

# RUNNYMEDE GAZETTE

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## **EDITORIAL**

### **THE EU ... A CORPORATIST RACKET?**

Editorship can sometimes be paved with good intentions! A note in the last edition presaged further material on Europe and related issues, such as whether we want a world of mega-states, 'free trade', and global supranational governance, and connected issues of cultural, national and ethnic identity, mass migration and so forth. I had hoped to include at least one item on Coudenhove-Kalergi. That said, perhaps such a mere statement offers an invitation to readers to look up Kalergi and start forming their own impressions.

As it is more evidence of massive systemic fraud in the global financial system, and of a further phase in the collapse of that system, intervened.

So there was room for only one further item on Europe. But this is an important item, and a further brick in the wall of the overall picture.

It shows the advent of the EU as a project of the CIA and American corporations. Dave Barnby's concise, well researched and revealing tract '*The EU: A Corporatist*

*Racket* is strongly recommended. It demonstrates the close involvement of Alan Dulles, the long serving head of the CIA, and his brother John Foster Dulles ... the former spook who became Eisenhower's Secretary of State ... together with some even shadier characters ... in the European movement during the 1950's. This is available from [www.books2buybooks2write.co.uk](http://www.books2buybooks2write.co.uk). Barnby also recommends a reading of Clarence K. Streit's book: *'Union Now'*.

## THE LIMITS TO COMPETITION

I pick out Lionel Anet's item because 'competition' is such a ubiquitous theme. I would probably go more than halfway, with him, but not much further. Competition can be a dynamic and creative force. But only if harnessed in judicious moderation.

In the rubric of neo-liberal globalisation, it has become an all-controlling and determining factor ... an all-consuming Molloch. A world where we are all scratching each others' eyes out as to whether an electric toaster has on it three bells and whistles or four, is unlikely to be a very happy place.

The issue of 'competition' ties in closely with the question as to whether humankind is seen as an individuals or social animal. In turn, this connects with a cultural predisposition towards either/or thinking rather than both/and thinking.

In fact we are both 'social' and 'individual' simultaneously.

Tribal societies naturally tend to a point of reasonable balance between these opposites. Saxon England was such a tribal society. With its moots, councils, hundreds and witans was a much more level and democratic society than anything we have had since. A look at Saxon law is much recommended.

Finding a reasonable point of balance between competition and co-operation is one of the most vexed issues in all politics. Probably such a resolution will be best realised when political and economic institutions are highly devolved and localised.

*Frank Taylor*

## HISTORICAL ORIGINS OF US COVERT OPERATIONS TO "ASSIMILATE EUROPE" INTO A FEDERAL STATE

*Graham Vanbergen; True Publica; Global Research*

For anyone who still has doubts, the European Union was not really motivated by the twin desires of ending warfare on the continent of Europe and promoting economic growth by making it easier for European countries to trade with each other. This was the story you were spoon-fed. It was actually the creation of America. Read on.

Post second world war, America saw the opportunity to transform a war torn continent. It wanted Europe to be complimentary to American policy, viewing American federalism an an ideal political model. It wanted to assimilate Europe and implemented various covert operations to undermine staunch resistance to federalist ideas, especially by the British Labour government. The opportunity was a puppet run super-state filled with attendant yes men for trade and the manipulation of strategic global markets and, just as importantly a defensive buffer zone against it's new foe - the Reds from Russia and China.

Diplomatic historians have unearthed evidence of US backed covert operations designed to undermine communist influences in Europe. US officials worked on a plan in 1950 to lead to a United States of Europe. It is here we see the emergence of the Bilderberg Group and The Action Committee for a United States of Europe. Winston Churchill was one of the five presidents of the Council of Europe, a disparate organisation urging rapid European unification.

Interestingly, these particular documents were not found in the archives in America or Britain, but in Brussels, the de facto capital of the European Union.

In addition, Washington feared emerging markets and anything remotely resembling an eastern alliance such as Russia and China, which has since morphed into the BRICS economic group of nations (Brazil, Russia, India, China and South Africa) and the creation of the Shanghai Cooperation Organisation. At the end of last year the IMF even added the yuan to its basket of reserve currencies, an international stamp of approval of the strides China has made integrating into a global economic system dominated for decades by the U.S., Europe and Japan.

BRICS was originally coined in 2003 by Goldman Sachs, which speculated that by 2050 these economies will be the most dominant in the world. In the last thirty years America has seen evidence of the advancement of emerging nations by the huge decline in production and export of its own goods and services. International trade has diminished 30% in just three decades and halved since the second world war. America knew its economic dominance would be under threat back in the late 1940's and wanted a United States of Europe to provide a huge cushion to such eventualities.

In 2000, declassified American government administration documents show that the US intelligence service started to run a large scale campaign in the Fifties and Sixties to build momentum for a united Europe. It also funded and fully directed the European federalist movement, something which many EU members states resisted with many eventually capitulating – “you're either with us or against us”.

The documents show that the American Committee for a United Europe (ACUE) financed the operations of the European Movement, the most important federalist organisation in the post-war years. In 1958, it provided more than half of the movement's funds.

These operations were managed by the CIA but as documents show it took its orders from the US State Department. Operations included funding political groups allied to American values and/or policy, undermining trade unions and influencing cultural and intellectual trends in Europe. It went further with operations deliberately provoking dissonance in non compliant states and created 'stay-behind' or GLADIO networks designed to train special forces, spy networks and disruption teams to stem any potential for Soviet incursion or even business activity into western Europe.

The leaders of the European Movement – Jozef Retinger, Robert Schuman and the former Belgian prime minister Paul-Henri Spaak – were all treated as hired hands by their American sponsors. ACUE's covert funding came from the Ford and Rockefeller foundations as well as business groups with close ties to the US government and the CIA.

Its been a step by step process, but very much a planned one. It started with the Brussels Treaty 1948, from there to the Paris Treaty 1952. Then the process continued in the guise of the Modified Brussels Treaty of 1955 and then on to the Treaty of Rome 1958. This all then led to a Merger of Treaties in 1967 that was called the Common Market but ended up as the European Economic Community (EEC).

Many British citizens and MP's were uncertain and deeply suspicious of the intentions of this new club. The Conservatives pushed entry through in 1973 without reference to the electorate. In opposition, Labour ran a manifesto on the run-up to the 1975 election based upon renegotiating the terms and conditions of entry, won, and a referendum took place in June 1975. The Labour party itself voted overwhelmingly to leave the EEC prior to the referendum but the public voted 65% in favour.

The Maastricht Treaty of 1992 laid the real foundation stones of the European Union which, was enhanced further by the Amsterdam Treaty 1997. The Nice Treaty of 2003 was next and then finally The Treaty of Lisbon (initially known as the Reform Treaty), an agreement which amended the two treaties to form the constitutional basis of the European Union (EU). The Treaty of Lisbon was signed by the EU member states on 13 December 2007, and entered into force on 1 December 2009, which remains in force today.

At this point it is fundamental to note that the European Union has no constitution. Some say it doesn't need one as all the treaties combined constitute one. Previous attempts have failed and the EU is still not a federal state as a result.

Originally, the EU, characterized by solidarity and mutual trust between European citizens have seen these foundation stones dramatically eroded. Ironically, it's America that is causing so much damage to a union it wants merely for its geopolitical and monetary purposes. Involvement in unpopular wars, psychotic American banking, parasitic hedge funds preying on susceptible nations such as Greece, Spain and Portugal, disruption to international relations, particularly with Russia and some of its own nations, spying, mass surveillance, currency devaluations and much more leads many Europeans to despising the EU itself and US involvement.

The EU and US are the biggest economic and military powers in the world, despite the lack of a common EU defense policy. They dominate global trade, they play the leading roles in international political relations, and what one says matters a great deal to much of the rest of the world.

They have similar populations, almost identical religious composition and both have \$18 trillion (GDP) economies – but America still wants domination.

A memo from the US State Department dated June 11, 1965, advised the vice-president of the European Economic Community, Robert Marjolin, to pursue monetary union by stealth. It recommended suppressing debate until the point at which “adoption of such proposals would become virtually inescapable”. The vision of American economic dominance is now within sight with the secretive and soon to be enforced trade deal known as TTIP.

This agreement represents a massive attack on the sovereignty of democratically elected governments and clearly shows American intentions right from the beginning in 1950. The US wants to harmonise standards between the EU and the US, seen by opponents as hitting hard-won protections on food and chemical safety (eg in cosmetics, insecticides and pesticides), the environment and workers' rights. US agribusiness is pressing hard for Europe to import currently illegal GM products (which the EU authorised imports of in April 2015), and meat that does not conform to EU standards, such as cattle raised with growth hormones (this ban continues but only with an agreement to buy an additional 48,000 tonnes annually of American beef without growth hormones).

Fracking and the privatisation of the NHS are all in sight of American corporations, both of which are aggressively promoted by a Conservative neocon right-wing government whose profit driven ideology will turn Britain into a western outpost vassal state of the USA if it is allowed to continue.

The reason the TTIP negotiations are so secretive is that the Americans recommended, as stated previously, “suppressing debate until which point adoption was inescapable”.

The reason for the American initiated and secretive Bilderberg Group, defined as an ultra-select bunch of elite lobbyists made up of politicians, US corporate chiefs, EU officials, captains of industry, heads of intelligence agencies and European royals – is that all major business/finance lobbyists for the TTIP will be under the same roof. It is not hard for the informed to understand what the real agenda is.

What you are witnessing is a corporate coups d'état of Europe by America .... as planned.

## **WHY DID THE MEDIA KEEP THE RECENT PEACEFUL ICELANDIC REVOLUTION QUIET?**

***Joe Martino; Collective Evolution; via Critical Thinking***

Did you know about the peaceful Icelandic revolution that took place over the last 5 years? If you didn't, it is likely because it was never televised or talked about very much at all on mainstream news. One would have to be part of the right websites or Facebook pages to even find out that this has been going on. Why is this the case? Why keep something so monumental hidden from the public?

First let's discuss what took place with this revolution, then it will become much more clear as to why this was never televised.

It was during a time of a lot of financial turmoil around the world and stories were popping up all over the news of how banks around the world had been crushing or minimizing rebellions by receiving massive bailouts to keep them alive. The Iceland story is different because there was no crushing or ending the rebellion, instead, the people rose up. This is why this was not seen on TV anywhere. If the rest of the world knew that the people won, it may give them some ideas.

During the financial turmoil of 2008 and 2009, the people of Iceland forced their government and banks to resign. How did they do this? Peacefully. The following is a summation of what steps they took over a process of several years, and it all began with each one of them realizing this couldn't continue.

**2008** – The main bank of Iceland is nationalized. The Krona, the currency of Iceland devalues and the stock market halts. The country is in bankruptcy.

**2008** – Citizens rise up at Parliament and succeed in forcing the resignation of both the prime minister and the effective government. New elections are held. Yet, the country remains in a bad economic situation. A Parliament act is passed to pay back 3,500 million Euros to Great Britain and Holland by the people of Iceland monthly during the next 15 years, with 5.5% interest.

**2010** – The people of Iceland again take to the streets to demand a referendum. In January of 2010, the President of Iceland denies approval, instead announcing a popular vote on the matter by the people. In March, a referendum and denial of payment is approved by popular vote of 93%. Meanwhile, government officials initiate an investigation to bring to justice those responsible for the crisis. Many high level executives and bankers are arrested. Interpol dictates an order to force all implicated parties to leave Iceland.

An assembly is elected to write a new constitution (based on that of Denmark) to avoid entrapments of debt based currency foreign loans. 25 citizens are chosen — with no political affiliation — out of the 522 candidates. The only qualifications for candidacy are adulthood and the support of 30 people. The constitutional assembly started in February of 2011. It continues to present 'carta magna' from recommendations provided by various assemblies throughout the country. Ultimately, it must be approved by both the current Parliament and the one created through the next legislative election.

It's quite a story isn't it? You can most definitely see at this point why this was not covered in newspapers, on radio networks and on television. Imagine seeing this story on TV several times each day wherever you live in the world; do you think the people would start to get ideas? Maybe try the same thing? Most definitely. There is always a constant push of fear, murders, anger, government success, health fallacies and false information, but never do we hear of stories that could be a threat to the system.

Another key factor of this revolution that we have to look at is that it did not come from a place of violence, bloodshed or anger. No guns or fighting! It was simply people getting together peacefully and working things out. This is something this entire world is capable of but believes is impossible. Humanity has been so programmed to give itself little credit in this department. We always hear about how we need to be governed, there are too many crazy people out there, we need a big brother keeping control. The truth is, without the confines and certain rules the system employs, we would be a much more peaceful people mainly because we are no longer acting in survival mode. Now I am not here to say that the system is the only issue because it isn't, our programming is also very strong in what we have been taught and believe about ourselves. I am simply here to say, this programming can be broken and our consciousness can and is changing.

