

OI GEYSER!! IT'S YER FLOGGING A DEAD NORSE...

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FROZEN ASSETS

THE STREETS OF REYKJAVIK HOT UP AS FINANCIAL MELTDOWN HITS ICELAND

"Even on TV and radio phone-ins callers are saying that maybe anarchy isn't such a bad idea after all," Siggí Pönk, lead vocalist of Icelandic punk band Dís explains, "people are saying capitalism in Iceland is dead, kill capitalism."

The crisis facing the global economy is particularly acute in Iceland. Before the credit crunch Icelanders were, per capita, the world's fifth richest population. According to the UN Iceland is the most developed country in the world (whatever that means). Unemployment and homelessness was virtually unknown; the island of just over 300,000 people was one of the greatest success stories of neo-liberalism. Now, precisely because of the Thatcher inspired 'good years', the odds are strong on it being the first 'developed' country to collapse into full economic depression.

So it's fair to say that Icelanders are mildly angry. There's been an upsurge in grassroots mobilisation as the scale of the damage to the economy has become apparent. Approximately 9,000 people (3% of the population) hit the streets in the last weekly anti-government-bank-billionaire demonstration. Open forums discussing the current situation are packed out - and politicians aren't allowed through the door - unless they're ordered to attend. New political groups are everywhere - 500 people even physically attacked Reykjavik's main Police station and broke out a political prisoner. The collapse of capitalism in Iceland seems to have re-awakened the island's traditional spirit of independence.

Precisely who caused this crash is the main unanswered question. What is perfectly clear is that it was the governments free market economic policy in the 80's and 90's which caused the nosedive. The Independence Party has ruled in every government since Iceland won it's sovereignty in 1944. Now, for the first time, it has had to hire private bodyguards for it's members, not least for Davíð Oddson (Mayor of Reykjavik 1982-1991; Prime Minister 1991-2005; Governor of Central Bank 2005-present), its most vigorous exponent of neo-liberal policies.

Unlike other Scandinavian countries, Iceland closely followed a Thatcherite route of privatising all its major industries and banks; slashing or abolishing corporate, inheritance, net wealth, income and company turnover taxes; signing National Accords (suicide pacts) with trade unions. The right-wing thinktank Economic Freedom of the World's annual survey rated Iceland 53rd of the 72 'free-est' (read deregulated) economies in 1975, while it was one of the poorest countries in Western Europe; by 2006 it had risen to be the 12th out of 141 and was amongst the richest on the planet. (Britain went from 23rd to 5th in the same period).

How does being 'economically free' translate into being ridiculously rich? Any fishmonger will tell you that no matter how many tax cuts you get, selling fish, Iceland's main export, hardly makes you a millionaire. Instead their wealth came from debt. Icelandic bankers stuck their interest rates high so that foreign investors would leave their money with them. They then went on spending sprees across the world, especially in the UK and Denmark. Amongst the UK companies bought by the Icelandic Baugur group were Topshop, Debenhams, Iceland (the supermarket, for novelty value) and the biggest toy shop in Europe - Hamleys (well if you're a billionaire you can't just buy your kid an action man). Iceland's glorious wealth however, was based on borrowed money.

Then the credit crunch bit the world, investors wanted their money back and it became blindingly obvious that the Icelandic bankers couldn't pay. When all three of its main banks collapsed and were nationalised in the beginning of October (keeping most of the same management, of course), it was revealed that Iceland owed foreign investors \$60 billion, 12 times their GDP! But, as these banks were now owned by the nation, it fell on the population as a whole, not the bankers and billionaires who'd taken out these loans, to repay. That's a debt of about \$100,000 per person! And of course, with foreign debts there's interest and exchange rates to add on. The children of todays Icelanders will still be facing the hangover of the Good Years.

