



SHUT YOUR CAKE-HOLE!

“The new global order has condemned people to death. They don’t care if people live or die.”

Joseph Stiglitz, The World Bank’s former Chief Economist

Sixty years ago this month, Western leaders got together at Bretton Woods to redesign the world’s financial systems, creating the International Monetary Fund and World Bank. Although there is plenty for them to celebrate, SchNEWS warns readers to read on before sending them a birthday card.

Whilst the IMF and World Bank lend cash to ‘developing’ countries to help them run construction projects and meet budget deficits, their real role is to ensuring that the international economy is geared to boosting the profits of Western corporations. By the 1970s troublesome unionised workers in Europe and the US started making big wage demands to state owned and private sector companies. Paying to meet the cost of the huge rise in oil prices in 1973, governments no longer had the cash to meet these demands and corporations found it harder to increase profits. Solution? Get rid of the unions, flog off the state companies and relocate to the Third World where wages were smaller and governments weren’t too fussy about worker and environmental protection.

An example of this philosophy in action was The North American Free Trade Agreement signed in 1994 between America, Canada and Mexico. This enabled company bosses to dump 800,000 unionised US auto workers earning around \$17 per hour, in favour of 700,000 Mexican workers on \$5 a day. 400,000 of these jobs are now off to China for \$2 a day. Size matters too. Small, local businesses are no match for the likes of Wal-Mart, Coke and Nike. Home-grown industries are quickly bought out or pushed aside. With the competitors out of the frame, international firms then use their monopoly position to raise prices and profits.

Not that the countries of the South were that cheap, for the multinationals, at least to start off with. Some governments subsidised basic necessities like food, health care and housing. Governments also added tariffs to imports to protect their farmers. If a US firm exported maize to Mexico, a percentage was added to the cost to make sure that Mexican grown maize was cheaper. This helped guarantee a basic wage for farmers and gave local companies time to develop technologies so they could compete with international firms: a standard policy followed by all European and US countries during most of the 20th century.

Most countries in the ‘developing’ world had their wealth plundered by Europe during colonial times. Take Bolivia, once the richest country in Latin America because of its

vast silver mines. The Spanish drained the mines, killing 8 million indigenous people in the process and now it’s the poorest country in mainland Latin America. With no assets of their own, countries have to borrow cash, but loans from the World Bank and IMF are conditional upon countries ‘structurally adjusting’ their economies. This entails: cutting wages, axing pensions, social security and workers benefits and also hacking away at subsidies on food and housing.

There are so many examples of piss poor policy making, greed and corruption that it’s difficult to pick a birthday example, but the way they sucked the cash out of Argentina is worth a mention. The country followed the fundamentalism of the ‘Washington Consensus’, beginning by ‘pegging’ the Argentinean currency to the dollar. This meant that for every Peso spent the government had to have a dollar to back it up in its coffers. Of course Argentina didn’t have any dollars and needed to borrow, but the banks lending the cash, thought that doing so was risky business, so they charged 16% interest on such loans.

But the rip off didn’t stop there. When the economy looked like it was about to collapse, the IMF offered the government \$20bn in return for further reducing wages and cutting pensions. Despite following instructions the Argentineans never got their hands on the \$20bn. It lingered in New York bank vaults and was used to pay the interest on loans made by firms like Citibank. During the crisis, poverty in Argentina affected 58% of the population and over a quarter earned too little even to feed themselves. It total \$130bn left Argentina for Western banks. During each day in 2001, 20,000 Argentineans slid below the poverty line.

BIRTHDAY BASH

Although Citibank lost some \$2bn during the Argentinean crisis, it was but a small blip, with profits rising 36% during 2003 (they also bunged the US Republican party \$4m between 1999 and 2004). Oh and there’s some corruption too. Using a series of “off-shore banks” (which only do business with customers outside the country where they are licensed), well-connected Argentines laundered millions of dollars in bribes and drug money through Citibank, which in turn made little effort to stop them.

