



# Public floods Financial System Inquiry with 6,000+ submissions—*not happy, Joe*

The Australian public has overwhelmed Joe Hockey's Financial System Inquiry with more than 6,000 second-round submissions, a massive increase on the 280 submissions made in the first round.

The sheer volume of submissions sends a clear message: Australians are not happy with the state of the financial system, nor the direction in which the FSI is heading, evidenced by its interim report.

Former ANZ Bank director John Dahlsen spoke for many Australians who have monitored the inquiry when he charged in his second-round submission, "The interim report has been prepared by bankers, on behalf of bankers, for bankers." (*Australian Financial Review* 18 August 2014.)

## NO to bail-in, YES to Glass-Steagall

The issue of bail-in vs. Glass-Steagall dominates the flood of submissions; the CEC has received direct notification of at least 500 submissions on that issue, and undoubtedly there are many more.

There are so many submissions on bail-in vs. Glass-Steagall that the FSI secretariat contacted the CEC for permission to represent them all under just one document on the FSI's website. The CEC refused, because a) it doesn't have the right to speak on behalf of every Australian who made such a submission; and b) the strength of feeling that so many submissions represents should not be buried in such a bureaucratic manner. However, the FSI's request to the CEC does demonstrate that the CEC is the force that has marshalled the Australian public into action on stopping bail-in and achieving Glass-Steagall.

These submissions are a shot across the FSI's bow, which Chairman David Murray has made clear in the August public hearings is preparing to go with bail-in, and possibly British-style "ring-fencing", instead of full Glass-Steagall. The 21 August *Sydney Morning Herald* article, "Bail in' rules may be inevitable, says David Murray", reported Murray repeating to the FSI's Sydney public hearing exactly what he had said in Melbourne a week earlier:<sup>2</sup> "Australia may have little choice but to adopt 'bail-in' rules that expose bank creditors to losses, due to our dependence on foreign capital, financial system inquiry chair David Murray says."

## CEC's submission

The CEC's second-round submission to the FSI spelt out, in detail:

The looming new phase of global financial crisis, which will be far worse than 2008 because the scale of global debt and toxic derivatives betting today is greater than when the crisis first erupted. The submission quotes numerous experts who are now warning that the U.S and European banking systems that Australia is locked into are set to implode.

The stark contrast in response between the banking authorities of the trans-Atlantic economies, and the BRICS—Brazil, Russia, India, China and South Africa—group of nations and their collaborators such as Egypt and Argentina. The trans-Atlantic economies of the U.S. and Europe are imposing brutal austerity and a bail-in regime on their populations, subjugating the welfare of people to preserve the City of London and Wall Street banks and their derivatives gambling—the system that moved Pope Francis to charge in his *Evangelii Gaudium*, "Such an economy kills." The BRICS nations, on the other hand, firmly support Argentina in its fight for sovereignty over the vulture funds, and have jointly established working alternatives to the World Bank and IMF in order to pour credit into major infrastructure projects that are uplifting the living standards of their people.

The necessity for Australia to reject the trans-Atlantic demands for bail-in and austerity, and go with the BRICS perspective instead, by establishing a new financial system based on: a full Glass-Steagall separation of retail banking from speculative investment banking to protect the real economy from financial gambling; and a national bank like the original Commonwealth Bank to direct sovereign credit into major water, power, transportation and communications infrastructure in Australia.

CEC leader Craig Isherwood today demanded the FSI give serious consideration to all 6,000 plus submissions. "The FSI must respond to this extraordinary public input, and not sweep it under the carpet," he said. "Given the volume of submissions, I question whether the FSI can give due consideration to the submissions and still keep to its November 2014 deadline for a final report. That deadline conveniently coincides with the November Brisbane G20 Leaders' Summit, which the Financial Stability Board set as the deadline for G20 member nations to commit to bail-in. I'm sure nobody was expecting this many submissions when the deadline was set—if the FSI doesn't take more time for consideration, it raises the question: is the outcome pre-determined?"

He concluded, "The CEC will continue to lead the fight against bail-in and for a full Glass-Steagall separation to protect all Australians from future financial catastrophes. We're winning, so join the fight!"

To request a free copy of the CEC's second submission to the FSI mailed to you, call Toll-Free on 1800 636 432.

## Footnotes

1) <http://cecaust.com.au/bail-in/>

2) [http://cecaust.com.au/releases/2014\\_08\\_18\\_FSI\\_Boss.html](http://cecaust.com.au/releases/2014_08_18_FSI_Boss.html)



# Australia must break free of London and Wall Street, join the BRICS nations in economic development

The emerging economic power-bloc formed by the BRICS nations of Brazil, Russia, India, China and South Africa is following up its historic, mid-July establishment of an alternative to the World Bank, the New Development Bank, and China's establishment of an Asia Infrastructure Investment Bank (AIIB), with a flurry of trade deals and development initiatives.

Meanwhile, Australia remains tied to the collapsing free trade financial system enforced by the globalist banking mafia of the City of London and Wall Street.

