound is real money made for Bristol. It is designed to support independent businesses in and around Bristol, retaining and multiplying the benefit of every pound spent for ordinary people and businesses.

Winning designs unveiled ahead of launch date

In February this year the people of Bristol were invited to help create paper pounds for the Bristol Pound. With a call to budding artists in the South West's capital, the Bristol Pound launched a competition to find eight designs to be used on each side of the £B1, £B5, £B10 and £B20 paper pounds. Hundreds of entries were received from school children, students, professional designers and amateurs alike.

September 19th Launch Date Announced

Organisers believe the Bristol Pound will be the largest of its kind in the UK from the moment it launches on Wednesday 19 September 2012, fulfilling its aim to make a real difference to Bristolians.

The Bristol Pound - Judging Event

On the 15th of March we put on an event, at Colston Hall, to decide the winners of our note design competition. We needed 8 pieces of artwork in total for the two sides of each £B1, £B5, £B10, £B20 notes. But with the hundreds of entries we received we knew it was not necessarily going to be easy and there was some tension in the air as the Bristol Pound team awaited the arrival of the judges.

Bristol Pound Business Directory

As well as launching the Bristol Pound business directory, we are also exploring a collaboration with the Bristol Green Capital Partnership, who are designing a Good Guide directory - another database for Bristol traders with a particular commitment to sustainable/ethical sourcing. Search Directory [BETA]

CUSTOMER DEPOSITS ARE PROPERTY OF THE BANK: CLOSE YOUR ACCOUNT NOW

Susanne Posel; Activist Post

(As so often this item does not merely apply to its American context. That you cease, in law, to own your money once it is paid into a bank account, is pretty universal and well established. The theft, by banks, of depositor funds has been a frequent feature on RT's Keiser Report – Ed)

In June of 2012, Eric Bloom, former chief executive, and Charles Mosely, head trader of Sentinel Management Group (SMG) were indicted for stealing \$500 million in customer secured funds. Both Mosely and Bloom were accused of “exposing” customer segregated funds “to a portfolio of highly risky

derivatives.”

These customer funds were used to “back up personal investments” which were part of “collateral for a loan from Bank of New York Mellon” (BNYM). This loan derived from stolen customer monies was “used to purchase millions of dollars worth of high-risk, illiquid securities, including collateralized debt obligations, or CDOs, for a trading portfolio that benefited Sentinel’s officers, including Mosley, Bloom and certain Bloom family members.”

Fast forward to August 9th of 2012, and the 7th Circuit Court of Appeals (CCA) rules that BNYM can be moved to first in line of creditors over the customers that had their funds stolen by SMG.

When a banking customer deposits their money into their bank account, the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC) are in place to protect the customer from fraud or theft. The ruling from the CCA means that these regulatory systems will not insure customer funds, investments, or depositors and retirees who hold accounts in banks. In fact, the banking institution is now legally allowed to use those customer funds deposited as collateral, payment on debts for loans made, or free use on the stock market to purchase investments as the bank sees fit.

Fred Grede, SMG trustee, explained that brokers are no longer required to keep customer money separate from their own. “It does not bode well for the protection of customer funds.”

Since the ruling gives banks the right to co-mingle customer funds with their own, no crime can be committed for the use of customer deposited monies. According to Walker Todd, former lawyer for the Federal Reserve Bank of New York and Cleveland:

“Basically, there is a new 7th Circuit opinion saying that there is no reason to impose a constructive trust on a lender’s takings of customers’ funds from client commodity firms that were used (inappropriately) to secure the firms’ borrowings, as long as the lender can say that it did not know WITH CERTAINTY that customers’ funds were being repledged. Negligence and misappropriation (vs. knowing criminal intent) are now a sufficient excuse for letting the lender keep the money and go to the head of the line for distributions in bankruptcies of the client commodity firms.”

When a customer deposits money into a bank, the bank essentially issues a promise to have those funds available when the customer returns to withdraw the deposited amount. When the same customer withdraws funds from their account (whether checking or savings) the customer assumes that the bank has enough funds to cover their withdrawal; including the presumption that their monies are separate from the bank’s assets.

Now, those funds are up for grabs by the bank at their discretion without explanation to the customer – nor is the bank obligated to recoup the customer should they “lose” those funds due to bad loans, bankruptcy or stock market loss.

In Texas, Pamela Cobb, manager of Bank of America (BoA), stole an estimated \$2 million from customer funds for personal use. Cobb had been taking customer segregated funds since 2002.

Customers have complained of fraudulent charges placed on their accounts that BoA cannot explain. When the customer brings these charges to the in-house fraud department, they are given the run-around until they acquiesce.