I also thought it was a big step to see Iceland employ a new means of choosing it's leaders. Someone who is an adult and has 30 people supporting them can run. This is great as the only reason why we have educated politicians today is because the elite needs to know that these people are programmed to repeat this system. Generally they also have to have corporate affiliations as well so they know they can be controlled by money.

Now Iceland is proceeding to actually prosecute some of their formerly most powerful bankers and the Icelandic special prosecutor has stated that it very well may indict some 90 people. Meanwhile, over 200 people, including the former chief executives of Iceland's three biggest banks, face criminal charges for their activities. While I don't agree with the judgment factor being used here, I understand that this is the step they feel right in taking.

Hopefully more countries around the world begin to follow suit!

***"We hang the petty thieves and appoint the great ones to public office."***

***Aesop***

# MOBILITY, MERITOCRACY AND OTHER MYTHS

*Kevin Carson; Libertarian Alliance Blog*

At the American Enterprise Institute, Mark Perry (“Yes, America’s middle class has been disappearing... into higher income groups,” Dec. 17) justifies the shrinking middle class and growing economic inequality by citing the finding of a recent Pew Institute study that of the 11% shrinkage in the American middle class, 7% have gone to the top and only 4% to the bottom.

First, movement between strata doesn’t legitimize stratification if the structure itself is illegitimate. Meritocracy is a legitimizing myth created to distract people from the question of whether the system of power those meritocratic functionaries serve is just. As Chris Dillow, an unorthodox British Marxist economist, observed (“Beyond social mobility,” *Stumbling and Mumbling*, Dec. 19):

*“Imagine a dictator were to imprison his people, but offer guard jobs to those who passed exams, and well-paid sinecures to those who did especially well. We’d have social mobility — even meritocracy and equality of opportunity. But we wouldn’t have justice, freedom or a good society. They all require that the prisons be torn down.”*

Also note that what’s called the “upper class” in the study includes not only the super-rich rentier classes and people in the C-Suites with million-dollar salaries, but also most of the larger managerial stratum. There’s a good reason this stratum has expanded from 14% to 21% of the general population. As David Gordon argued in *Fat and Mean*, it was the neoliberal decision in the ’70s to cap real hourly wages and shift a greater share of income upwards to rentiers and cowboy CEOs that resulted in increasing internal authoritarianism in the corporation and a need for a larger class of overseers to monitor the (understandably) increasingly disgruntled work force.

And despite the increased income of the managerial classes, the great bulk of them are still salaried employees whose income depends on the ongoing approval of their superiors. That 14-21% of the population is more or less what Orwell, in 1984, called the “middle” stratum (represented in the story by the Inner Party to which Winston and Julia belonged). Here’s how Orwell described the same general type in the corporate England of his day in another novel, *Coming Up for Air*: “in every one of those little stucco boxes there’s some poor bastard who’s never free except when he’s fast asleep...”

Not only do these people continue to collect their managerial salary at the good pleasure of the senior oligarchs of the corporate hierarchy, but to even have a shot at that management pay in the first place they’ve got to put themselves in a position of student debt peonage that will likely eat up a major part of that increased income for years (along with a mortgage that means they’ll really be renting their house from the bank into old age). Add to that the long hours middle management types have to work coupled with the endless bureaucratic toadyism and sycophancy required of them, and the ongoing precarity of their position.

Getting back to the issue of legitimacy, there’s also the fact that the functions exercised by most of these managerial types are illegitimate and would be unnecessary absent an exploitative class society. They are, in anarchist anthropologist David Graeber’s famous phrase, “b\*\*\*\*s\*\*\*\* jobs.” They exist because the state, in league with corporate capital, has cartelized the economy under the control of bureaucratic hierarchies many times larger than the point of declining returns in efficiency, and because the authoritarian nature of those hierarchies and the rent-seeking nature of their management creates a conflict of interest that necessitates intensified surveillance and control.

The late Joe Bageant aptly described the nature of the work these people perform: “The empire needs... about 20-25% of its population... to administrate and perpetuate itself — through lawyers, insurance managers, financial managers, college teachers, media managers, scientists, bureaucrats,

managers of all types and many other professions and semi-professions.”

When workers own the firm and manage their own work, as in the recuperated enterprises of Argentina, not only can workers be trusted to use their own superior knowledge of the work process but what little coordinating costs remain are a small fraction of U.S. corporate administrative costs. In fact eliminating all those management salaries solved the unit costs problem at one stroke.

The upper quintile is growing in size and income because all the value created by actual productive workers in the lower quintiles gets extracted by those at the top. When the top classes rob everybody else, they need a lot more guard labor to keep their stolen loot secure.

And whether or not there’s been an increase in the real income of the lower four strata, production workers’ loss of control over the work force and increased precarity is even worse than that of those middle managers in the top 21%. Whether for production workers or middle management, stress correlates directly with powerlessness.

We don’t need meritocracy. We need justice.

## **BEFORE CIVILISATION WE WERE THE MOST SOCIAL OF ANY LIFE**

*Lionel Anet; via Critical Thinking*

“Paradoxically, man has never been so much in danger as he is now, at the peak of his power. Mesmerized by our own power, we do what we can do, not what we ought to do.” Aurelio Peccei\*- 1908- 1984 (A founding member of the Club of Rome)

January 11, 2016 "Information Clearing House" - Why do we do that? Competition has created civilisation it’s in control and dominates everyone; we aren’t free, competition forces us to do what we do. We must replace competition with cooperation as a way of life to survive.

I evaluate competition v cooperation

Civilisation is a competitive hierarchy to dominate and suppress, its results are-	Communal life is cooperative and being part of the common its results are-
Conflicts are finally resolve in battles	Conflicts are resolved by agreement
Interests are privatised through competition most loose and one winner	Interests are basically common. Peoples can't lose as they're part of the common.
Competition is always unfair because the starting base is different for each individual, it also increases unfairness	Cooperation needs be fair to be cooperative and must act for a common good, which leads to more fairness.
Competition produces stratification of power in societies. So, competition creates unfair relations in societies	Cooperation equalises power in societies. Therefore cooperation tends to automatically increase fair relations.
The more competitive society is the more deceitful its people have to be to survive.	The more cooperative society is the more honest people must be to be accepted.
The more competitive the economy is the less people will be able to discern their role in nature and social interactions.	The more we cooperate the more we know and understand social interactions and our role in nature.
Competition must have a growing economy, even if it overwhelms nature.	Cooperative economy purpose is to have the best life nature can sustain.
Capitalism is emotionally powered by	A cooperative based system is organised to



competition, which grows the economy until it consumes all. Without satisfying anyone's natural needs.	maximise wellbeing for all people and nature. Can functions within the planet ability to supply people's needs.
Competitive growth has limits on a finite planet. It's a malignant cancer on nature. It will kill its host (life).	Cooperative thinking aids us to realize we are a non-essential part of nature, but other lives are essential for us.
The more we disconnect ourselves from people and nature the more miserable and endangered life becomes.	The more we live as a part of life and our genetic makeup the more pleasant and secure life becomes.
Competition is expressed in its most intense form as total war and at its calmest it's never peaceful. Life avoids competition if possible as it's a waste	The state of peace is a natural condition for social life, its logical for us as we lived in that state for over 95% of our human existence.

All forms of civilisation are aberration of social life

There's no question about it. A new epoch—the Anthropocene— the human bean — has begun. So many scientist say. It's a misnomer it should be called by a more accurate name that describes global capitalism. The new epoch is more like - the fatal epoch. I don't know how scientist would name that, nor I'm interested in scientific names, but the name as is, is dishonest depiction of the epoch. Modern humans have lived for near 200,000 years and if the new era appeared since 1950s- 60s? (Still vague) it coincides with the start of global capitalism. That's world trade, container ship, ore carriers, and the use of oil engines instead of steam, private transport, jet liners, and the green revolution, plus a population explosion. All of it is only a tiny bit of human existence. It's dishonest to name it the Anthropocene as it's laying the blame on people instead of the system, civilisation is competitive and capitalism is its extreme version, it therefore is synthetic that is, it's not natural as the more social life is, so it must be more cooperative and less competitive. But we sacrifice people and maybe most if not all life to save a system without life.

The synthetic nature of civilisation particularly capitalism is due to its contradictions, being social and competitive; it's an unstable state that's always and must be controlled but can never be stable, let alone fair and honest. Due to that unstable state cause by its diverse and competing interest of the world's powerful few, it leaves most small business and its workers vulnerable to the unknown outcome of the competing interest of the 1%. In the last forty odd years of neoliberalist capitalism growth compulsion has damaged the ability of the planet's and its life to maintain its self especially with the expected 9 billion people by the middle of the century. This is well beyond government controlled by capitalism to save anyone from its demise.

That globalised society is controlled by dominant people using weapons, religion, and in capitalism its fiat money, which has no limits therefore give the illusion of invincibility. The influence that manufacturers have in producing weapons of real mass destruction to disrupt international relations is part of its "wealth creation".

Our problem now isn't the unfairness, the thievery, the brutality, as that's civilisation, it's what we lived with for thousands of years, people and nature can cope with that. What nature can't cope with is fossil fuelled powered capitalism as that system has no controls except that it must grow to be viable. Physically that's impossible, however, capitalist economists aren't bound by earthly constraints, but we and maybe all life are at stake due to global warming and the devastation we made on land and seas in the wake of capitalist economic growth. We can't live that way for much longer so we must stop the now impossibility of growing the economy and fix the damage we have done to survive.

To reduce our output and consumption is easy, whilst to increase it is much harder at the best

of times and this is the worst of times to maintain growth, which now will be fatal if continued, but only for all children. Life's most important need is to procreate and ensure its ability to thrive.

\* Aurelio Peccei - Wikipedia, the free encyclopedia [https://en.wikipedia.org/wiki/Aurelio\\_Peccei](https://en.wikipedia.org/wiki/Aurelio_Peccei)  
Aurelio Peccei was an Italian scholar and industrialist, best known as the founder and first president of the Club of Rome

*Lionel Anet is a member of Sydney U3A University of the Third Age, of 20 years standing and now a life member*

# MYTH AND REALITY IN THE INDEPENDENCE MOVEMENT

*Edward Spalton; via Sonya Porter*

Some people are said to have, or believe they have, the gift or office - or perhaps delusion - of immutable infallibility - rather like the law of the Medes and the Persians which altereth not (and where are the Medes and Persians today?).

Those of us who are not so gifted have to look at situations as they arise and, although it can be very strenuous and painful indeed, to change our minds when the facts change or when previously unknown or unconsidered facts come to light.

When the independence movement was a scorned, small minority, it was very sustaining to know that we were right, everybody else was wrong and also acting "illegally". With the arrival of the Great Day of liberation from the European project, there would be a glorious, instantaneous deliverance, our chains would fall away and the world would watch in dread amaze, as Britannia waived the rules and all became sweetness and light. Noble Lords and faithful Commons would well and truly serve their Sovereign freed from Political Correctness and alien law, our yeomen till the soil and our ships plough the sea whilst our factories would hum with renewed prosperity. In face of the shoddy reality of economic decline, utter scorn and derision from the powerful, sparsely attended meetings in comfortless, draughty halls and occasional infighting of an astonishing viciousness, it was a noble enough myth and aspiration to sustain many of us through long days of dispiriting, unrewarded toil. Like all good myths there was plenty of truth in it.

But as the prospect of actually leaving the EU moved from pure imagination into the realm of political possibility, it became clear that the world was a far more complicated place than this myth allowed - this myth which did not look beyond the entirely internal - our own abused constitution.

We live by trade. Global trade depends on global regulation of specifications and standards of which the EU is but a small part. We are plugged into this global circuit through our membership of the EU, as we have been for forty years of increasingly complex agreements. Simply to denounce these treaties, which were freely entered into by our own elected governments and parliaments, would not only create enormous, quite unnecessary economic uncertainty and chaos but would be a return to the diplomatic ultimatum style of Mussolini and Hitler which so blighted the last century - not very British really! We don't have the excuse of a Versailles Treaty imposed upon us. The EU has taken nothing which has not been freely surrendered by the Parliaments which we ourselves elected under no discernible duress, albeit with a great deal of deceit by our political class.

Another analogy to the thinking of the "Repeal the European Communities Act and tell 'em to sod off" brigade would be with the sly manipulation of the terrible toddler in a tantrum, throwing all his toys out of the pram with the expectation that the kind grown-ups would rush to calm him and bring them back. "They sell more to us than we do to them, so they'd have to, wouldn't they?" To take such a risk with the economy of a nation that all would simply "be all right on the night" is the height of reckless folly. Anger at the constitutional betrayal by our political class is understandable but a bad counsellor for strategy and tactics.