Worse, we are in the vanguard of the Anglo-American imperial strategy of preserving their hegemony by threatening China and Russia with their policies of ballistic missile defence and regime change.

The BRICS initiatives are making the British and U.S. even more hostile, because they prove that the old, trans-Atlantic financial system is collapsing, and a new system is emerging, whether they like it or not.

The BRICS group is restoring respect for the sovereignty of nations by extending the hand of cooperation for mutual benefit to other nations.

Consequently, City of London and Wall Street efforts to intimidate nations intent upon acting sovereignly are backfiring. Argentina's fight against the vulture funds<sup>1</sup> has become a catalyst for the new financial architecture. Not only has Argentina refused to be cowed by the threat of external default, other nations across the globe have rallied to Argentina's defence, knowing they are all in the same boat.

Even as stock markets plunged into the red following the news of a technical default in Argentina, the nation was signing up to new bilateral trade deals with Russia, which portend a massive expansion of its economy.

As for Russia—which the Anglo-American powers have hit with economic sanctions under the pretext of the MH17 disaster that occurred just hours after Russia was instrumental in weakening London and Wall Street by creating the BRICS New Development Bank<sup>2</sup>—it has gone on to forge further new trade agreements with India, Egypt, and Turkey.

Russia has also reached food supply arrangements with Brazil, Uruguay, Chile, Paraguay, Ecuador, Colombia, Peru, Mexico, Sri Lanka, Belarus, Kyrgyzstan, Mauritius, Mozambique, and China.

In moves towards independence from the U.S. dollar, a working group has been set up between the Indian and Russian Central Banks, to develop a mechanism for using national currencies in mutual payments. Likewise there are moves between Brazil and China to pay each other in the real and renminbi. In a 19 July London *Telegraph* column entitled "The dollar's 70-year dominance is coming to an end", Liam Halligan noted that the combined economic output of the BRICS economies is now almost level-pegging with that of the U.S. and Europe: "It's long been obvious the BRICS are coming," he wrote.

## Sovereign credit

The most significant development is the move among these nations to adopt national banking, which will free them from the grip of the private financial interests of London and Wall Street. A leading advisor to Russian President Vladimir Putin, economist Sergei Glazyev, revealed to Bloomberg on 9 August a "plan for fast-track development of the Russian economy on the basis of a new technological order. This plan includes a *transition to a sovereign monetary system underpinned by internal sources of credit*, an active policy of innovation and support for progress in science and technology." [Emphasis added.]

Egypt is a perfect case in point for this approach: using funding entirely from within the country, it has embarked on building a "New Suez Canal", parallel to the first, which will double the existing canal's shipping capacity. In just twelve days since construction began 8 million cubic metres of earth has been moved. The project is expected to create 1.5 million new jobs, and has the potential to transform the entire region. (Please go on line to read more.)<sup>3</sup>

Egypt was invited to join the new order being fashioned around the BRICS nations when the Chinese Foreign Minister Wang Yi visited on 3-4 August, and at a two-day summit between Egyptian President Abdel Fattah al-Sisi and Russian President Putin at Sochi 12 August.

It is attracting other nations too: the 10 August *Teheran Times* asked, "Can Iran Become the Second 'I' in BRICS?"

Russia, China and India are extending their development cooperation in regard to high-speed rail, gas pipelines, water infrastructure, nuclear power production and space exploration. This opens up the potential for the greatest energy revolution in human history, as both China and Russia have expressed the intention to develop new fuel sources for fusion power, namely helium-3. Although extremely rare on earth, helium-3 is abundant on the Moon, so while Wall Street stooge Obama is shutting down the U.S. space program, China and Russia are fast-tracking plans for a permanent lunar base to mine the moon. A single space shuttle cargo bay load of helium-3 could power the entire U.S. economy for a year.

These developments are the kernel of a new world economic system based on real value, measured as an increase in the productive powers of labour brought about with new technologies, infrastructure and development, with concrete benefits to the entire population. It is a serious threat to the London-Wall Street casino of fraudulent debt and derivatives paper claims that are currently crushing nations and their people, including Australia, as current Financial System Inquiry chairman David Murray admitted last week<sup>4</sup> when he told a 14 August public hearing that Australia owes London and Wall Street money so we have to do as they say.

Australia must break free of the London-Wall Street nexus and join those nations committed to real economic development!

## Footnotes

1) [http://cecaust.com.au/releases/2014\\_06\\_27\\_Argentina.html](http://cecaust.com.au/releases/2014_06_27_Argentina.html)

2) [http://cecaust.com.au/releases/2014\\_07\\_23\\_BRICS.html](http://cecaust.com.au/releases/2014_07_23_BRICS.html)

3) [http://cecaust.com.au/pubs/pdfs/Egypt\\_Sets\\_New\\_Course.pdf](http://cecaust.com.au/pubs/pdfs/Egypt_Sets_New_Course.pdf)

4) [http://cecaust.com.au/releases/2014\\_08\\_18\\_FSI\\_Boss.html](http://cecaust.com.au/releases/2014_08_18_FSI_Boss.html)