SLUMS GONE TO ICELAND

Out of the \$11 billion package to 'rescue' its banks, the Icelandic government signed a \$2.1 billion "International Monetary Foundation (IMF) conditionality agreement". In Godfather like tones the IMF once described themselves as "the credit community's enforcer." Whereas the logic of investment is usually based on getting money for the risks you take, just like betting on Kazakhstan winning the World Cup would make you rich if they came through but would hit you in the face if they didn't; the IMF guarantees that it will get its investment back regardless, like someone who bets on Kazakhstan and then points a gun at the bookie to demand their 'winnings' when they lose.

The IMF has ruined countless poorer countries with its debt-enforcement, forcing countries to repay loans by raising interest rates; increasing tax whilst reducing public spending; selling off public industries and property; removing restrictions on the movement of money; taking out more loans...and so on. In short it'll be business as usual for the



current Icelandic government, which is probably why their only comments on the conditions to IMF loans) were that they wouldn't have to do anything they wouldn't have needed to do anyway. Meanwhile they raised interest rates to 18% - step one of the programme.

With billions of pounds of British cash nestling in the now decimated Icelandic banks the government has frozen assets using anti-terrorism laws. The Icelandic government was distinctly unimpressed, but has bigger issues to deal with on the home front.

ICE BREAKER

The movement that's erupted in response to all of this has some unifying demands. 1) Immediate elections - for individuals instead of parties. 2) The entire Icelandic elite be jailed and forced to pay their debts themselves. 3) The entire finance regulatory organisation be replaced, including Davíð Oddson, now the most hated man in over a millennium of history. 4) That nobody should lose their home - after Christmas unemployment is predicted to jump to 7% and you can bet that under the gaze of the IMF the already inadequate benefits will be cut.

One shred of good news is that the last 15 years of ecological devastation on the island is grinding to a halt. There's simply no money to build more mega-dams, geothermal energy plants and aluminum smelters, especially as the aluminum industry itself has gone belly up from the credit crisis.

On a recent demonstration someone climbed on top of the Icelandic parliament and hoisted the symbolic flag of the billionaire Baugur Group, a grinning fat pink piggybank - the logo of their supermarket Bónus. The idea being that Iceland's recent and hard won parliament was nothing more than an office for the arrogant super-rich and so it should fly its own flag. But while on a university trip to Parliament two weeks later, the same protester was spotted by an MP who got him nicked and locked up for an action against the aluminum industry that he participated in two years ago.

Word spread and 500 people turned up outside the police station, at first demanding his release and then forcing their way in, lobbing stones at the building's windows and ramming its doors down with poles. Police responded with teargas. Someone paid for his release because a giant group of riot cops were forming behind the station to attack supporters. Once out of nick, the protester gave a speech to the cheering crowd, shouting "Such unity and power that you were upholding in front of this station should not be focused on getting some punk out of a prison cell. I'd rather you used this energy to bring the government to their knees. Launch a complete and general and immediate revolution!"

All this, and yet, the effects of the crisis have yet to even set in...

INFORMATION FOR ACTION

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RADIO ACTIVE

As usual, the media coverage of Sunday's regional elections in Venezuela swung between trumpeting Chavez's 'stinging defeat' or crowing about 'the deepening' of the revolution. Depending on, as usual, if you see Mr Chavez as a Stalinist demagogue keen to subject the world to oppressive communism, or a 21st Century Socialist saviour bearing gifts of peace, happiness, income redistribution and amusing Bush-insults.

For ordinary Venezuelans however, as usual, they were caught somewhere between a borderline paranoid psychotic right and a potty, blinkered, ten-years-of-power-out-of-touch-with-reality left. This polarisation is just as evident in Venezuelan media as it is abroad. While the privately owned commercial media openly encourages presidential assassinations, the comically subservient state media has recently reproduced wire-tapped conversations of opposition leaders bragging about the swoosh watches they were planning to buy (evil dastardly capitalist swine).

Meanwhile, many of those stuck in the middle of this partisan posturing have decided to tell their own stories with their own media. For many of Venezuela's - mostly poor - urbanites, Sunday's election results were delivered by co-operatively produced coverage from a number of independent community radio stations. Under the banner 'ni privados ni estatales' (not private, not state) these radio stations, alongside various community TV Channels and websites, date back to 1999 and the new constitution voted in by referendum. Following their role in the mass mobilisation in 2002 that brought Chavez back to power after a coup the number and popularity of these outlets exploded.

