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## Banking disaster

Posted by Levenax - 2008/09/17 23:34

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The news of the takeover of HBOS and the likely loss of thousands of Scottish jobs is a shock to everyone. I have watched the collapse of the banking system with horror and been infuriated by the way that those responsible for this mess have walked away unscathed. Not long ago Institutional Investor Magazine said "Lehman stands as one of the most admired investment banks on Wall Street,". Chairman and CEO Richard S. Fuld, Jr. was paid \$22M as a bonus for one year's work and many thousands of Lehman traders were paid lesser but still stupendous sums.

Lehman Brothers is no more but you can bet Fuld, and hundreds if not thousands of his cronies have walked away with \$Millions salted away to sweeten a long and comfortable retirement. Meanwhile the "little people", the secretaries, cleaners, janitors and tea ladies, who worked in the company's palatial London offices are left with nothing.

A very smart young woman, Naomi Klein, who was interviewed on Newsnight tonight, put it very well indeed. She said that government bail outs of failures like Northern Rock and Freddy & Fanny Mae was socialism for the rich. How true. We could do with more of her type running our financial affairs instead of the plague of amoral cityboys who have ruined the jobs and finances of millions of honest workers worldwide.

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## Re:Banking disaster

Posted by DoricMan - 2008/09/18 10:11

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I can fully understand Alec Salmond's rightful anger regarding the many parasites, short seller and other pirates playing their despicable Monopoly with our money.

The question is, can any government or financial watchdog take decisive action to end these scandals?

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## Re:Banking disaster

Posted by Bananaman - 2008/09/18 23:54

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DoricMan wrote:

I can fully understand Alec Salmond's rightful anger regarding the many parasites, short seller and other pirates playing their despicable Monopoly with our money.

The question is, can any government or financial watchdog take decisive action to end these scandals?

I don't believe they can. And it merely shows what a sham of a democracy we have in the west.

At the behest of the Neo-liberal WASP elites in the US and here all forms of social support and redistribution were reined in and where possible dismantled.

It is no accident that when Thatcher came to power one of her first acts was the removal of exchange controls which meant that the extremely wealthy could withdraw their investment in the livelihoods of their fellow British citizens and instead invest abroad where they could earn much higher returns courtesy of paying below subsistence wages and no taxes to cover the costs of healthcare, education and infrastructure.

The fact that their greed caused widespread hardship among their fellow citizens which was then exacerbated by the wealthy's steadfast manipulation of the tax system so that they pay little or no tax on their gains is not considered immoral in our society.

Yet anyone who 'fiddles' the dole out of a few hundred pounds a year is vilified in the press, taken to court and quite possibly incarcerated. And any politician who attempts to equalise the tax system will be labelled a 'socialist' and unelectable.

The wealthy elites and their political front men and women are the truly immoral in all this. They will make billions from this crisis for which they have only themselves to blame. It was their greed that led to the absurd lending practices. It was their apologists in the political arena and in the regulatory agencies who were so sycophantic that they allowed these practices to continue unchecked despite several warnings such as Enron (remember Enron and its major shareholder Dick Cheney whatever became of him?).

And now because of the way their behaviour has affected the 'markets' we the exploited workers whose labour (and our ancestors labour) created their fortunes are being blackmailed into spending our tax revenues on handouts to the rich instead of decent housing, healthcare and free education for our children.

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Is this a coincidence or did they know when they created the sub-prime system that it was no gamble at all because 'hey guess what the suckers will have to pay for it in the end or else they'll be homeless and starve'?

It is even more ironic for the ordinary citizens in the US who have seen their welfare system shredded and given over to religious groups and multi-nationals and now have to watch as their tax dollars go to the irresponsible rich instead of their neighbours and colleagues.

Wake up people its not the poor and out of work who are a threat to your prosperity and livelihoods its those at the top and the system which protects and supports them.

The Normans arrived in 1066 and were never overthrown. The system they set in place with very little overhaul is still in place today. Inherited property and the wealth it generates is sacrosanct. Its needs are pre-eminent and override any other considerations.

