

Citizens Electoral Council of Australia

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Independent Political Party

12th of September 2013

Isherwood: There is already a solution to 'Too Big To Fail' banks—Glass-Steagall!

Citizens Electoral Council leader Craig Isherwood today branded as a “liar” Bank of England Governor Mark Carney, for saying that until all nations enact Cyprus-style “bail-in” laws to steal deposits to prop up banks, the problem of “Too Big to Fail” [TBTF] banks is not yet solved.

Carney doubles as the boss of the Financial Stability Board based at the Bank for International Settlements in Switzerland. The FSB is dictating the moves in each member country of the G20, including Australia, to legislate bail-in powers so that when a bank fails in the next financial crisis, its customers will have their deposits seized in order to keep the bank going.

Last week Carney briefed the media ahead of the G20 Leaders’ Summit in St Petersburg, declaring that the FSB and G20 are still “years away” from a solution to the problem of TBTF banks. An FSB report that Carney released on the same day I stated, “If we are to resolve ... the problem of TBTF, further action is required from G20 countries, the FSB and other international bodies.” According to Canada’s 2 Sept. *Globe and Mail*, “That includes each country committing to *introducing legislation* enacting the FSB’s proposals and improving co-ordination between G20 members that have already done so, the report said.” [Emphasis added.]

Importantly for every either dishonest or ignorant Australian politician who denies to their constituents that bail-in is planned for Australia, *Carney praised Australia as one of the nations complying with the FSB’s demands!*

“When Mark Carney says there is no solution yet to TBTF banks, he is a liar,” Isherwood said. “A solution is not years away, because we already know what to do—enact Glass-Steagall. 2

“How stupid does Carney hope we are?” he demanded. “TBTF banks didn’t exist until corrupt Wall Street bankers and politicians in 1999 repealed the *Glass-Steagall Act*, in place since 1933, which had kept Wall Street investment banks completely separate from the commercial banks that held the deposits of everyday people and businesses, so that they weren’t *too big to fail*. If a Wall Street bank’s financial gambling got it into trouble, it could close without threatening the financial security of the population.”

Isherwood continued, “Carney knows there is a huge push to restore Glass-Steagall. He knows that some of the very bankers involved in repealing it, including former Citibank boss Sandy Weill, are calling for it to be restored. He also knows that there is a bill before the U.S. House of Representatives to restore it, and two bills before the U.S. Senate.”

“Carney and the Bank of England/BIS/FSB crowd have no

intention of solving TBTF, because if they did, they would push for Glass-Steagall,” he insisted. “In fact they oppose Glass-Steagall, because their priority is to ensure ‘financial stability’ only for the \$1.4 quadrillion global derivatives gambling casino. They are trying to protect the parasitical speculation that loots nations and families of the financial resources needed for the industries and

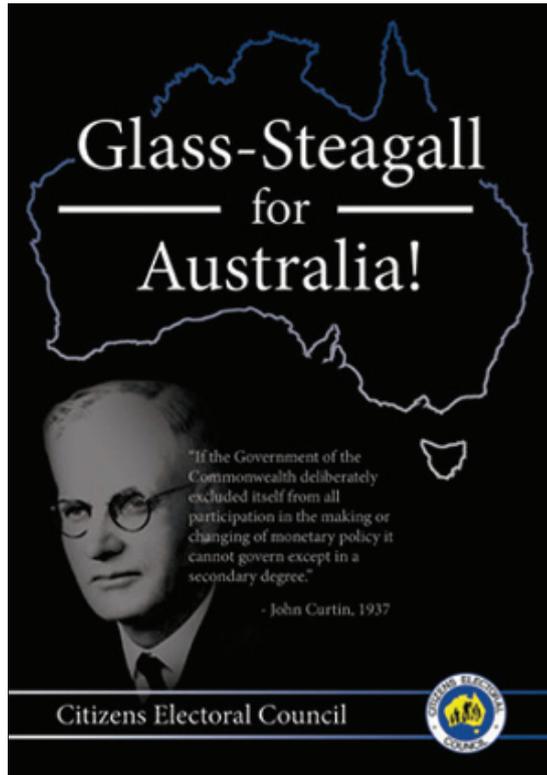
infrastructure that underpin our living standards. They hate Glass-Steagall because it will wipe out the derivatives bubble and the banks that gamble in it, and because it puts national governments who are answerable to their people back in charge of their respective financial systems, instead of technocrats like Carney.”

Isherwood concluded, “Australians should be outraged that Carney is praising Australia for moving ahead with bail-in. It proves that the dozens of MPs who in recent weeks assured concerned constituents that nothing is planned have lied. The only way to stop it is to join the CEC, which is leading the fight to both expose and stop the bail-in legislation that under the FSB’s supervision is currently being written in Treasury, and to instead force Parliament to enact Glass-Steagall in Australia, by splitting up the TBTF ‘Big Four’ banks.