When arrangements already exist which could ensure the transit to independence without a single day's disruption of trade, no wonder some businessmen and their employees are wary of this John Bullish attitude within the independence movement - unwittingly one of the Europhiles' more useful recruiting sergeants amongst those who have been conditioned to assume that their continued

prosperity depends upon subjection to the EU. So we need to move from contemplation of the grand vista of the noble myth to the more prosaic detail of the situation as it really is. To remain shackled to a simplistic narrative, when the forthcoming referendum demands that we engage with the concerns of our fellow countrymen and women of all sorts and the realities of the global market from which they earn their livings, can only lead to defeat – and a well deserved defeat too.

### ***The effects of the effluxion of time***

There is a parallel in our history of another persistent dissident movement. There were plenty of Englishmen, Scots and Irish too who did not take kindly to the usurpation (as they saw it) of an alien king who mounted a coup d'etat and placed London under martial law with his foreign troops because English troops could not be trusted. I am referring, of course, to William III. Those who did not take kindly to him nor to his German successors regarded the Glorious Revolution, the Act of Settlement and all that as every bit as “illegal” and “unconstitutional” as any keen independence activist might regard the European Communities Act 1972 or Maastricht treaty today. The victors write the history of course, so this may be an unfamiliar thought but it was a widely held sentiment at the time.

Long after after the Act of Settlement (1701) which preceded his birth, Dr. Samuel Johnson made his views known in a heated discussion on a visit to Derby where, in 1745 Bonnie Prince Charlie, the Young Pretender, and his highland army had been received in not unfriendly way. The mayor and corporation had attended divine service in All Saints Church (now Derby Cathedral) in the presence of the Prince and heard the parson say the state prayers for King James. But the steam had gone out of it. The campaign fizzled out to its inglorious bloody end at Culloden.

The decisive factor was the lack of active support from local gentry. Gentlemen whose grandfathers and great grandfathers had fought each other as Roundheads and Cavaliers, had settled down under the new dispensation and become Whigs and Tories. They had known relative domestic peace and security all their lives. With very few exceptions, those with something to lose opted for the status quo. Public opinion had moved on, as it inevitably has today since 1972.

In his Life of Samuel Johnson, James Boswell describes the argument thus “he had this evening ....a violent argument with Dr. Taylor, as to the inclinations of the people of England at this time to the royal family of Stuart. He grew so outrageous as to say “that if England were fairly polled, the present King would be sent away tonight and his adherents hanged tomorrow”. Taylor, who was as violent a Whig as Johnson was a Tory, was roused by this to bellowing. He denied loudly what Johnson said: and maintained there was an abhorrence against the Stuart family though he admitted that the people were not much attached to the present King. JOHNSON “Sir, the state of the country is this: the people knowing it to be agreed upon all hands that this King has not the hereditary right to the crown, and there being no hope that he who has it can be restored have grown cold and indifferent upon the subject of loyalty...” There are some parallels with today's public opinion here.

Dr. Johnson had the last word in his dictionary. A Tory, he wrote was “One who adheres to the ancient constitution of the state, and the apostolical hierarchy of the Church of England”. A Whig was merely “the name of a faction”. He also defined a pension as “An allowance made to anyone without an equivalent. In England it is generally understood to mean pay given to a state hireling for treason to his country”.

Long serving independence campaigners will recognise elements from many fierce arguments about sovereignty, legitimacy and public opinion - the heat of the exchange and parts of the terminology - particularly the allegation of treason.

In the event, Jacobitism dwindled to a private cult with its own rituals and observances, drinking the health to the “rightful king over the water” and so on. There are some adherents still today.

Unless they change their tack and engage with the realities of today, the extreme, purist, noisy, unilateralist “out and outers” of the independence movement will go the same way – not dishonourable but politically impotent and eventually a mere antiquarian curiosity. The fear is that, by association, they may drag the realistic independence movement down to needless defeat with them in the forthcoming referendum - the nearest thing to being “fairly polled” that we are ever likely to get.

***"We all know that Prime Ministers are wedded to the truth, but like other married couples they sometimes live apart . "***

***Saki (H.H.Munro) .***

# SECRETS OF THE ELITE: WHY FORBES'S RICH LIST DOESN'T INCLUDE THE WEALTHIEST FAMILIES ON THE PLANET

## *True Activist; We Are Anonymous; via Critical Thinking*

As Oxfam warns that global wealth inequality is spiraling out of control, we ask why the Rothschilds and Rockefellers are missing from the business magazine's definitive annual guide...with some startling revelations.

*"Permit me to issue and control the money of a nation, and I care not who makes its laws."*

This is a House of Rothschilds maxim, widely attributed to banking tycoon Mayer Amschel Rothschild in 1838 and said to be a founding principle for the highly corrupt banking and political system we have today. Along with the Rockefellers, the Rothschild dynasty is estimated to be worth well over a trillion dollars. How are these powerful families linked to the ongoing crisis of global wealth inequality, why are so many people unaware of their existence, and why doesn't Forbes ever mention them in their annual list of the world's wealthiest people?

### ***Global wealth inequality is out of control, and it's no accident***

In January 2014, Oxfam announced that the richest 85 people on the planet share a combined wealth of \$110 trillion. The figure was based on Forbes's rich list 2013, and it equates to 65 times the total wealth of the entire bottom half (3.5 billion) of the world's population. While some deluded commentators welcomed this as "fantastic news," the rest of us were disgusted. Winnie Byanyima, Oxfam's executive director, said at the time: "It is staggering that in the 21st Century, half of the world's population own no more than a tiny elite whose numbers could all fit comfortably on a double-decker bus."

Two months later, following Oxfam's calculation and having published the new 2014 rich list, Forbes journalist Kasia Morena did some fact-checking. She found that the number of billionaires owning the same as the poorest 3.5 billion had dropped from 85 to 67: which demonstrates an enormous widening of the global inequality gap in just one year.

Fast-forward to 2015, and another Oxfam investigation. The anti-poverty charity warned in January that if nothing is done to tackle global wealth inequality- by forcing corporations to pay their taxes and closing off-shore tax havens, for example- the richest 1% will own more than everybody else in the world combined by 2016. In a paper called *Wealth: Having it all and wanting more*, Oxfam outlined how the richest 1 percent have seen their share of global wealth increase from 44% in 2009 to 48% in 2014, and will likely surpass 50% in 2016. Winnie Byanyima again warned that the explosion in inequality is holding back the fight against global poverty at a time when one in nine people do not have enough to eat, and more than a billion people still live on less than \$1.25 a day.

The organization also outlined how 20 percent of billionaires around the world have interests in the financial and insurance sectors, a group that saw their cash wealth increase by 11 percent in the last 12 months. Billionaires listed as having interests in the pharmaceutical and healthcare sectors saw their collective net worth increase by 47 percent, and the industry spent more than \$500 million lobbying policy makers in Washington and Brussels in 2013 alone. "Do we really want to live in a world where the one percent own more than the rest of us combined?" Byanyima asked. "The scale of global inequality is quite simply staggering, and despite the issues shooting up the global agenda, the gap between the richest and the rest is widening fast."

### ***Meet the people who own 50% (and counting) of the world's wealth***

66 billionaires (officially) own half of all global assets, and will soon own more than the rest of Earth's seven billion population combined. They range from CEOs of large corporations to oil and gas tycoons and Silicon valley entrepreneurs. The list details name, net worth, percentage change since the 2015 results, their age, industry and nationality. Bill Gates is ranked first at \$469 billion, and James

Simons at #66 with the \$14 billion he made from hedge funds.

But where are the world's Royal families? And more to the point, where are the Rothschilds and the Rockefellers? These two families have an unimaginable amount of wealth that surpasses the trillion mark- they are the only trillionaires in the world, and yet they are missing from Forbes's list every single year, along with the handful of other men commonly believed to own our politicians, our media, our corporations, our scientists, and even our money supply.

While the truth of the post title cannot be verified, we do know that five of the most powerful and wealthiest men in the world belong to the Rothschild and Rockefeller dynasties. How much power do they hold, and why do we hear so little of them?

### ***The Rothschild and Rockefeller Dynasties: With great power comes great secrecy***

Forbes's rich list doesn't include members of Royal families or dictators who hold their wealth through a position of power, or who control the riches of their country. In this way, the real people pulling the strings are able to work in absolute secrecy without any media attention at all (unless it is carefully-constructed positive propaganda, like this article on the philanthropy of the Rothschilds, of course). Forbes's policy to exclude heads of state from the rich list explains why the Queen of England is absent, although nobody has the slightest idea of her wealth in any case: her shareholdings remain hidden behind Bank of England Nominee accounts. As the Guardian newspaper reported in May 2002: 'The reason for the wild variations in valuations of her private wealth can be pinned on the secrecy over her portfolio of share investments...Her subjects have no way of knowing through a public register of interests where she, as their head of state, chooses to invest her money. Unlike [British politicians and Lords], the Queen does not have to annually declare her interests and as a result her subjects cannot question her or know about potential conflicts of interests...'

The same can be said for the Rothschilds and Rockefellers, whose European forebears were richer than any Royal family at the time. The families are believed to have set up and own the Federal Reserve (G Edward Griffin's *The Creature From Jekyll Island* and this research by journalist Dean Henderson are recommended reading if you want to get deeper into this topic). Could this be why the families, whose power in manipulating global affairs for the past few hundred years cannot be underestimated, are protected by Forbes's 'don't even go there' policy? Retired management consultant Gaylon Ross Sr, author of *Who's Who of the Global Elite*, was apparently told in 1998 that the combined wealth of the Rockefeller family was approx \$11 trillion and the Rothschilds \$100 trillion... what might that figure have reached 17 years later? One can hardly begin to imagine, but maybe money isn't the most important thing to your average trillionaire, anyway...

"The only problem with wealth is, what do you do with it?" was a rhetorical question posed by none other than John D. Rockefeller. Well, if Aaron Russo's testimony is to be believed, all the Rockefeller riches in the world certainly won't be used to benefit the human race...

### ***Russo's Rockefeller revelations: False flags, power grabs, and an enslaved population***

Russo, a film-maker and activist who directed *America: From Freedom to Fascism*, claimed that Nick Rockefeller told him about 'an event that would allow us to invade Afghanistan and Iraq' some eleven months before 9/11, and foretold the fact that the 'War on Terror' would be a hoax wherein soldiers would be looking in caves for non-existent enemies. In the interview, Russo claims that he first met lawyer Nick Rockefeller after being introduced by a mutual attorney friend. The two men hit it off, and later down the line Rockefeller apparently confided in Russo privately what his family had planned for the world: never-ending war, global population reduction, economic collapse, widespread chaos and disorder on such a scale that people would actually welcome the ultimate 'solution': a one-world government. He was speaking in October 2000, and most of his predictions have now come to pass- including 9/11 and the subsequent War on Terror.

Russo claimed that Rockefeller asked him to be on the Council For Foreign Relations (CFR), but the man who spent his career fighting for freedom and exposing the Fed Reserve supposedly told Rockefeller that he couldn't possibly go along with these sinister plans for mankind. "As much as I like you Nick, I don't believe in enslaving people. We're on opposite sides of the fence," Russo told Nick. To which Rockefeller apparently replied: "Why do you care about those people? Take care of your own life; do the best you can for you and your family." Russo concludes: "There was just a lack of caring; it was just cold."

He goes on, "I used to say what the point, Nick? You have all the money in the world, you have all the power in the world, what's the end goal?" Rockefeller is said to have responded bluntly: "To get everyone chipped." According to this theory, the families who own the banking system are bored of their wealth, it is no longer enough. To control society itself is the ultimate end-game. According to Russo,

Rockefeller told him that a global government would slowly phase out paper money from circulation, with its eventual aim being to microchip the population, turning us all into slaves of the NWO.

These are wild claims indeed, and from a journalistic point of view, they cannot be verified one way or the other. But it's worth noting that just before Russo died in August 2007, he filmed a moving message to all Americans. In it, he talked about how vital it is for people to continue to resist national ID cards and microchips, and fight for their individual freedoms against those who would enslave us. It's also worth pointing out that it's not only activists like Russo and scare-mongering patriots like Alex Jones who have tried to 'out' the Rothschilds and Rockefellers. The problem is, all those who do so are silenced.

Ashley Mote, a member of the European Parliament serving British independence party UKIP, asked the following question in Brussels, and retribution was swift: "Mr President, I wish to draw your attention to the Global Security Fund, set up in the early 1990s under the auspices of Jacob Rothschild. This is a Brussels-based fund and it is no ordinary fund: it does not trade, it is not listed and it has a totally different purpose. It is being used for geopolitical engineering purposes, apparently under the guidance of the intelligence services. I have previously asked about the alleged involvement of the European Union's own intelligence resources in the management of slush funds in offshore accounts, and I still await a reply. To that question I now add another: what are the European Union's connections to the Global Security Fund and what relationship does it have with European Union institutions?"

