

# Citizens Electoral Council of Australia



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Authorised by R. Barwick, 595 Sydney Road, Coburg, Victoria 3058. Printed by Citizens Media Group Pty Ltd., 595 Sydney Road, Coburg, Victoria 3058.

Independent Political Party

1<sup>st</sup> of November 2013

## 'Bail-in' führer demands G20 countries enact deposit-stealing within year

The global bail-in führer, Bank of England Governor Mark Carney, has just declared the target date for completion of a new global "bail-in" regime, which will legislate forced confiscation of bank deposits when major banks fail, to be the G20 summit in Brisbane on 15-16 November 2014.

"At the St Petersburg summit in September, G20 leaders mandated the FSB to develop these proposals," Carney said in a 24 October speech.<sup>1</sup> "The Bank of England is now working intensively with other authorities and the financial industry. *Our aim is to complete the job by the next G20 Summit in Brisbane.*"

Carney doubles as the head of the Financial Stability Board (FSB), which is headquartered at the secluded Bank for International Settlements in Basel, Switzerland (the same BIS which in the 1930s and 1940s assisted the Nazis to profit from their plundering of Europe, aided by the Bank of England). It is the FSB which is directing all the member nations of the G20, including Australia, to legislate bail-in powers.

### Carney & Hockey sing the same tune

In the face of a new phase of the global financial crisis technocrats such as Carney are enthusiastically boosting the criminally fraudulent derivatives gambling and financial looting that caused the crisis in the first place.

Carney's 24 October speech was titled "The UK at the heart of a renewed globalisation". One of his most notable lines was the same as that used by Australian Treasurer Joe Hockey<sup>2</sup> as the title of his JPMorgan-sponsored speech, on his recent trip to New York. Carney declared, "Five simple words describe our approach: *we are open for business.*" [emphasis added]

Shamelessly, Carney bragged that almost half of all global over-the-counter (OTC) derivatives turnover—the hundreds of trillions of dollars of off-balance-sheet bets that banks make with each other with no accountability—takes place in London, and it is home to the third largest "shadow banking system" with assets of \$9 trillion. Carney crowed that the parasitical British banking sector is four times the size of the UK's national income, and on track to be nine times the size by 2050. He announced new measures to provide British banks with more "cheap, plentiful money" to make it happen. He went on to foreshadow a renewed global expansion of financial services, and enthused, "The UK stands to benefit because of London's place at the heart of the global financial system."

However, Carney also made it clear that this new era of the City of London's financial domination is dependent upon his FSB enacting a global "bail-in" regime, so that future bank crises are ruthlessly resolved before they can

The American Australian Association  
is pleased to present a

Welcome Lunch for

**The Hon Joe Hockey MP**

Treasurer of the Commonwealth of Australia



**TUESDAY, 15 OCTOBER 2013**

12 noon - 12:30pm - Registration & Refreshments  
12:30 - 2:00 pm - Lunch and Address

Mr. Hockey's lunch address will be his first major speech in the United States since being sworn in as Treasurer on 18 September 2013. The inaugural address will outline Australia's economic prospects and highlight the policy priorities of the new Abbott Coalition Government.

Hosted by

**J.P. Morgan**

J.P. Morgan Chase  
One Chase Manhattan Plaza, 60th Floor  
New York, NY

In addition to his New York kowtowing to JPMorgan, Treasurer Joe Hockey has also called on parliament to raise the debt ceiling from the current \$300 billion, to \$500 billion—which he intends Australia to go cap-in-hand to private banks for.

threaten a meltdown in the London casino. He decreed that "banks must have substantial loss-absorbing capacity", which capacity, under bail-in, will include covering losses by seizing customer deposits.

Carney's announcement of the intention to get bail-in legislation enacted globally by the Brisbane G20 summit thus puts the onus of responsibility on Treasurer Hockey, the Chairman of the G20 Finance Ministers' stream as of 1 December. Bail-in legislation is already being drafted in the Financial Systems Division of the Australian Treasury, and will undoubtedly be the number one agenda item in Hockey's slew of financial reforms.

Please go online to sign and join the CEC's call to the Australian Parliament, "Don't seize our bank accounts—pass Glass-Steagall!" and put a stop to this insanity before it is too late: <http://cecaust.com.au/main.asp?id=bail-in-ad.html>

### Footnotes

- 1) <http://www.bankofengland.co.uk/publications/Documents/speeches/2013/speech690.pdf>
- 2) <http://www.joehockey.com/media/speeches/details.aspx?s=123>

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4<sup>th</sup> 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, 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.<sup>1</sup> 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.

\* End of Statement \*

Please go online to add your name and position to the list of endorsers to be published with the statement in major newspaper ads. 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.

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

### Footnote

1) 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](http://www.financialstabilityboard.org/publications/r_130419b.pdf)