Other customers have had their private possessions stolen right out of their safe deposit box held at BoA. The safe deposit box was drilled into and the contents shipped to the BoA corporate holding center in South Carolina.

In 1992 to 2003, Citibank called their theft of customer funds “account sweeping” wherein they stole more than \$14 million from customers nationally. Using computerized credit card processes to remove positive and negative balances from customers, the scheme included double payments or funds paid out on returned purchases that were then attributed back to the customer.

At Chase bank, an anonymous employee opened an account under a customer name (targeting an Alzheimer’s sufferer), complete with a personal debit card. An estimated \$300 per day was withdrawn on the fraudulent account. When family representing the victim alerted Chase, they brushed them off with an internal investigation claim – even as the family sought legal action.

Banking fraud against the elderly has risen of late, since banks realize they can steal massive amounts of cash from their aging customers with little to no repercussions.

The recent ruling on SMG has given the banking industry the legal backing they have been lacking when stealing from their customers.

Our financial institutions have been planning for a financial collapse wherein the US government will not offer assistance. The resolution plans required by the Federal Reserve Bank, described schemes to have the major domestic banks remain afloat by selling off assets, finding alternative sources of funding, reducing risky measures that make a quick buck. These strategies were to be perfected with “no assumption of

extraordinary support from the public sector.”

The mega-banks, through Wall Street, are also acquiring firearms, ammunition and control over private mercenary corporations like DynCorp and "Blackwater" as authorized by the Department of Defense (DoD) directive 3025.18.

DynCorp is a military-based private mercenary contractor that provides (among other services) intelligence training and support, international security, contingency plans and operations. Ninety-six percent of their funding is based on annual revenues from the US federal government. The international branch of DynCorp has operated as a “police force” even assisting local law enforcement during Hurricane Katrina.

Named as investors for the amassing of gun and ammunition manufacturers are Citibank, BoA, Barclays and Deutsche Bank who are pouring money into Cerebus and Veritas Equity who have taken over private corporations involved in the controlling riot situations.

The Federal Reserve Bank, one of the heads of banking cartels, has their own police force which operates as a protective security for the Fed against the American public. As part of the Federal Reserve Act signed in 1913, the designation of a Federal Law Enforcement – special police officers that are exclusively regulated by authority of the Fed (whether in uniform or plain clothes. These specialized police officers (who train with Special Response Teams) can work in tandem with local law enforcement or US federal agencies. These officers are heavily armed with semi-automatic pistols, sub machine guns and assault rifles as well as body armor.

Recently, when withdrawing cash from an ATM, the daily allotted amount has decreased with some banks, thereby forcing the customer to go into the branch and extract the difference with a teller. At this point, according to anonymous informants, the customer is taken into a backroom to be questioned as to why they want the cash, what they are purchasing with the cash, why they are not choosing to use a debit card or another form of digital trade to make the purchase. These questions are not only intrusive, they are illegal.

Some anonymous sources have said that banking representatives who conduct the integrations are directed to keep a record of customer responses on an online application that will be sent to the FBI in conjunction with PATRIOT Act mandates on tracking banking activity.

Customer funds are no longer secure, no longer backed by the FDIC or other insurance corporations, and banks are legally allowed to co-mingled customer money with other funds of the bank. The only safe place for your money is with you.

DECENTRALIZED CURRENCIES THRIVING IN GREECE DURING EURO CRISIS

JG Vibes; Activist Post

Since the market crashes and bailouts that took place in 2008 it has been no secret that the world economy is on shaky ground. For years, those of us who were concerned about the future have been wondering and speculating as to what mediums of exchange would replace the sinking debt based currencies that now stretch across the globe.

The central bankers that got us into this mess will no doubt be using the media to propagandize the world into accepting a worldwide monopolized currency. This is already being hinted at by politicians and finance tycoons in mainstream interviews on an almost daily basis now. Their excuse for this move is that it would stabilize the economy, but this is provably false.

The real reason for this maneuver is obviously to centralize control of the financial markets. This was the same mentality that created the Eurozone, which is now crumbling and ruining the lives of millions. If what we are experiencing now has taught us anything, it should be that having an economy in the control of so few hands, and totally untouchable by market forces, will breed corruption, monopoly and poverty.

For the economy to really be in the hands of the people it is necessary to decentralize the currency, and to have an open-source network of competing currencies that are community based and easily exchangeable. While it is impossible to predict how we will trade a century or even five years from now, we can still observe how people are getting by in the areas that are falling first, and take those lessons into account for when the US dollar finally diminishes in value to the point where it is unusable.