“The election is over, but nothing has changed. The politicians will only stop bail-in if there is an almighty public backlash, so I urge all Australians—join the fight.”

What you can do:

- Endorse the CEC’s anti-bail-in statement, to be used in a major advertisement: <http://cecaust.com.au/main.asp?id=bail-in-ad.html>
- Take the statement to your local elected representatives, and ask them to endorse it.
- Call 1 800 636 432 to order free copies of the CEC’s *New Citizen* newspaper, which details the evidence that bail-in legislation is being prepared for Australia.
- Call Treasurer-elect Joe Hockey on 02 9929 9822 and demand to know what he plans to do with the bail-in legislation that the FSB is praising Australia for pushing ahead with.



Cover of the pamphlet *Glass-Steagall for Australia*.

Footnotes

- 1) http://www.financialstabilityboard.org/publications/r_130902.pdf
- 2) <http://cecaust.com.au/Glass-Steagall/>

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Independent Political Party

4th of September 2013

Add your voice to the public opposition to 'bail-in'

The Citizens Electoral Council has issued the following statement for official endorsement, to be published in full-page advertisements in one or more major newspapers in October, along with the names of hundreds of Australian community leaders who endorse this statement.

To the Australian Parliament: Don't seize our bank accounts—pass Glass-Steagall!

We, the undersigned, are unalterably opposed to the legislation now being drafted to enable the "bail-in" (seizure) of Australian bank deposits as happened in Cyprus in March of this year. The stated purpose of such legislation, in Australia and internationally, is to save the "Too Big To Fail" megabanks whose unbridled speculation has caused the present financial crisis in the first place. But, as in Cyprus, such legislation will plunge this country into mass misery and even worse.

There is overwhelming evidence that such legislation is indeed being planned for Australia, as in a 15 April report of the Financial Stability Board (FSB) of the Swiss-based Bank for International Settlements which is overseeing the global bail-in process; that report states flatly on page 5 that such legislation is "in-train" for Australia.^{a)} The FSB and the IMF have classified Australia's "Big Four" banks as "Systemically Important Financial Institutions", which must be saved at all costs.

The Solution

Instead of "bail-in", the Australian Parliament must pass legislation modelled upon the U.S. Glass-Steagall law which functioned so successfully from its passage in 1933 until its repeal in 1999, which separated commercial banking from investment banking. Without such a

separation, banks are free to speculate with customers' deposits, which, for instance, is why Australian banks now hold some \$21.5 trillion in highly risky derivatives. Numerous prominent individuals—even from the City of London and Wall Street—have spoken out to urge the reinstatement of Glass-Steagall, and legislation to do so has been introduced into both the U.S. House of Representatives and Senate, as well as in numerous other countries.

Urgent though it be, Glass-Steagall legislation is not sufficient by itself to ensure a recovery of Australia's actual physical economy. Therefore, we also demand the establishment of a National Bank modelled upon that of King O'Malley's original Commonwealth Bank, to finance the construction of great infrastructure projects as the cornerstone to rebuild Australia's once-proud manufacturing industries and its family farms.

We say: No to speculation and the seizing of bank accounts; Yes, to rebuilding Australia's physical economy, with well-paying jobs for any Australian who wants one.

Finally, we vow to help to drive from office any Australian Member of Parliament who signs his or her name to legislation for bail-in, but to likewise do all within our power to support any MP who sponsors or votes for an Australian Glass-Steagall bill, and for a National Bank.

Please go online to add your name and position to the list of endorsers to be published with the statement in major newspaper ads.^{b)} The CEC urges all current and former community leaders—including elected MPs, local councillors, leaders of business and trade groups, farming organisations, chambers of commerce, service groups, trade unions, charities, churches, synagogues,

mosques and temples, educators, activists, legal experts, media professionals, et al.—who oppose the planned bail-in law to endorse this statement.

Footnotes

a) Implementing the FSB Key Attributes of Effective Resolution Regimes—how far have we come? p.5, 3.1 (1). http://www.financialstabilityboard.org/publications/r_130419b.pdf

b) <http://cecaust.com.au/main.asp?id=bail-in-ad.htm>

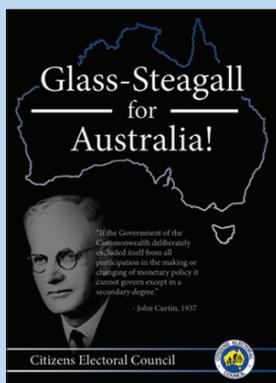
GET A FREE COPY

For a complimentary copy of the pamphlet **Glass-Steagall for Australia**, plus the *New Citizen*, "Do You Intend To Die For The Banks?", and copies of our Glass-Steagall petition, call toll-free

1800 636 432, or send this coupon to:

CEC, PO Box 376, Coburg, Victoria, 3058.

Please leave all the required details.



Name: _____
Address: _____
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