As these media operate as a communication outlet for the barrio people and are run by community and popular organisers they don't tend to attract many fans from amongst the right wingers in opposition to Chavez. That doesn't, however, mean that they are starry-eyed cheerleaders for El Comandante. In fact, coming from the people directly affected, they often offer the most constructive and practical criticism. It now appears they could have a key role to play in reigning in the excesses and blindspots of the government and perhaps more importantly, moving the 'Bolivarian Revolution' outside of the constraints of the cult of personality surrounding Chavez.

The election results were genuinely consolidating for Chavez with 17 out of 22 contests won and a 10.4% advantage in the total vote. But there is also no doubt that the opposition made huge and important inroads amongst one of Chavez's natural constituencies, the urban poor, even taking the capital, Caracas. It doesn't take much to work out why: most Venezuelans list rocketing crime rates and crumbling urban infrastructure along with sky high inflation as their top concerns.

If the 'Revolution' is to continue, with or without Latin America's favourite socialist clown, the government has to start accepting criticism and listening. And aside from the election results, there's no better place to get the message than from the community media coming straight from the barrios.

* www.medioscomunitarios.org/pag/index.php

AGENDA BENDER

The Observer have withdrawn their infamous 'eco-terrorism' article (for our take on it see SchNEWS 655). Despite appearing in one of the more left-leaning broadsheets, this load of scare-mongering nonsense about the rising threat of terrorism by environmental campaigners included the claim that eco-activists "believe that reducing the Earth's population by four-fifths will help protect the planet." It was largely based on mis-information from the National Extremism Tactical Co-ordination Unit (NETCU), and seemed aimed at getting them more funding. www.wombles.org.uk/article2008112246.php

FREE WHEELERS

'We do not block the traffic, We are the traffic'. The House of Lords has ruled that Critical Mass cycle rides through London are not unlawful. Friends of the Earth Rights and Justice Centre challenged the Police claims in court on behalf of a Critical Mass cyclist on Monday (20th).

The police claimed that the cycle rides held monthly in London are unlawful because the organisers do not provide police with the necessary notification and therefore, the cyclists are liable to prosecution. Critical Mass state that the cycle rides are spontaneous, they have no organisers and no planned routes. The appeal was heard by five Law Lords who ruled that Critical Mass is a 'commonly or customarily held' procession without organisers and consequently cyclists do not need to inform the police of each ride.

Critical Mass Cycle Rides are part of a global movement which began in 1992 and involves cyclists taking to the streets to celebrate cycling.

In October 2005 the police issued leaflets to cyclists outlining their apparent unlawfulness. This claim was then challenged in the High Court. The subsequent ruling was in favour of Critical Mass, however the police appealed against the decision and won. During this time police have been cracking down on the rides, blocking the front of the ride, preventing cycle sound systems playing and ticketing riders.

This latest court victory is an important success for the peaceful right to protest and for the cyclists who take part.

* See also www.criticalmasslondon.org.uk

* **Critical Mass** events are held on a regular basis across the world, including in many British cities, who typically meet on the last Friday of every month at around 5.30pm - see www.schnews.org.uk/pap/guide.php#crit-mass

POINTING THE MINGA

Last week the 'Minga' movement in Colombia (see SchNEWS 656) culminated its six-week march with a 'People's Congress' in Plaza Bolivar, Bogotá attended by tens of thousands of protesters. The 102 indigenous groups were joined by social movements from across the spectrum in their condemnation of the government of Alvaro Uribe and their demands for social justice. Stressing that this was just the beginning, the movement declared its dedication to the ideals expressed and its commitment to continue the struggle until it's demands have been met.

* For more info see <http://mamaradio.blogspot.com> and www.colombiasolidarity.org.uk

* **Notes and Corrections:** Last week on the website we got our Colombian armed groups in a muddle. As our article makes clear, *paramilitaries* are right-wing and the bully boys from the supposed left are the *guerrillas*.