This is exactly the kind of question the European public would like an answer to. Yet Mote did not receive one. Instead, the 79 year old politician was sacked from his own party, and later arrested and sent to jail for allegedly claiming false expenses during his time as an MEP. Mote claimed throughout his trial that he was 'targeted for being anti-Europe', and said the money he claimed was used to pay third-party whistleblowers in a quest to uncover corruption and fight for democracy and transparency in European politics.

Like everything else relating to the people who really run the show, the truth is out there...but it's almost impossible to pin down.

## **MAGIC, HISTORY, AND THE INVENTIONS OF THE INDIVIDUAL**

*Jon Rappoport; via Peter Challen; Global Table*

What follows are notes I made prior to putting together my second collection, Exit From The Matrix. The whole point of that collection was to provide numerous exercises a person could do on a daily basis---exercises which would reveal and expand his latent power to create reality.

"Reality is invented. It isn't just 'there'."

"There is the study of the past; then there is the obsession with the past; and finally, the blithe acceptance of the past as that thing which molds the individual and makes him what he is. The third preoccupation is by far the most injurious. The sting of its injection is never felt. The fluid enters the bloodstream and paralyzes the mind one gradual degree at a time. The result is an addict who considers himself highly sensible and realistic and comfortable."

"As long as the concept of The Individual lasts in society, before it disappears under a bulbous landfill of psychological spin and academic garbage, the official approach is placing him, the individual, in a context, a tradition, a historical time line, in order to make sure he believes he is reacting to the forces around him and the history prior to him. In this way, the individual is never seen to invent anything; he is at best responding to 'the problems of his time.'"

"Even when the idea of magic is somehow connected to individual freedom and power, we are referred to older studies and systems of magic, as if the past is the only place we can visit to understand what the individual is capable of. This is absolute nonsense."

"Rejecting 'the individual as an artifact of history and tradition' is like stepping off a speeding train and floating upward, where one can view, below, a giant machine spooling out the insanity known as social sciences. The machine concocts reports of tribes, clans, nations, religions, customs, rules, dogmas, which supposedly describe thousands of years of human experience. Floating free, one can see these trillions of data are tinged with the attitude that the individual has

never been vitally important. The machine is making that argument."

"Here is a proposition for you: 'If magic, in any interpretation of that word, exists, a person must find it in the past.' This is like saying a person must move around in a wheelchair, in order to understand his power."

"What the individual invents and creates makes history, makes new space and time. This isn't just magic; it is THE magic."

"When you listen to a symphony, you experience a different space and time continuum. You see it, feel it, inhabit it. It's easy to say that continuum isn't real, but it is. If it were somehow removed from your experience, the symphony would come across to you in an entirely different way. A shrunken dilapidated way."

"The study of symbology conveniently forgets that all symbols are, originally, inventions. They don't intrinsically mean anything. Every symbol and its meaning was first invented by an individual, not a group."

"The individual isn't the end-point of time. He creates time. But this statement is true at a level most people don't want to explore. They prefer to believe they are fitting into a system that has already been prepared for them. This is like believing all meals just show up at the table, rather than considering the possibility of cooking meals in the kitchen one's self."

## **MK ULTRA MIND CONTROL IN AUSTRALIA**

*Cathy Fox Blog; via Critical Thinking*

*(Some of the effects of hypnosis have been demonstrated on air, as entertainment, by Derren Brown. The assassination of Stephen Fry was an especially alarming demonstration of how a person can be hypnotically induced to commit murder ... well worth watching. The work of Selgiman on 'learned helplessness' is also worthy of further study - Ed)*

***The CIA's mind control program in Australia: brought to our shores by The University of Sydney, Leonard Huxley and the Chairman of the Australian Psychological Society\*.***

In August of 1960, at The University of Sydney, MKULTRA psychiatrist Martin Theodore Orne, performed an experiment titled 'Antisocial Behavior and Hypnosis'. This experiment was financed by the Human Ecology Fund, (A CIA cutout for financing MKULTRA activities) and the US Air Force Office of Scientific Research. Orne's visit to Sydney University was made possible by the United States Educational Foundation in Australia (USEFA), which was the Australian body of the Fulbright Scholarship and Lectureship Program. The experiment was given permission to be performed in the facilities belonging to the Faculty of Psychology by Alfred Gordon Hammer, the head of the department, who was also the Chairman of the Australian Branch of the British Psychological Society in 1960 (later the Australian Psychological Society\*). Hammer would spend two sabbaticals in Orne's laboratories in the United States during the 60's and 70's.

G.H. Estabrooks, the father of the Manchurian Candidate was once quoted as saying, "The key to creating an effective spy or assassin rests in splitting a man's personality, or creating multipersonality, with the aid of hypnotism.... This is not science fiction. ...I have done it." In April of 1960, four months before Orne was in Sydney, G.H. Estabrooks invited Orne to speak at a symposium at Colgate College. The paper presented by Orne at this symposium was later titled 'Antisocial Behavior and Hypnosis'.

The goal of this CIA mind-control experiment was to see if hypnotised subjects would carry out dangerous and harmful acts that they wouldn't carry out in their normal state.

Frederick J. Evans, a student at the University of Sydney, assisted Orne in the 1960 experiment. Both Evans and Orne would go on to positions at the University of Pennsylvania. Prof. Peter W. Sheehan and Campbell W. Perry, psychology students at Sydney during Orne's visit, would later go onto perform manchurian-candidate hypnosis experiments with this network of researchers at Pennsylvania. Perry went on to become a board member of the False Memory Syndrome Foundation. Dr. Antony Kidman was also studying psychology at Sydney during Orne's experiment and lectureship. He would go on to

study at the University of Pennsylvania, but instead with Dr. Aaron Tim Beck, the father of Clinical Psychology and an advisory board member of the False Memory Syndrome Foundation. It was there Kidman became a longtime colleague of Dr. Martin Seligman, a man whose life's research has been made the core of the CIA's torture program.

Interestingly, Fiona Barnett alleges that Dr. Antony Kidman was working for the CIA with Dr. John W. Gittinger as part of a mind control research program that she was abused by – during and after he was involved with research in Pennsylvania.

Aldous Huxley was one of the key intellectuals behind the creation of the MKULTRA program. It's interesting to note that a different Huxley family member was involved in MKULTRA's importation into Australia in 1960. Leonard George Holden Huxley was on the board of USEFA and he would have overseen the Fulbright Lectureship being granted to CIA psychiatrist, Martin Orne. Huxley was appointed to the board for the 1960 period and was also on the board of the Commonwealth Scientific and Industrial Research Organisation (CSIRO) with Richard Casey as the Executive. Casey helped to Establish ASIO and ASIS. He also helped to secure funding for USEFA in 1959.

## **MKULTRA in Australia: Part 2**

### ***Multiple links to CIA personality research.***

The CIA's Human Ecology Fund gave a research grant to Professor Ronald Taft of the University of Western Australia in 1961 for studies on the 'Relationship between Health, Personality and Environmental Factors in Groups'. Martin Orne, who received HEF funding for MKULTRA Subproject 84 while at Sydney University in 1960, also received finance for 'Attitude Formation, Decision Matrices' in the same year as Taft. Another person of interest who received CIA funds in 1961 was Robert E. Goodnow for the purpose of 'Personality Studies'.

In 1949, Taft started work for the Rockefeller funded, Institute of Personality Assessment and Research (IPAR) with "veterans of Henry Murray's OSS Assessment team". This is what introduced him to the early CIA mind control network. Like A.G. Hammer, who was mentioned in Part 1, Taft became Chairman of the Australian Branch of the British Psychological Society (later the Australian Psychological Society) just two years after Hammer and just one year after his CIA sponsorship.

Both Taft and Hammer were closely tied to Prof. Jacqueline Goodnow who specialized in Personality Research and Child Psychology. She returned from the United States in 1972 to take up a position at Macquarie University in Sydney. Soon after, she would begin work with the School of Behavioural Sciences at Macquarie. This school was founded by Prof. Ian K. Waterhouse, an early Australian Military Psychologist, a Tavistock Clinic student and President of the APS in 1983. Hammer, Goodnow and Waterhouse would all become Emeritus Professors at the School of Behavioural Sciences.

Dr. Antony Kidman also returned to Australia in 1972 after years of work at St. Elizabeth's Hospital, Washington D.C., in the Laboratory of Preclinical Pharmacology, which was involved with LSD research and served as a hub of the Scottish Rite Schizophrenia Research Program. Both Jacqueline Goodnow and John W. Gittinger had performed research at this hospital and it was one of the major centres for MKULTRA research. A year later, Dr. Sidney Gottlieb, one of the heads of the CIA's mind control operations, fled to Australia and disappeared without a trace.

Interestingly, Jacqueline was married to Dr. Robert E. Goodnow, a CIA psychologist who founded Psychological Assessments Associates (PAA) with Dr. John W. Gittinger. Jacqueline and Robert married in 1951, which was the same year they were both working for the U.S. Military in Munich, Germany, involved with personality research and psychological assessments. Jacqueline would follow Robert on his CIA backed travel to places like Hong Kong, where she conducted assessments on Chinese children in 1960. Robert was President of PAA and had made huge contributions to the hidden research of Gittinger's 'Personality Assessment System'. On the demise of PAA after its CIA operation was exposed, The Washington Post in 1971 reported that "the new operating group is seeking to divest itself of the CIA financial sponsorship". Both Goodnow's had an association with Macquarie University before moving to Australia. According to Karen Wetmore who was a victim of MKULTRA, PAA was involved in personality assessment research on vulnerable children at Vermont State Hospital.

A nexus of these suspect researchers was the Academy of Social Sciences in Australia. As an example of how closely some of the above mentioned researchers were linked, a small subgroup of this



Academy, 'Panel D', included:

- Em. Prof. Jacqueline Goodnow (U.S. Military, Wife of CIA Personality Researcher/Gittinger Associate)
- Em. Prof. Ron Taft (CIA, Human Ecology Fund, Personality Research)
- Em. Prof. Peter W. Sheehan (Part 1, Sydney Uni, Orne's Lab, Citizens Against False Accusations of Sexual Abuse)
- Prof. John Phillip Sutcliffe (Close assoc. of A.G. Hammer, Harvard, Key hypnosis & multiple personality researcher at Sydney University)
- Prof. Kevin McConkey (Orne's lab, President of the APS 1994)
- Prof. Alan Richardson (Close assoc. of Taft at UWA, LSD research, founding fellow of APS, CSIRO)

Fiona Barnett has detailed her abuse at the hands of John W. Gittinger and his use of Personality and Intelligence tests, plus unethical hypnosis. This abuse occurred at underground facilities in the Lucas Heights & Holsworthy Army Barracks area in the 70's. Given that the CIA's Project MKULTRA did in fact create a network of researchers in Australia involved with hypnosis and personality – for the purposes of mind control – it does seem very plausible that Gittinger himself could have been involved in top secret mind control research in Australia.

## **MKULTRA in Australia: Part 3**

### ***Dr. Harry Richard Bailey***

"It was cheaper to use Niggers than cats, because they were everywhere, and they were cheap experimental animals." Bailey making reference to his Tulane University psychosurgery experiments with contractor to MKULTRA Subproject 68, Dr. Robert Heath.

Harry Bailey, like most Australian Doctors connected to MKULTRA, studied at The University of Sydney. He graduated in 1954 and later that year, he received a 15 month, World Health Organization fellowship to study the methods of MKULTRA Doctors, Ewen Cameron and William Sargant. He had been instructed in Psychosurgery, Electro Convulsive Therapy (ECT) and Deep Sleep Therapy (DST).

Soon after Bailey returned from overseas, he would head the newly created Cerebral Surgery and Research Unit at Callan Park Psychiatric Hospital. After his appointment, the Sydney Sunday tabloid declared in September 1957, "Human guinea pigs in test: A Sydney mental specialist and 15 other volunteers deliberately sent themselves temporarily insane in recent mental research tests." Bailey was the man behind this experiment at Callan Park. He went on in the article to promote LSD as a hopeful method of treating "mental cases" and said that these experiments would hopefully trace the section of the brain which is affected by schizophrenia. In 1959, Bailey became the Medical Superintendent of Callan Park.

After his work in the public sector, Bailey shifted to private practice. He still maintained his psychosurgery practices and, just like MKULTRA Doctor Robert Heath, attempted to 'cure' a man of homosexuality with a lobotomy. Sydney's early gay and lesbian activists were outraged and protested against him at his Macquarie Street office. Bailey also founded a private hospital with Doctors, John Herron, Ian Gardiner and John Gill. This became Chelmsford Private Hospital which used hypnotic drugs, ECT and DST, mostly experimentally and without informed consent. This hospital became Australia's worst psychiatric disaster.

