

Citizens Electoral Council of Australia



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Federally Registered Political Party

3rd of March 2010

Warning signs increase, nearing 'Ides of March'

American physical economist Lyndon LaRouche has called the 'Ides of March' 2010 a decisive turning point in the history of civilisation, as the leadership of the world, principally U.S. President Barack Obama, neglects to deal with the accelerating economic breakdown crisis engulfing humanity.

Indeed, Obama's actions, and those of his fellow leaders like Australian Prime Minister Kevin Rudd, are destroying humanity, through brutal austerity measures like gutting healthcare, all the while claiming the economic crisis is in fact over, and that we are in recovery.

However, approaching the crucial Ides of March milestone identified by LaRouche, the warning signs of a worsening crisis are increasing:

AUSTRALIA: Adele Ferguson in Melbourne's *The Age*, 2nd March, echoes some of the CEC's consistent warnings about Australia's banks, and highlights that Australia's banks have huge miss-matches between assets and liabilities on call, because they are a target for the carry trade. NAB has \$100 billion more in liabilities than assets on call. As of 30th September, 2009, Australian banks also shared \$13 trillion in off-balance sheet business (derivatives) exposure: "This is \$1.2 trillion lower than the peak a year earlier, but it is still huge", Ferguson reported, quoting a "well-placed source": "Compare that with the net equity of the banks, which is a fraction of this; Australia's GDP each year, which is about \$1 trillion; and the US economy, which is about \$14 trillion; and our banks have run up \$13 trillion of exposure." [emphasis added] The turnover in this over-the-counter (OTC) derivatives market—"the key cause of the crisis"—was \$69.9 trillion in the year to 30th June, 2009, compared to \$26.6 trillion in the more traditional exchange traded markets. "Luckily, nothing has gone horribly wrong", Ferguson wrote [thanks to the government bail-out—Ed.]. "But even if a fraction of a per cent of this off-balance-sheet exposure went wrong, it would put a lot of strain on the banking system."

UNITED STATES: Jamie Dimon, the parasite who heads the JP Morgan Chase looting apparatus, told his underlings at their recent annual meeting that "investors" should be more worried about the risk of default of the state of California

than of Greece's current debt woes. "There could be a contagion" if a state the size of California has problems making debt payments, the 26th February London Telegraph reported him saying. California poses more of a risk, he said, because of its \$20 billion budget deficit—which Nazi Schwarzenegger is trying to reduce by coming up with more ways to kill greater numbers of the state's population. Last week, John Chiang, the state's Controller, said that if a workable plan to reduce the deficit and increase cash levels is not reached soon, he will have to return to issuing IOUs, on top of the \$3 billion America's biggest state issued last summer.

EUROPE: Jim Rogers, the former partner of Her Majesty's private speculator George Soros, told *The Guardian* that the British pound sterling is a "basket case" of world currencies. "Other currencies aren't strong and the euro has real problems, with cracks much wider than Greece beginning to show," Rogers said, "but it's the pound that's most vulnerable. In real terms, it's al-

Lyndon LaRouche will deliver a special webcast address on 14th March, entitled, "The Ides of March 2010". Tune in for his unmatched analysis of the crisis, and his solutions.

ready devalued against virtually every currency barring the Zimbabwe dollar and it's especially exposed over the weeks running up to the U.K. election. In a basket of currencies, the pound is potentially a basket case. That will put Britain in an extremely bad position." Rogers has in the past warned that nitroglycerin can be found under British treasury bonds. Most of that refers to the mountain of bad debt it is holding, of the banks it has bailed out. One of these is Lloyds Banking Group, which announced a £6.3 billion loss for 2009, which follows a loss of £6.7 billion in 2008. It suffered "impairments" (bad loans) of £24 billion. The bank is 41.3 per cent owned by the government. This follows a reported loss by the Royal Bank of Scotland—now 84 per cent owned by the government—of £3.6 billion. Much of this bad debt is from the British housing bubble, which began to collapse two years ago. The slight increase in prices over the last months is proving to have been a dead cat bounce. Housing prices dropped by 1 per cent during February for the first time in 10 months, following a downturn in home sales by 8 per cent.

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First 'stimulus', now brutal austerity: How far will Rudd go to bail out British banking system?

The Australian banking system, still on life support from the Rudd government, is being drafted into propping up the British banks caught up in the meltdown of the Inter-Alpha Group of Banks.

Australia's NAB is in line to buy assets of the bankrupt Royal Bank of Scotland (RBS), a key member of the Rothschild/Lloyd's of London-controlled Inter-Alpha group; another Inter-Alpha member, Spanish giant Banco Santander, is also being lined up as a crutch for RBS.

Bizarrely, the banks being drafted for support, are themselves also bankrupt, and are only open thanks to life support from their respective governments and central banks.