The only reason we got social security, the welfare state and the NHS is because the elites were scared shitless of a working class communist revolution. And they've been trying to backtrack from their concessions ever since. That's why we have a constant stream of media stories which demonise those on welfare and criticise the NHS. While never critiquing the greed and selfish indifference of tax-avoiders and the immorality of those who use tax-shelters.

Let me ask you this from which strata of society do the owners of our media come? From which strata of society are the BBC board of governors drawn? By and large from which strata of society are the traders and analysts of the City of London drawn?

Do you really believe they are impartial? Or do they side with the interests of their ain folk?

Naomi Klein has written two books 'No Logo' and The Shock Doctrine. If you want an alternative take on our consumer society and global capitalism they are well worth reading. While you're at it there is a BBC documentary called The Century of Self that is well worth watching too.

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## Re:Banking disaster

Posted by DavieDites - 2008/09/19 10:44

I just realised that the ban on short selling by the UK government is a) temporary and b) only applies to shares in a few companies.

This practice should be outlawed. End of story.

How about a windfall tax on anyone guilty of precipitating the current crisis using this scam?

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## Re:Banking disaster

Posted by schawaldowris - 2008/10/07 13:41

I note in today's news that the government of Iceland, has had it's request for moral and financial support from the UK, the wider European Union and the United States completely ignored. This is despite the fact it's bank have in the past, supported investment in those countries.(BBC 24hour News)

I understand the Icelandic Government has been disappointed in this lack of concern from its western neighbours.Indeed it has stated that perhaps it should seek new "friends" for financial co-operation.

I have no doubt the establishment of a Chinese "weather research facility" in Iceland will concentrate the minds of the Pentagon wonderfully.

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## Re:Banking disaster

Posted by Robin T Cox - 2008/10/07 16:19

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I was wryly amused to hear that all accounts in Icesave have been frozen.  
<http://news.bbc.co.uk/1/hi/business/7657407.stm>

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## Re:Banking disaster

Posted by schawaldowris - 2008/10/08 13:05

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Is it not intriguing to note, that the Thatcher standard of "government non intervention in the market economy" now lies in tatters across the stricken field of the London Stock exchange.

How interesting to note,that those who sneered at the "lame ducks of industry" are among the first to plead for tax payers support!!

It would appear that in certain circumstances, nationalisation has it's merits after all! Especialy if it can be manipulated to favour the institutions frequented by financial spivs and speculators.

And when it is all over, the taxpayer should not expect gratitude. Morality and patriotism are not words listed in the stock exchange.

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## Re:Banking disaster

Posted by TLJ - 2008/10/08 18:04

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schawaldowris wrote:

Is it not intriguing to note, that the Thatcher standard of "government non intervention in the market economy" now lies in tatters across the stricken field of the London Stock exchange.

Whilst NL have much to answer for, this is indeed the consequence of Thatcherism

It's just a pity that she's not of sound enough mind to understand it.

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## Re:Banking disaster

Posted by woodysdad - 2008/10/08 21:45

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It's a laff! This is just manipulation of figures by fat cats...I hope HBOS go under...IU  
I'll be debt free then!..and the big guys will lose millions!:)

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## Re:Banking disaster

Posted by schawaldowris - 2008/10/09 13:12

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Hi TLJ

It would be less that courteous of me to comment on Mrs Thatcher's present medical condition.

But what do think? would she have done a memorable "U" turn or would she have gladly martyred herself, and her country, before the greedy regiments of unrestricted and unregulated market manipulators?

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## Re:Banking disaster

Posted by Niall Ban - 2008/10/11 11:52

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Now i would like you all to sit down and listen attentively. Once upon a time a moron called George was elected to high office with the support of his big business backers. Once safely installed they called round on him one day to seek a few favours like tax cuts, cheap credit and the heavy hand of regulation to be lifted from the American banks. Of course George was happy to repay his buddies, after all it was their money that had got him into the White House so he was happy to oblige and would get Congress to approve these actions..

