

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

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Kill the BIS-APRA bank 'bail-in' plan before it kills you!

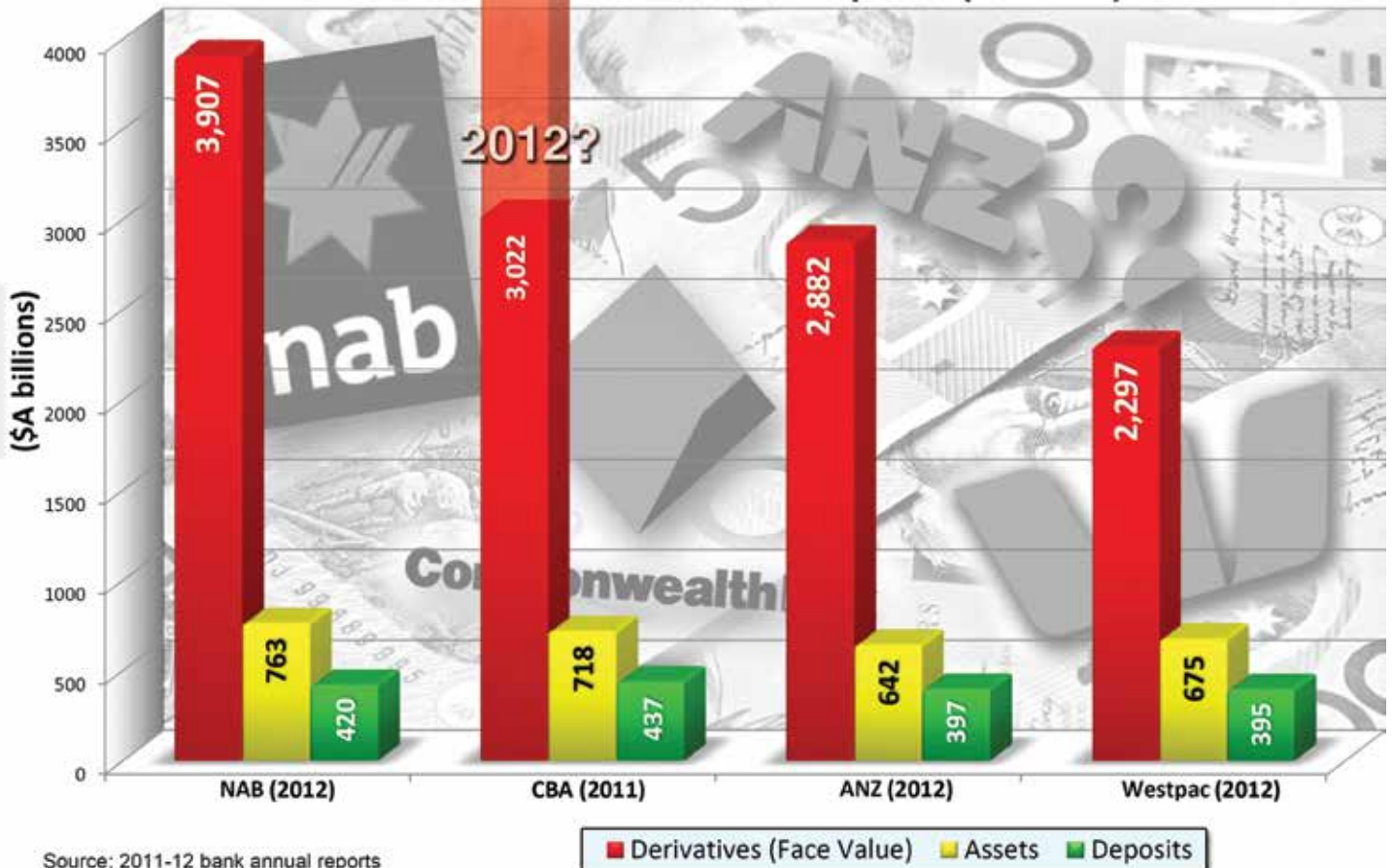
In a case of kill or be killed, Australians must band together to kill off the bank "bail-in" plan reported in Monday's (3 June) *Australian Financial Review*. Otherwise, have no illusions: in the very near future you will assuredly find yourself stripped of your savings and thrown into the same financial ruin, impoverishment, and soaring death rates as the people of Cyprus. Think "it can't happen here"? Don't be ruled by your own wishful thinking and downright cowardice, but consider the evidence.

Two months after the CEC first blew the whistle on this plot the *AFR* reported that the Swiss-based Bank for International Settlements, "known as the bank for the world's central banks", has proposed that "fltering 'too big to fail' banks, such as Australia's big four lenders in the event of a crisis, be wound up over a weekend and their assets carved up and sold, so shareholders and creditors—not taxpayers—incurred losses... Under the BIS plan, shareholders

and creditors whose claims were ranked below other bond holders in the failing bank's capital structure would bear the brunt of the losses."

"Shareholders and creditors": that means you. The line of the BIS and its Financial Stability Board (FSB, of which Australia is a member) and the rest of the City of London-centred international financial mafia is: "no more taxpayer bailouts for major financial institutions; instead, the banks must be bailed-in." Cyprus demonstrated what "bail-in" means: the banks just confiscated individual deposits en masse—simply stole the money out of the accounts of individual depositors. As Ellen Brown, chairwoman of the U.S.-based Public Banking Institute in the US wrote of the implications of the Cyprus bail-in, "Although few depositors realise it, legally the banks own the depositor's funds as soon as they are put in the bank. Our money becomes the bank's and we become unsecured creditors holding IOUs or promises to pay."