All doctors at Chelmsford, including Bailey, had previously been involved with work at the Crown Street Hospital for Women in Sydney. It was here that they were involved in a eugenics program of forced adoption from 'unfit' mothers, to ones who were deemed more appropriate. Bailey had helped to introduce methods of using hypnotic drugs to make them comply. He directly ordered the abortion of twin fetuses without a womans consent while she was under the influence of these drugs. 64% of unwed mothers had their babies taken at Crown Street.

As previously mentioned, Bailey was a DST protégé of Dr. William Sargant, who he kept in contact with while working in Australia. Sargant authored "Battle for the Mind: A Physiology of Conversion and Brainwashing", a book lauded by MKULTRA's Chief, Aldous Huxley. Bailey would compete with Sargant by using his patients at Chelmsford to see how long they could be kept in Deep Sleep. It was also at Chelmsford that he would seduce vulnerable patients, as young as 18, then encourage the patients into signing their wills over to him. This was the case with Sharon Hamilton, a Chelmsford victim, whos \$100,000 estate went straight to Bailey after her suicide.

Dr. Ewen Cameron caused permanent damage to more than fifty patients with his brainwashing experiments, but Bailey topped that by ending the lives of at least 28 patients at Chelmsford Private Hospital with his ECT, DST and drug experiments. Harry Bailey committed suicide by overdosing on barbiturates in 1985, while under investigation.

Fiona Barnett's first mind control perpetrator, Nazi Doctor, Leonas Petrauskas, had connections to Dr. Harry Bailey. Petrauskas lived in Engadine, NSW and operated the local medical centre at the time of Fiona's abuse. A resident of Engadine told the author of this article in 2015, that she had been referred by Dr. Petrauskas to Dr. Bailey. This woman described both men as unethical and she painfully described her prescription of experimental medication which resulted in her growing a beard. Her partner went on to describe what he thought were experiments on children at the Engadine medical practice, which Petrauskas owned & operated. Fiona also tells how Petrauskas was instrumental in introducing her to the CIA connected, Dr. Antony Kidman. She details one event of being delivered to Kidman's house in 1984 by Petrauskas, where she was sexually and physically abused by Kidman, and a famous Shakespearian playwright/actor.

Petrauskas, Kidman and Bailey were all present at The University of Sydney in the late 50's - and all three were key contributors to Australia's involvement in MKULTRA operations.

Please note that victims of abuse may be triggered by reading this information. The Sanctuary for the Abused [A] has advice on how to prevent triggers. National Association for People Abused in Childhood [B] has a freephone helpline and has links to local support groups. Other useful sites are One in Four [C] and Havoca [D]. Useful post on Triggers [E] from SurvivorsJustice [F] blog. Jim Hoppers pages on Mindfulness [G] and Meditation [H] may be useful. Also see Hwaairfan blog An Indigenous Australian Approach to Healing Trauma\* [J]

## Links

- [1] 2015 Dec 12 McMurray Report MK Ultra in Australia Part 1 <http://www.mcmurrayreport.com/2015/12/12/mkultra-in-australia/>
- [2] 2015 Dec 23 McMurray Report MK Ultra in Australia Part 2 <http://www.mcmurrayreport.com/2015/12/23/mkultra-in-australia-part-2/>
- [3] 2016 Jan 3 McMurray Report MK Ultra in Australia Part 3 <http://www.mcmurrayreport.com/2016/01/03/mkultra-in-australia-part-3/>
- [4] UK Mind Control and Manipulation Forum <http://truthquest.gowebz.co.uk/>
- [5] Cathi Morgan video Investigating UK Mind Control with Cathi Morgan Part 1 (Bath, Swainswick etc) [https://youtu.be/OL6EFFhuT\\_A](https://youtu.be/OL6EFFhuT_A)
- [6] Cathi Morgan video Investigating UK Mind Control with Cathi Morgan Part 2 (Festivals etc) <https://youtu.be/IZlc86n0588>
- [7] Cathi Morgan Mind Control in the UK by Cathi Morgan <https://youtu.be/rXSZMRCa4po>
- [8] Bases 30 Cathi Morgan MK Ultra in Britain Part One <https://youtu.be/reQ8g1jtR8o>
- [9] Bases 30 Cathi Morgan MK Ultra in Britain Part Two <https://www.youtube.com/watch?v=qFS7VUWyiEo>
- [10] Whale re T Stokes <http://www.whale.to/c/stokes.html>
- [11] Articles by T Stokes [http://thetruthnews.info/articles\\_by\\_T\\_Stokes.html](http://thetruthnews.info/articles_by_T_Stokes.html)
- [12] <http://www.constantinereport.com/torture-techniques-cia-acquired-nazis/>
- [13] T Stokes Monarch Project and UFO's [http://thetruthnews.info/Monarch\\_project\\_and\\_UFOs.html](http://thetruthnews.info/Monarch_project_and_UFOs.html)
- [14] 2015 Jan 9 BBC Kendall House: Church review of 'drugged children's' home <http://www.bbc.co.uk/news/uk-england-kent-30740201>
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- [16] 2015 Mar 4 Heartless and Heartless Too by Janella aka Steven George <https://cathyfox.wordpress.com/2015/03/04/heartless-and-heartless-too-by-janella-and-steven-george/>
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*This is all written in good faith but if there is anything that needs to be corrected please email  
cathyfox@bigfoot.com*

# **INTEREST FREE BANKING: RUSSIA DEBATES UNORTHODOX ORTHODOX FINANCIAL ALTERNATIVE**

## ***F. William Engdahl; New Eastern Outlook; Global Research***

A significant debate is underway in Russia since imposition of western financial sanctions on Russian banks and corporations in 2014. It's about a proposal presented by the Moscow Patriarchate of the Orthodox Church. The proposal, which resembles Islamic interest-free banking models in many respects, was first unveiled in December 2014 at the depth of the Ruble crisis and oil price free-fall. This August the idea received a huge boost from the endorsement of the Russian Chamber of Commerce and Industry. It could change history for the better depending on what is done and where it further leads.

Some 20 years ago during the Yeltsin era, within the chaos of Russian hyperinflation and IMF "shock therapy," the Russian Orthodox Church introduced a similar proposal for interest-free banking as an alternative. During that time a gaggle of liberal pro-free-market Russian economists around Yeltsin, such as Yegor Gaidar, prevailed. They instead opened Russia's state-owned assets to literal plunder by western banks, hedge funds and corporations.

In my first visit to Russia in May 1994 to give a talk at a Russian economic institute on IMF shock therapy, I saw first-hand the lawless mafia, *ruskaya mafiya*, speeding through the near-empty Tverskaya Street near Red Square in new state-of-the-art Mercedes 600 limos without license plates. It was a devastating time in Russia and Washington and the technocrats at the IMF knew exactly what they were doing to foster the chaos.

### ***US sanctions focus attention***

By 2014 much has changed in Russia. Most significantly, the infatuation with everything American of two decades ago has understandably vanished. The US Treasury financial sanctions were launched in stages in 1914 against specific individuals around President Putin, specific banks and corporations dependent on foreign credit. They had the effect of forcing a critical rethinking among Russian intellectuals, government officials and in the Kremlin itself.

The Washington attacks, legally-speaking acts of warfare against a sovereign nation, were initiated by the US Treasury's Office of Terrorism and Financial Intelligence, the only government finance agency in the world with its own in-house intelligence agency. The Office was created under the pretext of going after and freezing the assets and bank accounts of drug cartels and terrorists, something it seems strangely inept at if we judge from their record regarding groups like ISIS or Al Qaeda in Iraq. It seems to be far better going after "undesireable" countries like Iran and Russia. It has offices around the world, including in Islamabad and Abu Dhabi.

Those US Treasury financial warfare sanctions and the prospect of much worse to come have sparked a deep debate within Russia on how to defend the nation from more attacks. Vulnerability to western sanctions in their banking system has led Russia, like China, to develop an internal Russian version of SWIFT interbank payments. Now the very nature of money and its control is at the heart of the debate.

### ***Unorthodox Orthodox Proposal***

In January 2015, in the depth of the financial crisis, with a Ruble at half what it had been months earlier and oil prices in a free-fall as a result of the September 2014 John Kerry-King Abdullah agreement, the Moscow Patriarchate reissued its idea.

Dmitri Lubomudrov, the Orthodox Church's legal adviser told the media at that time, "We realized we couldn't stay dependent on the Western financial system, but must develop our own. As with the

Islamic system, the Orthodox one will be based not just on legislation, but on Orthodox morality as well, and will be an invitation to businessmen seeking security at a time of crisis.” Among its features would be interest-free credit issuance and prohibition of investment in gambling casinos or such activities going against Church moral values.

Then in early August this year the Orthodox plan for interest-free money creation gained a major added support. Sergei Katyrin, head of the Russian Chamber of Commerce and Industry, after meeting with Vsevolod Chaplin, the senior Orthodox cleric overseeing the project, announced, “The Chamber of Commerce and Industry supports the creation of the Orthodox Financial System... and is ready to provide its platform for detailed and professional discussion of these questions together with the relevant committees of the chamber.” The proposal is aimed at reducing Russia’s reliance on the Western banking system, an essential national economic security requirement.

Much as with Islamic banking models than ban usury, the Orthodox Financial System would not allow interest charges on loans. Participants of the system share risks, profits and losses. Speculative behavior is prohibited, as well as investments in gambling, drugs and other businesses that do not meet Orthodox Christian values. There would be a new low-risk bank or credit organization that controls all transactions, and investment funds or companies that source investors and mediate project financing. It would explicitly avoid operations with active financial risks. Priority would be ensuring financing of the real sector of the economy, its spokesman stated.

Interestingly, Russia’s largest Islamic autonomous republic, Tatarstan, recently introduced Islamic banking into Russia for the first time and it was supported positively by German Gref, CEO of the state-owned Sberbank, Russia’s largest bank. This May, Gref called it a very important instrument amid the current problems with raising funds on international markets. In July Sberbank and the Republic of Tatarstan signed an agreement on cooperation in the field of Islamic financing.

Under Czar Alexander III and his Finance Minister Nikolai Bunge, Russia established the Peasant Land Bank in the beginning of the 1880’s to give interest-free loans to the liberated peasantry that had been freed from serfdom in 1861 by his father, Alexander II and given land. The Land Bank invested in the modernization of Russian agriculture with farmers only paying a small handling charge for credits. The result was such a spectacular rise in Russian wheat, and other cereals that Russia became the world “bread basket” up to outbreak of World War I, exceeding the combined production of the USA, Argentina and Canada by some 25%.

### ***Glazyev proposals***

The new prominence of the Orthodox Monetary model in Russian discussions comes at a time when one of Vladimir Putin’s economic advisers, Sergei Glazyev, the person advising the President on Ukraine as well as relations with fellow-members of the Eurasian Economic Union, has presented a plan for enhancing Russia’s national economic and financial security under the quite sensible assumption that the financial sanctions and now military pressures from Washington and NATO are no whimsical accident but a deep-seated strategy of weakening and economically destroying one of the two nations which stand in a way of a globalist US New World Order.

In May 2014, a few weeks after the Obama Administration imposed a series of select sanctions on key Russian individuals, banks and energy companies, striking at the heart of the economy, Glazyev made an interview with the Russian financial paper, *Vedomosti*, in which he proposed a number of prudent defensive measures. Among them were several which are now policy. This has included a credit and currency swap with China to finance critical imports and a shift to settlement in national currencies—Ruble and RMB; creation of a Russian interbank information exchange system, analogous to SWIFT, for payments and settlements within the Eurasian Economic Union and other partner countries.

A strategic proposal of Glazyev that the state impose a halt on all export of gold, precious metals, and rare earth elements, and that the Central Bank buy up gold mined by foreign companies to build monetary gold reserve strength, was, unfortunately, refused by Central Bank Governor Elvira Nabiullina who told the Duma, “We don’t believe that a moratorium is needed on gold exports. We are able to buy enough gold to diversify our gold and currency reserves.”

Nabiullina has come under criticism from members of the Duma for being far too slow in building the gold reserves of the ruble. Russia today is the world’s second largest gold producer after China, and China has been building its Peoples’ Bank of China gold reserves in recent years at a feverish pace. Western central banks, led by the Federal Reserve, since gold backing for the dollar was abandoned in August, 1971, have done everything, including brazen market manipulation, to discourage gold currency reserves around the world.

Most recently, on September 15 Glazyev presented a new series of economic proposals to the

Presidential Russian Security Council to, as he stated it, reduce the vulnerability to western sanctions over the coming five years and achieve foundations for long-term growth and economic sovereignty. Among his proposals were creation of a State Committee on Strategic Planning under the President of the Russian Federation, together with a State Committee for Scientific and Technological Development, modeled on a system created in Iran during the 1990s following the introduction of Western sanctions there.

The first measure, creation of a Committee on Strategic Planning, echoes the highly successful French national Planification model introduced under President Charles de Gaulle, that was credited with transforming France from a stagnant peasant-dominated economy to an advanced, innovative modern industrial nation by the early 1970's.

