

Citizens Electoral Council of Australia

Postal Address: PO Box 376, Coburg Vic 3058

Phone: 1800 636 432 Fax: 03 9354 0166

Home Page: www.cecaust.com.au Email: cec@cecaust.com.au

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

3 February 2017

Glass-Steagall introduced in US Congress— it's now Trump's move

The 1933 Glass-Steagall banking separation policy has been reintroduced into the US Congress, and now the focus is whether President Trump's administration will follow through on his 26 October campaign pledge to enact a "21st Century Glass-Steagall".

This is timely to say the least, as more and more signs are pointing to a new, far worse financial crash than that of 2008. The Italy-centred European banking crisis threatens both London, where most of the derivatives infecting the European banks are traded, and Wall Street, which has a US\$2 trillion exposure to European banks. British banking experts are warning that eight years after the last crash the UK's banks still are not safe. Wall Street's biggest Too-Big-To-Fail banks are holding hundreds of trillions of dollars of dangerous derivatives bets that are many times their assets: JPMorgan's are 20 times their assets, Citibank's 28 times, Morgan Stanley's 34 times, and Goldman Sachs' 51 times! And Australia is experiencing a rise in mortgage delinquencies, such that the number of households behind in payments rose 25 per cent last year, while the number behind by three months or more jumped 41 per cent—another threat to the property bubble that will bankrupt Australia's derivatives-addicted banks when it bursts.

Only a full Glass-Steagall separation of commercial banking that serves everyday people and the real economy, from investment banking that gambles in dangerous derivatives, will protect the economy from another financial crash.

Knowing this, US Congressional Representatives Marcy Kaptur (Democrat-Ohio), Walter Jones (Republican-North Carolina), Tulsi Gabbard (D-Hawaii) and Tim Ryan (D-Ohio) spoke at a press conference on 1 February where Kaptur announced the launch of the Return to Prudent Banking Act (H.R. 790), which includes the restoration of Glass-Steagall. The bill already has 27 co-sponsors.

Kaptur said: "President Donald Trump even endorsed the call for 'a 21st-Century version of Glass-Steagall' during a campaign statement in Charlotte, North Carolina. We have an obligation to work with him to achieve that." An Ohio-centred delegation presented Kaptur with 650 letters to President Trump and asked her to deliver them, which she pledged to "find a way to do".

Meanwhile the open discussion on Glass-Steagall continued at the White House, where President Trump's press secretary Sean Spicer was asked by Bill Jones of *Executive Intelligence Review* whether Trump still supported Glass-Steagall. Jones noted President Trump's unequivocal support for Glass-Steagall during the campaign and the demand for Glass-Steagall in the Republican Party platform. But, Jones said, Treasury Secretary-designate Steven Mnuchin, when queried about it by Senator Maria Cantwell, the author of the Senate Glass-Steagall bill, gave an ambiguous answer. "Where does the President stand?" Jones asked.

(In his confirmation hearing, Mnuchin was cagey about

Glass-Steagall, saying he didn't support restoring it "as is", but a "21st century" version of it; the former Goldman Sachs partner's reasons are easily refuted. Mnuchin has been staunchly opposed by Democrats on the Senate Economics Committee for his fraudulent practices as head of OneWest bank regarding mortgage foreclosures. However those Democrats didn't mention that Mnuchin's business partner in that bank is billionaire megaspeculator George Soros, whose financial empire is a front for City of London financial interests, who effectively owned Barack Obama and Hillary Clinton, and who uses his billions to smash nations economically, through currency raids etc., and politically, through so-called "colour revolutions".)

Spicer then went into a lengthy comment about the need for the President's nominees, including Mnuchin, to be voted on by the Senate before President Trump can proceed on his agenda. Jones pressed him: "Then the President still supports Glass-Steagall?" To which Spicer responded: "The President's position is consistent."

