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Board: NEWS BB  
Subject: COMMUNISM  
Posted: July 18,1995 22:07:23  
To: NICK MARK (SZJU69A)  
From: RICK GOMBAS (CHHL71A)

The depression was kicked off by the collapse of the stock (capital) market, which in turn was caused by various excesses such as low or nil margin requirements and by shameless boosterism by corporations hungry for new investors. All this overloaded the market with cash but no real underlying value to support expectations.

The bubble burst when this fact became known, with certain individuals , who saw it coming, getting out on time.

The same thing is happening today, but with modern leverage (derivitives) doing the dirty work. The coming crash will be a lot worse as the current economy is capital, rather than labor based.

The collapse of the capital market will mean most of the service sector jobs (capital intensive) will evaporate. The 25% unemployment rate of the depression will be doubled or even tripled this time and there will be no recovery such as the New Deal provided (with a little help from a war.)

People who wi~l have lost everything (jobs, businesses, homes) will DEMAND radical solutions. The question is what will be the nature of that demand?

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Board: NEWS BB  
Subject: COMMUNISM  
Posted: July 19,1995 12:07:32  
To: RICK GOMBAS (CHHL71A)  
From: NICK MARK (SZJU69A)

All those excesses of the stock market were only possible because the government mandated low interest rates that blew up the bubble. The market was not allowed to operate. Warning calls went unheeded by the federal meddlers.

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Board: NEWS BB  
Subject: COMMUNISM

Posted: July 19,1995 19:16:09  
To: RICK GOMBAS (CHHL71A)  
From: THEODORE MCCRAY (BGAU42A)

Rick;

Good analysis, good question. I would venture that given the sorry state of organized labor, Les Miserables will become a U.S. and probably a trilateral reality. Fresh radical analysis and organization methods are needed (perhaps community org. is useful). As you no doubt know now when the market begins to drop dramatically, as it did today they merely close trading, or regulate computer reacting trading, ,but this cannot save the "marketplace" in the long haul.

Praxis

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Board: NEWS BB  
Subject: COMMUNISM  
Posted: July 20,1995 10:37:16  
To: RICK GOMBAS (CHHL71A)  
From: NICK MARK (SZJU69A)

The government had a legal limit on interest rates as an accomodation to England. While the Fed is instrumental in rate setting, keep in mind it was far less developed then. Had the government allowed the market to respond with the higher rates as borrowing went to dizzying hights, the borrowing would have stopped. But as any investor knows, when interest rates are low and money is cheap, the stock market rises. That's natural. When margin buys are cheap and easy, the market is driven beyond reality. Eventually, reality comes around and bites us all in the rear.

At every turn, economic disaster is caused by government distortion of market forces. Wall Street hardly set out to cause its own destruction. However, government ended up with lots more power afterward, didn't it? The fascists of government AND Wall Street won.

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Board: NEWS BB  
Subject: COMMUNISM  
Posted: July 20,1995 00:27:09  
To: NICK MARK (SZJU69A)  
From: RICK GOMBAS (CHHL71A)

Nick,

The "government mandated low interest rates" are actually the "Wall Street mandated low interest rates." The Federal Reserve, you must remember, is a PRIVATE bank, not a government bank. They don't take orders from Washington. (They take orders from Wall Street, and have since 16 years BEFORE the stock market crash.)

The market operates the way Wall Street wants it to. (They only want to make it APPEAR to be free.) Big money can now be made from a DECLINE in stock prices. That's the role of options and other derivatives. After the current bubbling market becomes totally inflated, the Big Boys will cash in their profits and then use them to profit on the ride down.

Basically they'll corner a vastly deflated capital market. They'll have massive amounts of cash with which to buy vastly depreciated assets.

They have the ways and means to first crash, then own, the market.

We the People have the ways and means to stop them.

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Board: NEWS BB  
Subject: COMMUNISM  
Posted: July 20,1995 08:33:38  
To: RICK GOMBAS (CHHL71A)  
From: LARRY BARLEEN (WVDJ06A)

Rick: Your view of the Fed is too simplistic. The Fed is governed by a board of directors, appointed by the President and confirmed by the Senate. The fact that the Fed listens to Wall Street can be explained by 12 years of Republican Presidents. There was time when the Fed was less attentive to the needs of the Wall Street crowd. However, Reagan and Bush changed that, didn't they?

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Board: NEWS BB  
Subject: COMMUNISM  
Posted: July 21,1995 08:25:54  
To: RICK GOMBAS (CHHL71A)  
From: LARRY BARLEEN (WVDJ06A)

Rick: The Fed was created when the Republicans were running the country. The Fed is the product of turn of the century reform, and you should know it. Every director currently on the board of the Fed was either appointed by Republicans

or confirmed by a Republican Senate.

And...if you think that the Republicans want to reform the Fed or any other power-wielding agency, you are wrong. All that bunch of proven crooks want is an effective way to get Clinton out of the way, so that they can recraft the country's government for the benefit of the fat cats. Check out the current crop of legislation from Newt and the boys. Note, the Regulatory Reform bill in the Senate, right now!!!

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Board: NEWS BB  
Subject: COMMUNISM  
Posted: July 21,1995 00:11:58  
To: LARRY BARLEEN (WVDJ06A)  
From: RICK GOMBAS (CHHL71A)

Larry, the Fed directors can be hired, but not fired, by the People's "Representatives."

What's such an un-democratic institution doing in a supposedly democratic society?

The wool over our eyes was grown by We the People, then sheared and knitted into a very fashionable blinder, by Wall Street and their shepards on Madison Avenue.

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