In the 1960's France had a General Commission of the Plan which surveyed the entire economy to identify critical weaknesses that needed attention for overall national development. They would set goals for the coming 5 years. General Commission members were senior civil servants consulting with business leaders, trade unions and other representative groups. Each proposed plan was then sent to the national parliament for voting approval or change.

The crucial difference between France's 5-year Planification and the Soviet 5-year central planning model was that the French was indicative and not imperative as was the Soviet Five Year Plan. Private or state companies could freely decide to focus on a sector such as railway development knowing the state would encourage the investment with tax incentives or subsidies to lower risk and make it attractive. It was highly successful until the mid-1970's when the massive oil shocks and increasing Brussels supra-national rule-making made it increasingly difficult to implement.

There are other features to the detailed Glazyev proposal, among the most interesting his proposal to use Central Bank resources to provide targeted lending for businesses and industries by providing them with low interest rates between 1-4 percent, made possible by quantitative easing to the tune of 20 trillion rubles over a five year period. The program also suggests that the state support private business through the creation of "reciprocal obligations" for the purchase of products and services at agreed-upon prices.

Russia is in a fascinating process of rethinking every aspect of her national economic survival because of the reality of the western attacks. It could produce a very healthy transformation away from the deadly defects of the Anglo-American free-market banking model.

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## **IT'S TIME TO TALK ABOUT FACTS: DO YOU WANT A TOTALITARIAN ROTHSCHILD OLIGARCHY?**

***Liz Watson; via Victims Unite.***

***(Slightly edited. After reading Ms Watson's item I was prompted to delve further into the fraud she describes. That opened a whole can of worms, as the following two items set out. We have yet another emblematic example of the terminal rotteness of our entire system of economic, political and legal governance - Ed)***

This (is an) urgent wake up message which calls for immediate action:- It's a parody on our situation in UK with the hegemony of banksters and Oligarchy set up by Rothschild, deploying the heavily corrupted Legal Profession, colluding with the privately owned 'Bank of England' (well there's a lie right there – it's a Rothschild asset of his deluded creation called "UK PLC") & all HM depts esp HMLR [HM Land Registry] to steal property and land from the people – all to bail out their bankrupt parallel economy – which they've used to oppress the People of Britain with for so many years – since the Bank England Act 1694 to be precise! Anything that can be registered must also be able to be de-registered. So it's time we insisted on taking back our land and property Titles from these untrustworthy stewards whose ulterior motive is solely to execute illegal mergers

and acquisitions into the Draconian war-mongering Rothschild dynasty. It's no exaggeration to say: The interfering Land Registry have become a huge threat to us all: sanctioning theft by pen & paper, void deeds & false financial instruments which completely disobey the Laws of our Land – for their own greed and privatised profits . It's all about control being seized by interloper criminals engaging in gross malfeasance in high office – an office taken by stealth and running as a duplicitous set up with practices that are so abhorrent that their senior staff should all be jailed for high treason. Now, with the wicked Rothschilds trying to “privatise” Land Registry – by fraudulently converting all the thousands of billions of pounds raped from people across the world, into this lucrative asset base of collateral value through properties, these criminal oligarchs intend to trade worthless loot and devalued currency built from fiat money and procured through fraudulent practice of Western banks (now collapsing everywhere we look), for solid value homes from tangible purposeful bricks and mortar – no wonder they want to make this hugely deceitful move! Their options are running out, as now the global Banking System has become so corrupt that it's operating like a behemoth and imploding WE, THE INDIGENOUS PEOPLE OF BRITAIN, MUST STOP THIS INIQUITOUS AND ILL-MOTIVATED TAKEOVER BY THE ROBBER-BARON ROTHSCHILDS, WHO WILL OTHERWISE TURN ENGLAND INTO A LIFELESS TOTALITARIAN STATE. It is a fact that behind every illegal repossession and illegal foreclosure in England (and ALL foreclosures ARE unlawful as there's no lawful provision for a mortgagor to steal from a mortgagee), is Rothschild & his agents – operating criminal cartels and asset-stripping cabals, using increasingly aggressive means to asset strip us, as their phoney collapsing, man-made imposed “debt crisis” deepens and worsens, becoming ever more desperate to survive and so continue. Be warned of what motivates these power-crazed insatiable Rothschilds, whose aptitude for deception surpasses all the biggest crime gangs, internationally. They have hijacked the Monarchy, as part of a swingeing deceptive deal they did since King George 3rd bankrupted the Bank of England that he'd set up a few decades earlier, and that's why we have a Trojan horse on the throne, as a namesake to all the corrupt HM Departments – notably, all tarred with the same brush, of hoovering up money, time, energy, assets, happiness & robbing us of family life, health, wealth, happiness, homes, prosperity ... These deluded and predatory overlords do not belong in our lives – they are parasites and satanists and must be made subject to serve us and to uphold all our unalienable rights afforded to us under our British Constitution and the Magna Carta. In reality, they are predatory parasites, posing as keepers of a phoney Register, containing some 23.5 million properties with a value exceeding £5 TRILLION pounds , who are conspiring to steal England's biggest asset base- it's land and properties built by us, the good men and women of England. They have NO RIGHT TO OUR LAND OR PROPERTIES. Let's all be perfectly clear about this.

## **MISSION STATEMENT FOR ONE VOICE ACTION GROUP**

***Liz Watson***

The “Mission”, goals and purpose of One Voice Action Group is to focus on creating an opportunity for creditors in the Dobb White/Vavasseur Fraud to participate in recovered benefits by first becoming a formal member of the Group, which in turn commits to :

### **AIMS**

- pursuing opportunities for obtaining financial restitution and recovery in as many forms as possible, leaving no stone unturned, and
- to provide appropriate help wherever possible to creditors in the Dobb White / Vavasseur Fraud who elect to become One Voice members and who agree to abide by the Group's rules.
- These rules are in place for the benefit of everyone, and to ensure the smooth running of everything involved with the process of meeting the commitments outlined below, to the best of our ability, and with the common good of all in mind.
- The commitment is established to work productively and interactively where possible and where appropriate with its' members, in order to facilitate the accomplishment of the pre-set objectives and goals, and to provide as much help as possible to those who elect to align with this

commitment, and in whatever way can be made accessible to its' members, within normal constraints of operating.

### **OBJECTIVES & BENEFITS OF MEMBERSHIP IN ONE VOICE ACTION GROUP:**

- 1.To unite all parties who have been caught up in the Dobb White / Vavasseur Fraud, with the common purpose of seeking restitution, retribution, and damages, and compensation, from those who have wronged them.
- 2.To provide total commitment to seek to restore everything that they have lost in financial terms, as a helpful start. Whilst no guarantees can be given as to outcome, naturally, the total commitment for success is there, and this commitment is certain. Due consideration will be given to all avenues that are open to us to pursue, with our goals in mind.
- 3.To provide access, on a no-win-no-fee basis, to a carefully selected and highly qualified Legal Team who have secured a commitment for funding our Case against culpable parties and 'operators' in the Fraud, with Liz Watson acting as both the Principal of 'One Voice Action Group', and also in the role of a Consultant who is behind the introduction of all 'key' parties to each other. Independent legal advice has asked that Liz Watson, to be appointed as a Consultant to the Legal Team, will provide the Legal Team with 'one voice' to deal with (at their request), on behalf of The Class. Liz Watson will also be appointed as a Consultant to a Trust Company which is being set up to provide the administrative role and function, and management of, the Case, acting as an interface between the 'One Voice' members, and the Legal Team and other parties. An early 'One Voice' members meeting will be convened after the Group is constituted, and a Creditors Claims committee to be formed, and set up.
- 4.To seek correction of wrongs that may have arisen within the Administration of this Case from the Receivers, or the Serious Fraud Office, or the FSA, or any other party who has been involved where there are pressing issues that need to be addressed, and to bring the culpable parties forward and call them to 'count'.
- 5.To work pro-actively with the Legal Team in their strides to obtaining full financial recompense, and where possible, obtaining substantive damages for the hardship caused to all affected parties over the past several years in this Case.
- 6.To provide a platform of support and help in whatever way is possible to reach the needs of 'ONE VOICE' members.
- 7.To conduct as far as we are able, an interactive relationship with 'ONE VOICE' members, working with a creative Mindset (as opposed to a competitive one), and focusing on the greatest good for the greatest number as its' main aim, helping members both individually, and collectively.
- 8.To work resourcefully with 'ONE VOICE' members who may have important or useful information / contacts / suggestions to contribute which can advance, progress or fulfil the aims and objectives of the Group, where the individual success determines the success of either a sub-group in the Case, or of the whole, as far as possible.
- 9.To encourage unity and support amongst its' members, and to promote consideration, helpfulness, and understanding between members themselves. (Remembering that we are "all in this together" and therefore "we can all come out of it together": common goals, common purpose – duly considering the strengths of a unified group with a common goal and set of directives.)
- 10.To do whatever it takes to be effective in achieving the desired outcome in our goals, aims, and intentions, without compromising the whole and without compromising the Rules of Conduct.
- 11.To discover the strength and comfort in 'ONE VOICE' as a group that can make a difference to overcoming the challenges and devastation from Fraud cases such as this one, and to reverse these injustices wherever possible, through appropriate means and through taking appropriate steps and appropriate action.
- 12.To provide comfort and encouragement to everyone who has been victimized by the wrongdoing of others, and to work at redressing the balance wherever possible, resolving injustices, righting wrongs, helping to service the cause of Justice, working alongside a "Higher Justice" simultaneously, and to restore harmony to the innocent.

***"Civil government ..... is, in reality, instituted for the defence of the rich against the poor"***

***Adam Smith; thanks to Dave Dewhurst***

# THE BANK, THE REGULATOR AND THE VAVASSEUR FRAUD

*Ian Fraser; Shredded*

*(first published January 2009) (Minor edit March 2014)*

No touch regulator? John Tiner was the FSA's boss from April 2001 to July 2007

One of the FSA's roles is supposed to be to protect consumers from being ripped off by crooks and charlatans in the financial world. But the City regulator has in recent times had no appetite for this. Ian Fraser examines the multifarious failings of "no touch" regulation. During the laissez-faire era that has caused so much financial destruction, neither the Securities & Exchange Commission (SEC) in Washington nor the Financial Services Authority (FSA) in London's Canary Wharf had any real interest in protecting consumers from predatory and unethical banks and financial services operations.

Taking their cue from pro-bank politicians such as Gordon Brown, who had fallen under the spell of 'market fundamentalists' including Federal Reserve chairman Alan Greenspan, the regulators' preference was to ignore major frauds in the interests of so-called "financial stability".

As the dust slowly settles on the banking and financial crisis, it is becoming increasingly clear what a flawed approach this was. Indeed its ramifications could take years, if not decades, to work themselves out. For more on this theme read my Crimes of the regulators piece, published in January 2009.

I have a personal interest in this. In September 2004, I was aware that a formal complaint was made to John Tiner (pictured above), who at the time was the FSA's chief executive. The complaint concerned the abuse of off-balance-sheet vehicles by HBOS's Bank of Scotland Corporate division to minimize its corporate bad debt position and deceive City investors. Even though this was a serious and documented complaint, Tiner chose to sweep it under the carpet. The FSA finally gave the complainant the brush off in February 2005 — three years before HBOS's demise.

## ***Crosby's two step***

One wonders whether the regulator's lack of interest had anything to do with the presence on its board of Sir James Crosby, HBOS's then chief executive. Crosby, a nominee of chancellor Gordon Brown and H.M. Treasury to the FSA role, stepped onto the regulator's board in January 2004 fully two and half years before he stepped down from the bank.

Throughout the period when Crosby simultaneously played poacher and gamekeeper, there was clear scope for conflict of interest. Interestingly, HBOS was fined a total of £2.25m by the FSA in the 12 months to December 2003 (for crimes and misdemeanours including sloppy record-keeping in its PEP and ISA division and lax anti-money laundering controls) but has been fined absolutely nothing since. Strange, that.

Brown, who as I said is a close friend of Crosby's who apparently regularly spent weekends at Crosby's home in the Yorkshire spa town of Harrogate, ought never have allowed this situation to arise. Apart from anything else, the Bank of Scotland had, since a few months before its merger with Halifax in 2001, been encouraging its own retail customers to "invest" millions of pounds in the Vavasseur 'Ponzi' scheme.

The bank's Manchester-based head of specialist mortgages, Fraser Mackay, is alleged to have been peddling the scheme at the same time as urging customers to take out large equity-release loans on their homes on a self-cert basis to fund their 'investments' in the Vavasseur scheme. The loans were allegedly conditional on the money going into Vavasseur, which customers were told represented a series of offshore "custodian accounts" offering spectacular returns of up to 5% a month.