Citizens Electoral Council leader Craig Isherwood asked today, "Is this why the Rudd government is propping up our banks, to bail out the British banking system?"

He warned, "The people are going to be made to pay for this, through brutal austerity that has already started."

Sixteen months after governments and central banks coordinated a global stimulus program which ran up trillions of dollars in more debt to bail out the bankrupt banking system, the debt-saturated system can't take any more, the governments themselves are bankrupt or close to it, and so austerity is being demanded of nations across the globe, in order to free up cash from the people's living standards to keep the global financial bubble afloat.

The collapse of the Euro Zone signals the collapse of that global system, which is centred in London. London made promises to bail out Europe, Russia, etc, with their latest cash cow, the Brazilian carry trade (banks like Santander borrow European Central Bank funds at 1% and reinvest them in Brazil, for an effective paper return of up to 37%), but U.S. statesman and physical economist Lyndon LaRouche blew the charade apart by proving that these profits are fictitious.

Now with British Banks like RBS and Lloyds in crisis (labelled "zombie banks" by the London Independent), even Australia's NAB is being drafted as an emergency prop for London.

"This is a farce," Mr Isherwood declared. "NAB and the

rest of Australia's banks are themselves bankrupt: aside from their \$13 trillion or so in unpayable derivatives obligations—to which the NAB is the most exposed—they share \$441 billion in 90-day foreign debt, which was set to wipe them out in October 2008 before Rudd intervened with his bank guarantee.

"They couldn't pay it then, they can't pay it now, they are as bankrupt as the British and Spanish banks like Santander, and the Australian people are paying to keep them afloat, which will now also be used to keep the British system afloat."

Mr Isherwood accused Prime Minister Rudd of preparing a cost-cutting régime to loot the people, to free up the financial resources needed to continue to prop up the banks:

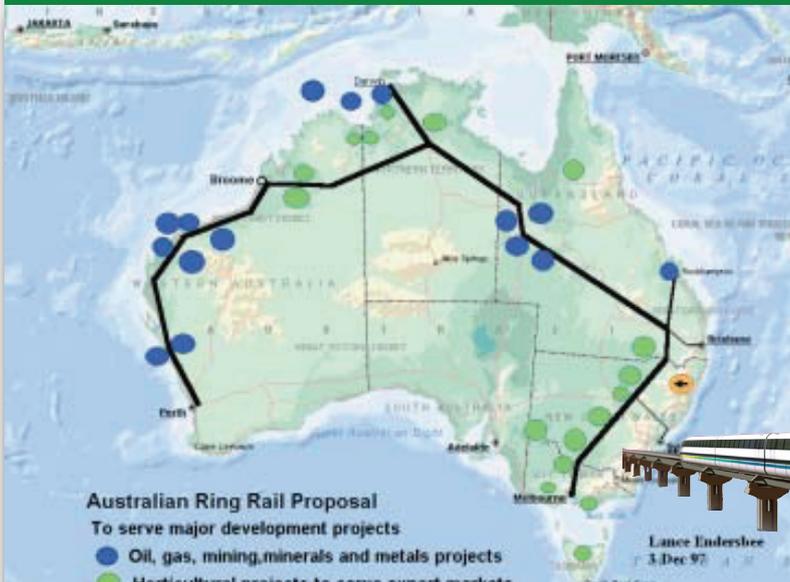
"Rudd was stymied on the ETS, which would have been the greatest public milking cow in history, so now he's targeting some of our biggest areas of social expenditure—public health and the elderly; it is here that he can gouge the biggest savings, in the name of 'efficiency', 'cutting wastage' and improving 'outcomes'.

"President Obama turned the American people against him with his plan to loot healthcare, because they saw it will increase the death rate in order to prop up the insurance funds and the banks—Rudd will soon find that the Australian people also will not stand for this.

"Rudd (and Swan and Gillard and Tanner, et al.) should have listened to LaRouche," Mr Isherwood concluded. "The CEC warned them that the bailout would make matters worse, and we proposed the only workable alternative—a bankruptcy reorganisation, in our 2009 feature DVD, The Homeowners and Bank Protection Bill—The Only Solution. In that DVD Gillard and others are shown claiming that 'no one could have seen this crisis coming.' As the DVD shows—we did, and now we have been right again."

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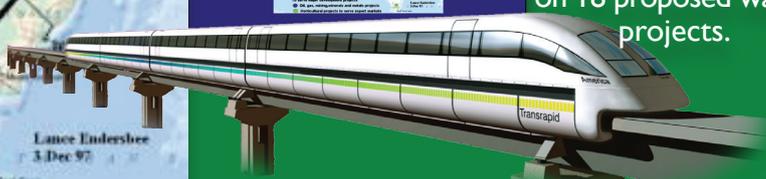
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