What will Australia do? That is up to you

If the United States reinstates Glass-Steagall, then where will that leave Australia? Either we continue to act as a loyal British geopolitical asset in the Asia-Pacific with a housing bubble getting bigger by the day, or resume the direction of the Curtin-Roosevelt alliance and develop our nation with infrastructure financed by a national bank, and join the One Belt, One Road led by the world's faraway leader in economic growth, China, which has had Glass-Steagall banking separation since 1993.


It's up to you. Act now:

- sign the CEC's petition for Glass-Steagall at <http://cecaust.com.au/glass-steagall/>
- Contact 1800 636 432 to order bulk copies of *The New Citizen* to distribute
- organise to meet your member of the House of Representatives and your Senators
- and, if you haven't already, join the CEC.

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Coalition sticks with policies of 'green' economic destruction

Nationals leader and Deputy Prime Minister Barnaby Joyce and Energy Minister Josh Frydenberg have both confirmed this week that Australia will commit to the destructive Paris climate agreement regardless if US President Donald Trump cancels the agreement as he's pledged to do.

On ABC radio on 23 January, faced with the question of whether Australia should follow Trump in walking away from the Paris deal, Barnaby Joyce said "We don't sign agreements to pull out of them. I think Australia is known as an honourable party in these." Barnaby should well know it's not honourable to be trashing Australia's economy, destroying productive industries and increasing poverty as the Paris agreement will invariably do.

On 24 January Frydenberg admitted there are costs: "We think it's a balanced target, it is not cost-free, the Australian Energy [Market] Commission has said that the cost of the RET [Renewable Energy Target] is about \$63 a year for the average household in terms of their electricity bills," he noted. But Frydenberg didn't mention that \$63 is certainly the tip of the iceberg. Expensive, intermittent electricity will lead to more brownouts and blackouts; it will smash an already battered manufacturing sector; and the flow-on and multiplier effects will be far greater than Frydenberg will ever publicly admit.

The official government policy to reduce greenhouse gas emissions to 26-28 per cent below 2005 levels by 2030—without nuclear power—is economic suicide. The stubborn decision committing Australia to such a policy will do nothing to meaningfully reduce pollution. Coal-fired power stations with fabric filters and electrostatic precipitators capture more than 99 per cent of particulate pollution and contribute only a small fraction to air pollution. EPA reports consistently identify air quality surrounding coal-fired power stations to be mostly good to very good. Vehicle traffic emissions in congested cities poses a much more significant health risk, yet governments have failed to adequately fund transport infrastructure to alleviate this problem. A 2005 NSW EPA report noted "[b]ushfires are responsible for most occurrences of high levels of particulate pollution." In-

creased funding for fire protection would do far more to reduce pollution than the Paris agreement.

Reducing Australia's emissions won't change the global climate by any measureable quantity, particularly as the rise in CO₂ emissions is not a major factor in "climate change". Moreover, the three biggest carbon dioxide emitters, China, United States and India produce more than half the world's total industrial emissions. China's new five-year plan will raise coal-fired power capacity from around 900 gigawatts last year to as high as 1,100 gigawatts by 2020, more than the total power capacity of Canada! China will keep increasing emissions through to 2030. Under Trump's plan to scrap the Paris agreement and expand industrial production, US emissions will increase. India, the third largest emitter, has an ambitious plan to reduce poverty by rapidly expanding coal-fired power stations. An 8 December media release from the Press Information Bureau of the Government of India notes: "A roadmap has been prepared by Coal India Limited (CIL) to substantially enhance production of coal to 1 billion tonnes by 2019-20 from the current level of production of 538.75 MT in 2015-16." In 2015 Indian CO₂ emissions grew by a massive 5.2 per cent. Numerous other developing countries also plan to increase emissions, so total global emissions will increase no matter what Australia does.

Sensible measures to reduce air pollution in our cities, such as improved transport infrastructure should be welcomed, but the Turnbull government's commitment to deindustrialisation in the name of fighting climate change must be stopped!

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