Other UK-based firms that are understood to have been involved with luring hapless investors into the fraud included St James Place Capital (60% owned by HBOS, and where James Crosby was also a director) and Scotts Private Client Services, a close affiliate company run by the Scottish chartered accountant John Dryburgh. These and several other UK-based organisations were actively promoting the Vavasseur fraud in the period 2001-02.



Their enthusiasm for Vavasseau was, to say the least, surprising. The US authorities, including the Securities & Exchange Commission (SEC) and the FBI, had already lifted the lid on Bahamas-based Vavasseau Corporation and were in the process of bringing its founder, the swindler Terry Dowdell, to justice.

Needless to say the UK investors who were duped into putting money into the scheme lost everything — and, surprise, surprise, a massive state-sponsored cover up followed.

Supposed regulators and other authorities including the FSA and Serious Fraud Office have, for the past seven years, been seeking to protect the interests of the perpetrators of the fraud against the interests of the victims, many of whom are now having to live in penury.

One way in which the Canary Wharf-based FSA achieved this was by winding up Dobb White & Co — a Midlands-based accountancy firm which had become a UK lynchpin for promoting the fraudulent scheme. In doing so, the FSA ensured that the firm's professional indemnity policies were void, which had the advantage of letting the regulator's friends at Lloyds of London off the hook. (By the way, the FSA's liquidation of Dobb White & Co on December 2nd 2003 is questionable, given it was granted in contravention of EC Regulation 1346/2000, since Dobb White could be characterized as a "collective investment undertaking") and the lack of definitive evidence of a proper winding up petition in the High Court.

Another way in which the FSA allegedly conspired to ensure investors in Vavasseau did not get any of their stolen funds back was through the issuance of a worldwide 'Mareva' injunction on 22 October 2002. Taken together, the FSA's actions substantially reduced investors' chances of ever getting their cash back. The Mareva injunction enabled the FSA to freeze creditor funds in the 'Vavasseau' infrastructure of offshore accounts, effectively handing control of the missing funds to the US Department of Justice and SEC — neither of which were particularly inclined to return it.

Liz Watson, who lives in Bournemouth and is one of the many UK victims of the Vavasseau fraud, claims that on December 2nd, 2003, the FSA perjured itself in the High Court by denying any knowledge of the Vavasseau money's whereabouts and failing to disclose the existence of the Mareva injunction. She has been investigating this fraud for the past seven years and has formed the One Voice Action Group in the hope of securing full compensation for investors.

Rather than investigate and hold banks and bankers accountable, the FSA and SFO have preferred to target players lower down the food chain. These have included Dobb White & Co's Shinder Gangar and Alan White, each of whom was sentenced to seven and a half years in jail following an eight-month jury trial in Birmingham Crown Court.

During the trial, witnesses for the prosecution were advised by counsel for the Crown that they must not, under any circumstances, mention the name 'HBOS' when giving their evidence.

Dobb White liquidators Baker Tilly have been claiming that they have been working hard to retrieve creditors' cash since they were appointed in January 2004. But in six years, they have only managed to track down £6m of the UK creditors' missing £125m. They got this from Roy Terry, a partner in Virginia-based law firm Durette Bradshaw, who is acting as Vavasseau's receiver and trustee in the US.

Geoff Carton-Kelly, joint liquidator and joint trustee at Baker Tilly told me he believes that a further £10m to £12m might be secured for distribution to creditors "at some point in time." He said that Baker Tilly's fees to date on this assignment have been £1m, although other sources have claimed they are more than has been retrieved for creditors.

Watson accuses Baker Tilly of being asleep at the wheel. In a recent letter to Carton-Kelly, she wrote: "We hold major evidence that Baker Tilly have abused their power in public office, along with Durette Bradshaw, the FSA, the Insolvency Service, and the SFO on this Case."

Ever considerate, HBOS has sought to evict "investors" from their homes if they missed repayments on their loans. It clearly hasn't occurred to anyone at the Edinburgh-based bank, which was subsumed into Lloyds Banking Group in the wake of its own collapse in January 2009, that the only reason these people were unable to keep up with their repayments was because it had, allegedly, defrauded them.

Watson says:

*"The FSA has become an enabler, rather than an enforcer of financial crime. The FSA is turning a Nelsonian blind eye to things like money-laundering on a daily basis and is actually capitalizing from that. The FSA's only interest is to defend itself through the use of loopholes and by neutralising complaints through its own interpretations of the Financial Services & Markets Act. In*

*my view, however, what they're doing is running a form of racketeering; they're a liability to the public, undemocratic, self-serving and failing in their own remit."*

She claims that the FSA has received some £20m in fines from various banks and financial institutions for money laundering and other offences related to the Vavasour fraud — none of which has found its way back to the consumers who were fleeced. She and her husband Craig served a claim against Halifax Bank of Scotland at the High Court in London on June 8th, 2009.

### **White lies?**

Alan Steel, founder and chairman of Linlithgow-based Alan Steel Asset Management who exposed similarly shabby behaviour by the FSA during the Equitable Life scandal, says:

*"The guys at the top of the FSA should get the bullet. There's 3,500 people at Canary Wharf just farting about. They make the lives of people like us very difficult but what they've allowed through at the top of banking and finance has been extraordinary. They were asleep at the wheel, allowing millions of people to get ripped off. They haven't a clue about the real world."*

Basically, it seems the during the years of "regulatory capture", the FSA became so obsessed with propping up fraudulent institutions that its understanding of things like truth and justice became warped. And remember what happened on 16th September 2008? On that day, the FSA stepped in to reassure depositors and investors that HBOS was a sound bank. The FSA issued a statement saying: "We can confirm that, as HBOS already stated, HBOS has a strong capital base and continues to fund satisfactorily."

At the time HBOS, led by chairman Lord Stevenson of Coddanham and chief executive Andy Hornby, was almost certainly trading whilst insolvent and had been doing so for several months. It was hours away from bankruptcy. As a result of its recklessness, the incompetence of its board and the fact it was probably corrupt from top the bottom, the bank's capital was shot to pieces and it was struggling to fund itself at all, let alone "satisfactorily".

HBOS would have gone bust had it not been rescued by Lloyds TSB two days later. Hornby was apparently so desperate to do that deal, he was "in a state of high anxiety" and willing to accept even a few sous from the Lloyds TSB board led by chairman Sir Victor Blank and chief executive Eric Daniels.

It's also worth remembering HBOS's board misled its own investors at a general meeting held in Edinburgh on June 26th, 2008, four months before the bank's implosion, At that time Hornby reassured investors that a planned £4bn rights issue would make HBOS "really strong versus all peer groups on a UK and European scale and therefore be in a position to take appropriate market share". HBOS got the money from its underwriters but was officially bust three months later.

Now that the FSA is investigating the truthfulness of such claims, as well as the HBOS Reading situation, one can only hope the regulator has re-ordered its priorities. If it remains more preoccupied with propping up fraudulent, kleptocratic institutions than with protecting their customers, the FSA should be quietly put out of its misery.

## **A CRISIS WORSE THAN ISIS? BANK "BAIL-INS" BEGIN..."YOUR LIFE SAVINGS COULD BE WIPED OUT IN A MASSIVE DERIVATIVES COLLAPSE".**

*Ellen Brown; Web of Debt; Global Research*

*(Yet more warnings ... if any more be needed ... regarding bank deposits. the fact that when depositing money in a bank you cede ownership of your money to the bank, and also of imminent 'bail-ins'. This is amongst a glut of recent articles of a similar tone - Ed)*

While the mainstream media focus on ISIS extremists, a threat that has gone virtually unreported is that your life savings could be wiped out in a massive derivatives collapse. Bank bail-ins have begun in Europe, and the infrastructure is in place in the US. Poverty also kills.

At the end of November, an Italian pensioner hanged himself after his entire €100,000 savings were confiscated in a bank “rescue” scheme. He left a suicide note blaming the bank, where he had been a customer for 50 years and had invested in bank-issued bonds. But he might better have blamed the EU and the G20’s Financial Stability Board, which have imposed an “Orderly Resolution” regime that keeps insolvent banks afloat by confiscating the savings of investors and depositors. Some 130,000 shareholders and junior bond holders suffered losses in the “rescue.”

The pensioner’s bank was one of four small regional banks that had been put under special administration over the past two years. The €3.6 billion (\$3.83 billion) rescue plan launched by the Italian government uses a newly-formed National Resolution Fund, which is fed by the country’s healthy banks. But before the fund can be tapped, losses must be imposed on investors; and in January, EU rules will require that they also be imposed on depositors. According to a December 10th article on BBC.com:

*The rescue was a “bail-in” – meaning bondholders suffered losses – unlike the hugely unpopular bank bailouts during the 2008 financial crisis, which cost ordinary EU taxpayers tens of billions of euros. Correspondents say [Italian Prime Minister] Renzi acted quickly because in January, the EU is tightening the rules on bank rescues – they will force losses on depositors holding more than €100,000, as well as bank shareholders and bondholders. . . . [L]etting the four banks fail under those new EU rules next year would have meant “sacrificing the money of one million savers and the jobs of nearly 6,000 people”.*

That is what is predicted for 2016: massive sacrifice of savings and jobs to prop up a “systemically risky” global banking scheme.

### ***Bail-in Under Dodd-Frank***

That is all happening in the EU. Is there reason for concern in the US? According to former hedge fund manager Shah Gilani, writing for Money Morning, there is. In a November 30th article titled “Why I’m Closing My Bank Accounts While I Still Can,” he writes:

*[It is] entirely possible in the next banking crisis that depositors in giant too-big-to-fail failing banks could have their money confiscated and turned into equity shares. . . .If your too-big-to-fail (TBTF) bank is failing because they can’t pay off derivative bets they made, and the government refuses to bail them out, under a mandate titled “Adequacy of Loss-Absorbing Capacity of Global Systemically Important Banks in Resolution,” approved on Nov. 16, 2014, by the G20’s Financial Stability Board, they can take your deposited money and turn it into shares of equity capital to try and keep your TBTF bank from failing.*

Once your money is deposited in the bank, it legally becomes the property of the bank. Gilani explains:

*Your deposited cash is an unsecured debt obligation of your bank. It owes you that money back. If you bank with one of the country’s biggest banks, who collectively have trillions of dollars of derivatives they hold “off balance sheet” (meaning those debts aren’t recorded on banks’ GAAP balance sheets), those debt bets have a superior legal standing to your deposits and get paid back before you get any of your cash. . . . Big banks got that language inserted into the 2010 Dodd-Frank law meant to rein in dangerous bank behavior.*

The banks inserted the language and the legislators signed it, without necessarily understanding it or even reading it. At over 2,300 pages and still growing, the Dodd Frank Act is currently the longest and most complicated bill ever passed by the US legislature.

### ***Propping Up the Derivatives Scheme***

Dodd-Frank states in its preamble that it will “protect the American taxpayer by ending bailouts.”

But it does this under Title II by imposing the losses of insolvent financial companies on their common and preferred stockholders, debt-holders, and other unsecured creditors. That includes depositors, the largest class of unsecured creditor of any bank.

Title II is aimed at “ensuring that payout to claimants is at least as much as the claimants would have received under bankruptcy liquidation.” But here’s the catch: under both the Dodd Frank Act and the 2005 Bankruptcy Act, derivative claims have super-priority over all other claims, secured and unsecured, insured and uninsured. The over-the-counter (OTC) derivative market (the largest market for derivatives) is made up of banks and other highly sophisticated players such as hedge funds. OTC derivatives are the bets of these financial players against each other. Derivative claims are considered “secured” because collateral is posted by the parties.

For some inexplicable reason, the hard-earned money you deposit in the bank is not considered “security” or “collateral.” It is just a loan to the bank, and you must stand in line along with the other creditors in hopes of getting it back. State and local governments must also stand in line, although their deposits are considered “secured,” since they remain junior to the derivative claims with “super-priority.”

### ***Turning Bankruptcy on Its Head***

Under the old liquidation rules, an insolvent bank was actually “liquidated” – its assets were sold off to repay depositors and creditors. Under an “orderly resolution,” the accounts of depositors and creditors are emptied to keep the insolvent bank in business. The point of an “orderly resolution” is not to make depositors and creditors whole but to prevent another system-wide “disorderly resolution” of the sort that followed the collapse of Lehman Brothers in 2008. The concern is that pulling a few of the dominoes from the fragile edifice that is our derivatives-laden global banking system will collapse the entire scheme. The sufferings of depositors and investors are just the sacrifices to be borne to maintain this highly lucrative edifice.