Since it got a bashing at its fiftieth birthday celebrations, the IMF and World Bank have been keen to show how much they’ve reformed. But don’t believe the hype. As ex World Bank’s Chief Economist Joseph Stiglitz said “I was very naive and I am not pleased to have discovered a confused world where money takes priority over the life of people.”

CRAP ARREST OF THE WEEK

For playing paintball!

Three Muslim men have been sentenced to up to life in prison after the US government accused the men of training for holy war by playing paintball games in the Virginia woods. Even the sentencing judge disagreed with the sentences calling them “appalling” and “draconian” but said she had no choice. www.democracynow.org/article.pl?sid=04/06/16/151233

Although it says its reports are now released after five years, instead of thirty, most of the information is in English, and very little of it translated into the languages spoken by the people most likely to be affected by a dam, power plant, or road-building project. Nor does the re-labelling of ‘Structural Adjustment Programs’ to ‘Poverty Reduction and Growth Facility Programs’ hide the fact that ‘poverty reduction’ in Nigeria has seen the country pay over \$16bn for an original loan of \$5b - and they still owe another \$32 billion!

The World Bank and IMF are used by the powerful financial elite to carve up the global economy to suit their own needs. Votes are based on cash, with the G8 countries alone controlling almost half the votes. The US will not allow its voting power in the IMF to drop below 15%, which gives it a veto over all key decisions. At the same time Bush talks about free trade and breaking government intervention, the Farm Security and Rural Investment Act of 2002 chucked US farmers a cool \$249bn. And don’t forget the World Bank is a bank! It’s made a profit every year since it came into existence - over \$3 billion in 2003.

‘IMF riots’ have often ravaged Latin America’s cities from Buenos Aires to Caracas, leaving hundreds of dead and wounded and losses of millions of dollars in damaged property. People are supposed to retire at 60, SchNEWS reckons its time the IMF and World Bank did just that.

* 60 glorious or notorious years? Saturday 10 July 5-7pm Speakers include Rudolf Amenga-Etego, winner of this year’s Goldman Environmental Award for his work with the Ghanaian National Coalition who successfully stopped a \$400bn water privatization project, which was backed by the World Bank.

Discussion organised by the World Development Movement at the Friends House, 173 Euston Road, London, NW1 2B. 020 7737 6215 www.wdm.org.uk

* 50 years is enough network: www.50years.org

* Joseph Stiglitz “Globalisation and its Discontents” (Penguin)

SchNEWS In Brief

'No Comment - the Defendants Guide to Arrest' has been reprinted - thanks to money from the Met Police! The Met were recently forced to pay thousands of pounds compensation to people nicked on an anti-royal demo. Some of that compensation has been used to reprint the guide. Get your copy by sending an SAE to No Comment c/o BM Automatic, London, WC1N 3XX - or download it at www.ldmg.org.uk ** "Life after capitalism?" will be discussed with Michael Albert from Znet magazine next Saturday (10th) 5 pm, at Room H216, London School of Economics, Houghton Street, London WC2 www.radicalactivist.net ** Next Monday (5) there's another chance to catch Banner Theatres play 'Burning Issues - The Miners 1984-2004' Anne Scargill and Bridget Bell of Women Against Pit Closures will introduce the show. It's at the Bedford, 77 Bedford Hill, Balham SW12 9HD 7.30pm £10/£6 020 8675 4744 www.bannertheatre.co.uk ** Interested in finding or submitting radical films to a video library project that can then be distributed free? Then email mickfuzz@rocketmail.com ** Last Friday protestors arrived at Caterpillar's offices in Solihull, to continue their demonstration against the company's sale of bulldozers to Israel. 'The Home Wrecker of The Year' (SchNEWS 454)

IZETT FAIR?