In areas that have been most affected so far in the worldwide economic crisis, there has been an increasing use of online open-source currencies. These currencies help communities barter with one another easily and effectively without using the Euro, which is becoming increasingly useless by the day. Last month there was a lot of news about bitcoin being more stable than the Euro, with more and more investors transferring their funds into these types of currencies.

While bitcoin is still popular in Greece, and still growing in popularity by the day, another currency by the name of "TEM" is being used locally by the city of Volos.

According to a recent article at radicalsocialeentreps.org

"After creating an account, members do business with each other using TEM credits. New members are allowed to deficit-spend up to 300 TEMs, which is effectively an interest-free loan from the community. Only by offering demanded goods and services in return can the new members replenish their balances to keep making purchases."

Credits are created according to these guidelines as new members join — no central banking or monetary authority required. The ideas behind alternative systems like TEM aren't new. 'Barter clubs' or 'LET' systems have been around for a while. They're most often successful in conditions of extreme monetary dysfunction; Argentina saw the nationwide spread of barter clubs during their various Peso crises in the late 1990s and early 2000s.

While this idea is nothing new, as technological progress moves forward it will become easier and easier for people start their own community-based, debt-free currency. This really could be a great way of weathering the impending collapse of the forcefully imposed central bank currencies. In the wake of these collapses people will still have services to offer, and goods to trade; the only thing that will be missing from the equation is a reliable medium of exchange to keep things running smoothly.

This is a very important element to society, but as we can see in projects like TEM and Bitcoin, it is not difficult to innovate and be creative when it comes to currency. It only seems that it would be an impossible task because for centuries this element of our civilizations has been monopolized by central bankers and governments who had no intent of making things work for the benefit of humanity.

This article originally appeared at [Alchemy of the Modern Renaissance](http://AlchemyoftheModernRenaissance.com)

POSITIVE MONEY BULLETIN

Positive Money Team

The Financial Times published an article that describes money creation and destruction by the commercial banks and how little control the central banks have in the process: "As much as they might like to think they are in charge, it isn't really the central bank in a country that creates the money – it is the commercial banks."

It also correctly explains the single most important factor behind the financial crisis: "every time the commercial banks expand their lending they increase the supply of money in the economy. And every time they contract lending they reduce it."

Comments like this were unthinkable in any newspaper just a couple of years ago, so it's exciting to see reality described so accurately by one of the world's leading financial newspapers.

The Independent comes with the analysis: *Why Exactly Is it So Expensive for us to Own a Home?* and it also mentions Positive Money:

The campaign group for banking and monetary reform, Positive Money, believe that it is the debt-based nature of our economy which has caused such huge increases.

"...it is the banks' ability to create digital money when they make new loans that has driven the rise in house prices and fuelled the most recent and catastrophic housing bubble. This is because most of the banks' lending – and hence most newly created money – goes into the housing market in the form of mortgage lending."

And also the most prestigious newspaper in Ireland "The Irish Times" writes that "privately-owned banks create and destroy money at will":

'When you extend to bankers the power to create money ex nihilo, you can hardly be surprised if they start to believe themselves superhuman'

Upcoming Events

Positive Money Conference - Saturday 26th Jan 2012

"97% Owned" Screening - Portsmouth, Tue 11th September 2012

Why the Financial Crisis? (And what to do about it) - Edinburgh, Thu 20th September 2012

Ragged Talks: Why the Financial Crisis and Starting a Technology Business - Edinburgh, Thu 11th October 2012

From the Blog

Death by Debt

Solution to the Financial Crisis: Full Reserve Banking

Bill Still on "The Chicago Plan Revisited"

Either Fractional Reserve Banking Is Fraudulent or It Has to Be Subsidised

The Telegraph: Bristol Pound to Launch in September

The Awful Unspoken Truth about QE

BANKING VS DEMOCRACY: How Power Has Shifted from Parliament to the Banking Sector A New Report from Positive Money

Whenever major decisions are taken about the future of the UK, news cameras will be aimed at reporters standing in front of Parliament. But is Parliament really where the key decisions are being made today, or has power shifted down the river to London's financial sector, the City?

This new report from Positive Money finds a banking system that has more 'spending power' than the democratically elected government, no accountability to the people, and a massive concentration of power in the hands of a few individuals.

However, the greatest concern is that government has surrendered one of its most important powers—the power to create money and control the money supply—to the private sector, which has exploited this power to blow up housing bubbles and indirectly transfer wealth upwards and inwards, with disastrous results. There has been no democratic debate about this transfer of power, and no law actively sanctions the current set-up.

As the last few years have shown, the banking sector can have a serious negative impact on our lives. Leaving it with such a huge and unaccountable degree of power is no more likely to work in the best interests of society or democracy in the future than it has in the past.

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