In a May 2013 article in Forbes titled “The Cyprus Bank ‘Bail-In’ Is Another Crony Bankster Scam,” Nathan Lewis explained the scheme like this:

*At first glance, the “bail-in” resembles the normal capitalist process of liabilities restructuring that should occur when a bank becomes insolvent. . . .*

*The difference with the “bail-in” is that the order of creditor seniority is changed. In the end, it amounts to the cronies (other banks and government) and non-cronies. The cronies get 100% or more; the non-cronies, including non-interest-bearing depositors who should be super-senior, get a kick in the guts instead. . . .*

*In principle, depositors are the most senior creditors in a bank. However, that was changed in the 2005 bankruptcy law, which made derivatives liabilities most senior. Considering the extreme levels of derivatives liabilities that many large banks have, and the opportunity to stuff any bank with derivatives liabilities in the last moment, other creditors could easily find there is nothing left for them at all.*

As of September 2014, US derivatives had a notional value of nearly \$280 trillion. A study involving the cost to taxpayers of the Dodd-Frank rollback slipped by Citibank into the “cromnibus” spending bill last December found that the rule reversal allowed banks to keep \$10 trillion in swaps trades on their books. This is money that taxpayers could be on the hook for in another bailout; and since Dodd-Frank replaces bailouts with bail-ins, it is money that creditors and depositors could now be on the hook for. Citibank is particularly vulnerable to swaps on the price of oil. Brent crude dropped from a high of \$114 per barrel in June 2014 to a low of \$36 in December 2015.

What about FDIC insurance? It covers deposits up to \$250,000, but the FDIC fund had only \$67.6 billion in it as of June 30, 2015, insuring about \$6.35 trillion in deposits. The FDIC has a credit line with the Treasury, but even that only goes to \$500 billion; and who would pay that massive loan back? The FDIC fund, too, must stand in line behind the bottomless black hole of derivatives liabilities. As Yves Smith observed in a March 2013 post:

*In the US, depositors have actually been put in a worse position than Cyprus deposit-holders, at least if they are at the big banks that play in the derivatives casino. The regulators have turned a blind eye as banks use their depositors to fund derivatives exposures. . . . The deposits are now subject to being wiped out by a major derivatives loss.*

Even in the worst of the Great Depression bank bankruptcies, noted Nathan Lewis, creditors eventually recovered nearly all of their money. He concluded:

*When super-senior depositors have huge losses of 50% or more, after a "bail-in" restructuring, you know that a crime was committed.*

### ***Exiting While We Can***

How can you avoid this criminal theft and keep your money safe? It may be too late to pull your savings out of the bank and stuff them under a mattress, as Shah Gilani found when he tried to withdraw a few thousand dollars from his bank. Large withdrawals are now criminally suspect.

You can move your money into one of the credit unions with their own deposit insurance protection; but credit unions and their insurance plans are also under attack. So writes Frances Coppola in a December 18th article titled "Co-operative Banking Under Attack in Europe," discussing an insolvent Spanish credit union that was the subject of a bail-in in July 2015. When the member-investors were subsequently made whole by the credit union's private insurance group, there were complaints that the rescue "undermined the principle of creditor bail-in" – this although the insurance fund was privately financed. Critics argued that "this still looks like a circuitous way to do what was initially planned, i.e. to avoid placing losses on private creditors."

In short, the goal of the bail-in scheme is to place losses on private creditors. Alternatives that allow them to escape could soon be blocked.

We need to lean on our legislators to change the rules before it is too late. The Dodd Frank Act and the Bankruptcy Reform Act both need a radical overhaul, and the Glass-Steagall Act (which put a fire wall between risky investments and bank deposits) needs to be reinstated.

Meanwhile, local legislators would do well to set up some publicly-owned banks on the model of the state-owned Bank of North Dakota – banks that do not gamble in derivatives and are safe places to store our public and private funds.

*Ellen Brown is an attorney, founder of the Public Banking Institute, and author of twelve books including the best-selling Web of Debt. Her latest book, The Public Bank Solution, explores successful public banking models historically and globally. Her 300+ blog articles are at EllenBrown.com. Listen to "It's Our Money with Ellen Brown" on PRN.FM.*

## **GOLD ANALYST WARNS: "THERE ARE ABOUT 325 PAPER OUNCES FOR EVERY PHYSICAL OUNCE BACKING IT"**

***Mac Slavo; Activist Post***

***(So-called 'paper gold' ... gold which has been pledged and re-pledged countless times ... might yet turn out to be the greatest financial scandal of all! - Ed)***

Back in September Zero Hedge reported that something snapped in the COMEX market and all indicators suggest there was a relentless outflow in registered gold. At that time there were about 202,054 ounces of gold available for delivery. To put that into perspective, Craig Hemke of TF Metals Report points out that just earlier this year there were nearly one million registered ounces available.

What this likely means is that someone, somewhere is requesting that their paper holdings be converted into deliverable physical gold. All the while many a mainstream pundit has declared that gold is nothing but a relic of times past. Yet, despite its purported unpopularity, since the last time the COMEX snapped in September even more registered gold has disappeared.

As of December, notes Hemke in his latest interview with Crush The Street, we've hit an all-time low in registered physical metal at the COMEX which has in turn led to a massive amount of leverage.

*We're at an all time low of about 120,000 [ounces of registered holdings].*

*But yet the total open interest- the amount of paper contracts based upon that declining amount of*

*physical metal – has stayed the same.*

*Now, there's about 325 paper ounces for every one physical ounce backing it. In the past that number was always around 10-to-1 or 20-to-1 ... It's another one of these data points that we follow that seems to indicate a global physical tightness.*

In the full interview Hemke explains what this means for the gold market, as well as why the leverage in COMEX precious metals is significantly different than stock markets:

Though the physical tightness, low amount of registered gold at COMEX, and potential for panic in global markets is very real, Hemke takes care to mention that even though COMEX is leveraged to historically obscene levels, it doesn't necessarily mean we're going to see a meltdown in the next few days or weeks.

*It does not indicate that the COMEX is going to fail tomorrow .. I don't know how far this ratio can be stretched. It'll be interesting to see what the actual physical price is discovered to be once people actually begin demanding their physical metal.*

*Think of it as a game of musical chairs where there's one chair representing an ounce of gold and there's 325 people walking around that chair... they're going to try to sit on it and pick up that ounce of gold should the music ever stop. And if the other 324 people that think they own gold all of a sudden realize "wait a second, I thought I owned gold."*

*If all of a sudden they want to get their fill and they realize the world is just this gold pricing scheme with over-hypothication and over-leverage... when the world figures that out and the music stops so to speak, the price isn't going to be \$1075.*

In coming years there is a real possibility that we will experience a monetary or market event. It may not happen tomorrow, as Hemke notes, but tomorrow will eventually come.

When it does and the music stops we should assume that The Powers That Be have lost control of the system (or let it detonate on purpose). Some analysts like Marc Faber, Martin Armstrong and Gerald Celente have suggested that in this air of panic gold prices could rocket to new levels as price discovery for real, deliverable metal is finally realized.

*Visit Crush The Street for more interviews like this one, commentary, original videos and wealth building strategies. You can read more from Mac Slavo at his site SHTFplan*

## **HEED THE FEARS OF THE FINANCIAL MARKETS**

***Larry Summers; FT; via Dave Dewhurst***

***They understood the gravity of the 2008 crisis well before the Federal Reserve***

Often markets are volatile at the end of a year and then settle down as a new year begins. Not this year. US and European markets closed lower on Friday after a very rough week despite a strong US jobs report. The week saw dramatic declines in China's stock market and currency. Oil prices fell even in the face of major tension between Iran and Saudi Arabia.

A week when bad market news makes the front page raises two questions. How much should forecasters and policymakers look to speculative markets as indicators of future prospects? And how alarmed should they be about the prospect of a global slowdown?

Markets are more volatile than the fundamentals they seek to assess. Economist Paul Samuelson quipped 50 years ago, "the stock market has predicted nine of the last five recessions".

Former Treasury secretary Robert Rubin was right when he would regularly reassure anxious politicians in the Clinton White House that "markets go up, markets go down" on days when a market move created either joy or anxiety. The best executives manage their companies with an eye to long-run profitability, not the daily stock price. And policymakers do best when they concentrate on strengthening economic fundamentals rather than on daily market fluctuations.

Still, since markets are constantly assessing the future and aggregate the views of a huge number of participants, they often give valuable warning when conditions change. Studies have shown that prediction markets do a better job of predicting elections than pollsters. Hollywood studios use such markets to judge the likely success of movies.

Policymakers who dismiss market moves as reflecting mere speculation often make a serious mistake. Markets understood the gravity of the 2008 crisis well before the Federal Reserve. They grasped the unsustainability of fixed exchange rates in the UK, Mexico and Brazil while the authorities were still in denial, and saw slowdown or recession well before forecasters in countless downturns. While markets do sometimes send false alarms and should not be slavishly followed, the conventional wisdom essentially never recognises gathering storms.

The Economist reports that, looking across all major countries over the past several decades, there were 220 instances in which a year of positive growth was followed by one of contraction. Not once did International Monetary Fund forecasts anticipate the recession in the April of the growth year. Signals should be taken seriously when they are long lasting and coming from many markets, as with current market indications that inflation will not reach target levels within a decade in the US, Europe or Japan. It is especially ominous when markets fail to rally on what should be good news.

It is conceivable that Chinese developments reflect market psychology and clumsy policy responses, and that the response of world markets is an example of transient contagion. But I doubt it.

Over the past year, about 20 per cent of China's growth as reported in its official statistics has come from its financial services sector, which is now about as large relative to gross domestic product as in Britain, and Chinese debt levels are extraordinarily high. This is hardly a case of healthy or sustainable growth.

In recent years, China's growth has come heavily from massive infrastructure investment; China poured more cement and concrete between 2011 and 2013 than the US did in the whole of the 20th century. This, too, is unsustainable. Even if it is replaced by domestic services, China's contribution to demand for global commodities will fall.

Experience suggests that the best indicator of a country's future economic prospects is the decisions its citizens make about keeping capital at home or exporting it abroad. The renminbi is under pressure because Chinese citizens are eager to move their money overseas. Were it not for the substantial recent depletion of China's reserves, the renminbi would have fallen further.

Traditionally, international developments have had only a limited effect on the US and European economies because they could be offset by monetary policy actions. Thus, the US economy grew robustly through the Asian financial crisis as the Fed brought down interest rates. With rates essentially at zero in the industrial countries, however, this option is no longer available, and foreign economic problems are likely to have much more of a direct effect on economic performance.

Because of China's scale, its potential volatility and the limited room for conventional monetary manoeuvres, the global risk to domestic economic performance in the US, Europe and many emerging markets is as great as at any time I can remember. Policymakers should hope for the best and plan for the worst.

*The writer is Charles W Eliot university professor at Harvard and a former US Treasury secretary*

## **THE SURPRISING REASON WHY CANADIANS ARE LITERALLY CUTTING THEIR MONEY IN HALF**

*John Vibes; Activist Post*

It was reported last week that Canadian citizens have been cutting their official government money in half and using it as a localized alternative currency. The currency is called "Demi," which means "half" in french. The Demi currency is being used specifically in the Gaspesie region of northern Quebec and is actually accepted by a number of local businesses.

The founders of the currency have specified that the half dollar notes are worth half of whatever value the original note was intended to be. For example, half of a \$10 bill is worth \$5, while half of a \$20 bill is worth \$10.

The idea for the Demi formed from a conversation that Gaspésie resident Martin Zibeau had with his friends who came from areas of Europe where alternative currencies were being used in place of the Euro.

The idea behind using pieces of already existing currency was used because state currency is difficult to counterfeit, making it a secure currency. “We joked about [how] the Canadian dollar is pretty secure,” Zibeau said. Zibeau explained that he began by getting members of the community to join in on the plan, which was especially important for local businesses.

“The first few people that started using the demi were people we just had a conversation with, 99.9% of the people who first hear about it go what the hell is that. They react very strongly, very emotionally, why would you do something like that?” Zibeau said.

Luckily, there were some very open minded businesses in his area that were eager to jump on board. Gerard Mathar, for example, is a local business owner who has a company that sells food items foraged from the mountain forests, like mushrooms and berries. His business sells their products to local restaurants who are in the market for that type of food. “I buy bread, a lot of food, vegetables,” Mathar said.

The plan was surprisingly welcomed by local economists, one of whom called the idea “brilliant.” Germain Basile, an economist at HEC Montreal, said the plan was a “brilliant solution” because, “If anyone can photocopy any alternative currency it becomes very very abundant and it loses its value.” He added that a state currency would be one of the most difficult things out there to reproduce.

Many people in different areas of the world have been moderately successful at implementing local currencies, such as Mountain Hours or Ithaca Hours, which have gained traction in the U.S.

In London, an interesting alternative currency bearing the face of pop singer David Bowie recently came into circulation. According to Market Watch, the local currency is specialized for the Brixton community in southwest London. It is officially called the “Brixton Pound.”

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 innovating within their own areas and take those lessons into account for when state- and bank-issued currencies finally diminish in value to the point where they are unusable.

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