Alex Izett who was vaccinated nine times in 24 hours in preparation for the first Gulf War, recently went on 40-day hunger strike to protest against his treatment over Gulf War Syndrome. His protests and years of pressure by veterans have been a catalyst for an independent public inquiry into the causes of Gulf War Syndrome. Ben Martin of Payday says: "Not only are soldiers used as cannon-fodder during wars. They are also used as guinea pigs to test drugs, vaccines and even (as with nuclear bombs and depleted uranium) the likely lasting effects of weapons. Those who survive these trials are discarded when they are no longer needed for fighting or become too ill to fight." Unfortunately Alex Izett's campaigning has left him skint - if you can help send your donation to: Payday, PO Box 287, London NW6 5QU, UK or contact 020 7209 4751. www.lloyd-gwii.com

ASBOLES!

For the past few years Dave Edwards has been campaigning in Rugby, against the council over issues like health and safety and corruption etc. Rugby Council got so fed with his protests they did what ever caring council does and tried to shut him up and slapped an Interim Anti-Social Behaviour Order (ASBO) on him. Dave then decided to camp outside the Town Hall and go on hunger strike. After a few days he was nicked under the Vagrancy Act but magistrates decided it was not in the public interest for the case to continue so Dave resumed his position on the council steps. Last Thursday, Dave was again arrested and charged with breaching his interim ASBO by causing alarm and distress to an ex-councillor. Since then, he has been held on remand at Blakenhurst Prison in Redditch, where he remains on hunger strike. He would really appreciate letters of support to keep his spirits up. David Edwards LJ8405, HMP Blakenhurst, Hewell Lane, Redditch, Worcs. B97 6QS www.thevoiceofthepeople.org.uk

* The Anti-Social Behaviour Order (ASBO) trumpeted by the government to deal with 'yob' culture is now becoming yet another handy stick with which to beat anyone who wants to protest, complain too much or just dance in a field. SchNEWS wants to hear any readers of other examples of ASBO's being used in this way. Send to the usual address.

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award for their contribution to Palestinian misery was again on offer and once again declined. Eight out of eleven protestors were nicked on ASBO's www.brightonpalestinecampaign.org ** **Nine student protestors from Bangor University** were nicked last weekend after they occupied Beaumaris Castle in protest at war in the Middle East. The castle last fell to an occupation force in 1646, Parliamentary army! ** This Saturday (3) there's a non-violent **Direct Action Training Day** in preparation for demonstrations against Farnborough Airshow. It's at the London Action Resource Centre, 62 Fieldgate Street, Whitechapel, London E1 1ES. www.londonarc.org The Farnborough International Airshow takes place 19-25 July and is an important part of the arms trade calendar with exhibitors including BAE Systems, Lockheed Martin, Rolls-Royce and Boeing. The other face of Farnborough is the weekend public days but as some campaigners point out "watching the latest fighter jets is not family entertainment." 020 7281 0297. www.caat.org.uk ** On the 5th July, as Indonesia 'votes' in another despot, **West Papuans are preparing to defy the election**, and face a possible brutal backlash. There will be a demo on this day at the Indonesian embassy, London in solidarity with West Papua. Meet 12pm, Green Park tube.

WOT A SWISS

In June 2003 two people who were blockading a bridge to protest against the G8 Summit in Evian were almost killed when the Swiss police cut the rope where they were hanging, causing serious injuries when they fell 20 meters to the ground. On Tuesday a court case took place - to prosecute the cops who cut the rope? Er, no. Instead two of the people taking part in action were found guilty of endangering the lives of drivers, and received suspended sentences and court costs!

One of those on trial, Martin Shaw, stated that this case, in which the police are clearly guilty, provides a microcosm of the injustice that is replicated worldwide. "This is part of an attempt to brutalize and intimidate those that resist them. Peaceful protest is becoming an act of terrorism under new EU legislation and it is truly terrifying to see the increasing repression of dissent." www.aubonnebridge.net

* Get ready to welcome the G8 to Scotland next year with Dissent! who are having a national gathering this weekend (3-4) at the 1 in 12 Club, 21-23 Albion Street, Bradford. To book a place g8gathering@yahoo.co.uk www.dissent.org.uk

Constant & Co. Threat

Being kicked off land you own and live on - and having your dwellings destroyed and concrete obstructions to stop you getting vehicles onto your own land, or court injunctions to stop you going on your own land. The reason - officially because you haven't got planning permission to live there, unofficially - because you and your way of life are being ethnically cleansed.