Derivatives versus Assets & Deposits (2011-12)



Australia's Big Four banks are terminally exposed to trillions of dollars of toxic derivatives, the very gambling bets that blew out the global financial system in 2008. CBA's exposure has increased so rapidly that it decided to hide its actual position in its 2012 annual report. These derivatives obligations so completely dwarf their assets and deposits, when one of these banks fails, all deposits will be confiscated to plug the hole.

And this BIS-planned seizure of all deposits is no mere “proposal”, as the *AFR* represents it, but a reality throughout the European Union, and in the United States as well through the “Dodd-Frank Bill” written by Wall Street bankers. And though the Australian Prudential Regulation Authority (APRA) will lie and try to deny it they have fully adopted this BIS plan as well, whereby depositors are now classed as “unsecured creditors”, when Australia’s Big Four fail in the near future—as is absolutely inevitable under present policies—the savings of depositors will be seized and used to restructure and save the banks, in particular their derivatives bets—the trillions of dollars in gambling debts that caused the crisis in the first place.

Under BIS/FSB/APRA rules, “financial stability” comes before all else. *Therefore, the Australian government guarantee on deposits up to \$250,000 is a witting lie.* Because if confiscating un-guaranteed deposits is not enough to bail out the trillions in derivatives (which is impossible), then the FSB/APRA will simply steal every last cent from depositors, “guaranteed” or not, all in the name of “preserving global financial stability”. Australia’s banks are collectively exposed to \$20 trillion in derivatives—and the FSB and its local Australian wing (APRA) have already drafted the plans ensuring that if one of them gets in trouble, those derivatives will be paid first so as to avert a default that would melt down the entire global \$1.4 quadrillion [\$1,400 trillion] bubble, which almost happened following the collapse of Lehman Brothers in 2008.

This is exactly what the Cyprus victims found out when they were assured their savings were guaranteed up to 100,000 euro; instead, 70 per cent of total deposits are gone completely, and almost all of the remaining 30 per cent is frozen. This is what happened in Spain in May when depositors in the bankrupt Bankia bank were robbed of 75-90 per cent of their savings.

The only way Australians can kill off this plan is by joining the CEC’s fight to force a Glass-Steagall banking separation through the Australian Parliament, which will do the opposite to the BIS financial death plan: it will simply cancel the derivatives bets, but protect the depositors’ savings—and their lives.

On 3 June, the same day as the *AFR* reported the BIS plan, the CEC’s petition headlined “Australia Urgently Needs a Glass-Steagall Separation of Banks” was tabled in the Federal Parliament (see below).

The petition clearly demonstrates that not only is Glass-Steagall the only solution to this threat, but that the CEC is the only political force in Australia that is fighting for Glass-Steagall, which is now moving quickly ahead in the United States, where it has been introduced into both the US Senate as well as the House of Representatives, in the latter with 62 cosponsors.

NOW is the time for all Australians to do what the people of Cyprus wish they had done—destroy the plan before it is implemented. Only a mass movement of the people—including *you*—banding together to fight, will succeed. The CEC is rushing to print one million copies of *The New Citizen* newspaper, to expose the BIS plan. Across the country, CEC activists are right now informing bank managers, local councillors, and state and federal MPs of their individual, personal responsibility to act to stop this atrocity before this nation plunges into anarchy and mass death, and you must do so as well. And you might remind them that it is they whom the enraged, desperate population will hold responsible when this criminal looting is enacted here in Australia. Bank regulators in Australia are already known to be nervously “joking” among themselves, “The population will hang us from the lamp-posts once they find out what we are doing.”

This is no game, this is the worst crisis of your life, it is unfolding right now, and you need to act. Join us.

*** Call APRA on 1300 558 849 to demand an end to this looting plan!**

Citizens Electoral Council Petition to Federal Parliament
Tabled 3 June 2013

Australia Urgently Needs a *Glass-Steagall* Separation of Banks

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE HOUSE OF REPRESENTATIVES

This petition of the Citizens Electoral Council of Australia draws to the attention of the House the threat facing Australia’s banking system from the deepening global financial crisis, which puts at serious risk the bank deposits of the Australian people, and essential banking services for the real economy.

Australia is now vulnerable because our banking system is concentrated in just four banks, which between them hold the overwhelming majority of deposits and provide the majority of banking services, but which have dangerously exposed themselves to shocks in the global financial system, including through nearly \$20 trillion in derivatives speculation.

We therefore ask the House to take immediate action to protect deposits and essential commercial banking services, by enacting strict banking separation as did U.S. President Franklin Roosevelt’s *Glass-Steagall Act 1933*. *Glass-Steagall* split deposit-taking, standard commercial banks from Wall Street’s speculative investment banks, creating entirely separate entities under different roofs, thus successfully protecting the U.S. banking system until *Glass-Steagall*’s repeal in 1999. We ask the House to apply the *Glass-Steagall* principle to Australia through legislation to divide each of the four major banks into two parts: 1) normal commercial banks as per *Glass-Steagall* standards, and 2) institutions involved in investment banking and other forms of speculation. Banks that speculate will then do so with their own money and at their own peril, with no government protection whatsoever.