
Global Meltdown or Share Capitalism?

Posted by Bananaman - 2007/08/17 11:41

<http://business.guardian.co.uk/story/0,,2150498,00.html>

My take is that this is just what share capitalism is all about e.g.

I buy 1 million shares at £2.00 each then hang on to them until me and my advisors think they've gone as high as they're likely to go (say £15.00).

So we sell, creating a fall (re-adjustment) and taking our profits (£13M) smaller investors follow suit, and suddenly the shares plummet to say £1.00 each.

When hey presto confidence is restored by us buying them again.

Only this time I can buy 15M not my original 1M.

The rich get riche, gain more control and tell us its just the way the cookies crumble.

Pull the other one. The system was invented by rich property owners in the late 17th and early 18th centuries to spread their risks, i.e. make sure they didn't lose, whilst meaning they could still make much more profit because they had more wealth to begin with.

Buy your private pensions suckers. You aint NEVER gonna win.

=====

Re:Global Meltdown or Share Capitalism?

Posted by DoricMan - 2007/08/19 15:20

I had my eyes opened with a recent program about Private Equity Venture Capital companies, on BBC Radio 4. The gist of the message demonstrated, how these "Venture Capitalists" used any acquisition to inflate its worth by immediately adding a substantial loan to the original investment. This, by some financial wizardry, boosted the worth of the acquisition, for guess who, the VC's.

My understanding of high finance is about the same as anyone else, but this trick enabled the VC's to pocket a multi million pound bonus, for their efforts, leaving me flabbergasted.

The poor company, that had been purchased did not seem to benefit, in fact the pressures on it grew all the greater.

I have trawled through Radio4's Listen again and so far have not found it. If anyone finds it post the link here, for us all to see multi million greed at work.

Alastair Darling is currently considering ways of tackling this greed,, I wish him well:evil:

=====

Re:Global Meltdown or Share Capitalism?

Posted by Bananaman - 2007/09/08 12:15

Found this today

<http://www.zmag.org/content/showarticle.cfm?SectionID=10&ItemID=13718>

proves my point about who benefits I believe.

=====

Re:Global Meltdown or Share Capitalism?

Posted by Levenax - 2007/09/08 15:37

Don't forget that most of the money that sloshes around in world stockmarkets belongs to pension funds one way or another so if they make a big profit it's good for pensioners. I do however think that the salaries and bonuses paid to directors and city boys/girls are disgraceful.

=====