BRUGES CREW

Protesters camped at woodland near Bruges, Belgium are getting ready for eviction, despite the winter chill. The 30 hectare woodland is under threat from developers who want to build an adventure playground for children. In 2002, the same site was occupied and the activists evicted but not before successfully stopping the woodland being destroyed.

Now, the developers are back and so are the protesters. Belgian police have acted dangerously at past evictions, torturing people out of lock-ons and driving machinery over a tunnel with people inside. They are now expected at any time.

The happy campers need extra insulation, building materials and fundraising, as well as people who can get to the site quickly when eviction starts. (You can get a text alert if you send your phone no to lappersfort@gmail.com). The site is just to the south of Bruges.

* See www.groenfront.nl or for background www.schnews.org.uk/sotw/lappersfort.htm

DEDICATED FOLLOWERS OF FASCISM

BNP's Annus Horribilis continues... After last week's leak of their entire membership list on the web (See SchNEWS 656), the flak has continued...

* In our previous issue we linked to a website publishing the membership list, but this has since been withdrawn due to personal threats of violence to the webmaster. But don't worry you haven't missed out, it is still online at www.wikileaks.org

* This week the BNP were evicted from their merchandise warehouse. Rented by Excalibur - the trading arm of the BNP - it stored such lovely merchandise as replica military medals, Enoch Powell t-shirts, 'Great White' records and Union Jack mugs. Their ex-landlord made this statement: "Evans Easyspace was aware of renting a property to Excalibur, but were not aware of its links to the BNP. We have now terminated their agreement and they are moving out at the end of November." In response the BNP have announced that they actually decided to move to *better* premises.

* While the BNP membership list revealed a litany of police, prison officers, soldiers and even vicars, it also contains two paedophiles - who were jailed last week for sexually abusing two fourteen-year-old girls.

* In desperation over the disclosure of their membership list the BNP has been forced into hiding behind the much-hated Human Rights Act. They've also been firing off dubious legal threats to the likes of Indymedia. The letter sent to Indymedia by Lee John Barnes LLB (hons), from the "BNP Legal Affairs Unit", threatens to take legal action, on the basis of theft, data protection and contempt of court, unless the list of members is removed. For more of LJB's hilarious antics check out <http://weloveleebarne.blogspot.com>

* This week, all but two of the thirty-three anti-fascists arrested at the BNP's Red White and Blue Festival in August this year (See SchNEWS 643) have had their charges dropped. Over twenty were arrested for violent disorder after the group tried to blockade a road into the fascist's knees-up. Others were arrested for failing to comply with police directions on the mass demonstration.

* For more Fashwatch info see www.searchlightmagazine.com, www.antifa.org.uk

SchNEWS In Brief

* **Hereford Heckler** - the town's favourite shit-stirring news-sheet, has issue 6 out now, expanding it's print-run to 4,000. Help is needed to distro around town. <http://herefordheckler.wordpress.com>

* **Congratulations** to Simon and Wendy on the birth this Monday of their boy Luca.

* **Party & Protest** - SchNEWS listing of forthcoming events and protests, updated weekly see www.schnews.org.uk/pap

...and finally...

Witch finding's back on the agenda. Once confined to more robust Cromwellian era of ducking and burning, the practice has recently been revived by the Advertising Standards Agency. Under the terms of the Consumer Protection Act psychics and fortune tellers now have to prove the truth of their claims to supernatural power. Previously professional peering into the netherworld was governed by the laxly enforced Fraudulent Mediums Act 1951.

One such mystic Sister Charlotte was busted by the ASA this week for claiming a 100% success rate for her ability to solve problems in love, marriage, business, exams and immigration as well as banishing evil spirits. In a nod to 400 years of progress instead she wasn't burned at the stake but just ordered to tone down her advertising. A Home Office spokesman said that legislation to protect the gullible was "under urgent review".

Disclaimer

SchNEWS warns all readers - there's more to Iceland than just frozen bargains. Honest!

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