This week 40 bailiffs from 'gypsy and squatter eviction specialists' Constant & Co - with the backup of 50 riot police - evicted travellers off self-owned land at Bulkington Fields, Warwickshire. After booting the six families off the land, Constant destroyed the site with JCBs.

Travellers can't believe that those same bastards - Constant - were used as bailiffs because they are under investigation for arson at the violent eviction of the Meadowlands, Chelmsford, site in January this year. (see SchNEWS 439).

To support other traveller sites under threat there will be a rally at the Paynes Lane site, in Epping Essex, on August 22nd at 11AM, followed by a convoy visiting other threatened sites around Essex. After the recent local elections the BNP got three new seats in the area, putting the travellers under increased pressure. 01206 523 528

McJustice?

Tomorrow is the tenth anniversary since the start of a battle of beliefs, between one of the biggest bastards on the planet and two unemployed anarchists.

It all started in 1990 when McDonalds served libel writs on members of a small anarchist group called London Greenpeace (unaffiliated with Greepeace UK). Two of these activists, Helen Steel and David Morris, refused to stop distributing the allegedly libelous leaflet, the infamous, and still circulating, "Whats Wrong with McDonalds." A David and Goliath marathon match through the courts began, ending in what has been described as "the worst Corporate PR disaster in history" for McDonald's.

On June 19th 1997, after a trial lasting 314 days (the longest libel trial ever in England), Mr. Justice Bell ruled that McDonald's marketing has "pretended to a positive nutritional benefit which their food (high in fat & salt etc) did not match"; that McDonald's "exploit children" with their advertising strategy; are "culpably responsible for animal cruelty"; and "pay low wages, helping to depress wages in the catering trade."

On March 31st 1999 the Court of Appeal added to those damning findings. Three Lord Justices ruled that it was fair comment to say that McDonald's employees worldwide "do badly in terms of pay and conditions", and true that "if one eats enough McDonald's food, one's diet may well become high in fat etc., with the very real risk of heart disease." However the Courts ruled that the Helen and Dave had still libeled McDonald's over some points and ordered them to pay £40,000 damages to the \$35 billion-dollar company. The McLibel 2 have refused to pay a penny. The European Court of Human Rights has now agreed that the trial breached Article 6 'the right to a fair trial' and Article 10 'right to freedom of expression.' The case will be heard in full at the European Court on 7th September 2004.

* For much more on SchNEWS favourite company www.mcspotlight.org
* Recommended reading Eric Schlosser's surprise bestseller 'Fast Food Nation', (Penguin, 2001)
* Wanna see what happens to the human body after a solid month of nothing but McDogshits "food"...? www.supersizeme.com

Positive SchNEWS

The Cowley Club, Brighton's collectively owned radical social centre, is having a Volunteers Day this Sunday (4th) 12 noon till 5pm. The whole club - from cleaning the bogs, doing the accounts to serving up pints, is run by volunteers, so if you'd like to get involved or want to just want to have a nose about how the place is run, now it's your chance. www.cowleyclub.org.uk

...and finally...

A 'state of the art security system' has been er, stolen just days after it was put in a new business park in Wakefield, Yorkshire. As if to add insult to injury, two of the business park's residents include HM Inspectorate of Constabulary and HM Prisons Service.

Business Homes Director Simon Houlston, who presumably had not yet really got to grips with the reality that his entire surveillance set-up had been well and truly nicked, said "This was a seriously sophisticated system. There are cameras hooked up to a central office in Blackburn. If the men watching the screens see a burglar they send a message out on loudspeakers to the office warning them to leave."

Unfortunately the burglars ignored this amplified deterrent, although an old lady who lives next door to the Business Park said she had heard the voice of God "telling her, in a strong Lancashire accent, to leave the vicinity as soon as possible".

Disclaimer

SchNEWS warns all readers don't let them have their cake and eat it....Honest!