All Georges friends left the White House with the astounded faces of Children whose Christmases have all come at once. Included in these measures were to remove the tight fiscal controls on banks which had been emplaced after the Wall street Crash of 1926. Even Margaret Thatcher balked at removing these controls. Within months all they had asked for was in place and George even got his good ol buddy Tony to do the same. Tony not wanting to upset his ally did the same and before long the Europeans, Arabians, Chinese and the Japanese did the same because they did not want an outflow of capital going to America and Britain.

All went swimmingly for a number of years and then some of the bankers got greedy and threw sound banking principles out of the window. They started to lend to people who could not afford the repayments. Bad business practice but Hey! Who cares as long as they were earning multi million dollar bonuses. Even the Federal Reserve, the US Treasury got in the act. Shortage of cash? No problem, just print more Dollars even though you have nothing to back them up with. Eventually the good times ended in a crash. The Sub Prime debts turned belly up leaving every bank which had taken part in this scheme, very, very exposed indeed.

First one bank and then another went tits up and the Governments had to use taxpayers Dollars, Pounds, Euros, Riyals, Yen and Yuan to bail the banks out. In the meantime certain people, rightly described as 'Spivs and Speculators' decided to cash in big time and make already gross fortunes even more gross. They targeted the banks and building societies and made a bomb. On Man John Paulson made Â£2 Billons profit from the collapse of HBOS and the other unprincipled sharks made similar killings.

Now the Royal Bank of Scotland is vulnerable and its current value is now only 41% of its assets which means its a good time to buy Billions of Â£'s worth of RBS shares because they will double in value within the next three months. Such is the world of George, Tony and now Gordon who got into bed with big business and the City who believed economies can be built on debt. We have now been right royally screwed as a result and are now having to pay the price. Many of us who scrimped and saved for security in our old age, have seen our pension funds evaporate and now face many years of financial insecurity and hardship in our old age.

George and Gordon are doing their level best to close the stable door against the hurricane force winds blowing out of the stable and are deciding that stronger regulatory bolts are now necessary. Now the moral of this story is quite simple and should be learned by rote by ever supporter of Neu Liebour who helped create this mess in the first place. DO NOT LIVE BEYOND YOUR MEANS! Your beloved Labour Government has lived beyond its means for years. The UK has a deficit of Â£681 Billions and to cap it all the UK Treasury will have to borrow another Â£500 Billions to shore up the banking system from collapse. This will eventually result in extra taxes for all of us for the next ten years. VAT up to 20%, Income tax basic rate 33%, higher rate 53%. Excise duties up by 10% meaning dearer fuel and Whisky. Guess whom will end up paying for this madness? Yes, You and me both. Open the door to years of financial austerity folks. Personally I want blood, I want to see George Bush, Tony Blair, Gordon Brown and all the "GREED IS GOOD" spivs and speculators brought before a court of law and made to repay their ill gotten gains before spending years sewing mailbags.

The 'Prudent' ex chancellor Brown stands revealed in all his naked wretchedness having helped to bring the world economy to its knees by allowing greedy men and women to manipulate the worlds banking systems for their own selfish ends and do not care a jot for all the human misery they have and are causing. I am absolutely livid at Brown and his equally ineffably incompetent ministers for allowing this to take place. My personal pension scheme lies in tatters at my feet, my hard earned savings for the past 38 years are virtually worthless and may if I am very lucky will give me a pension of Â£540 per month instead of the original Â£2,500 per month.

Oh Yes, an independent Scotland would have suffered like the rest of the world but not as badly as most because greedy unprincipled pirates like the Wall street mob, the Icelandic bankers and many in the City of London would not have been allowed to operate. Actually this whole crisis makes Independence for Scotland more essential than ever so that we do not go down the cludgie like the rest of the UK despite Scotland's generous subsidies to the UK over the past 37 years. Scotland has a strong economy unlike England's and freed of Westminster control would be the second strongest in Europe.

'S mise le meas  
Niall Ban.

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