



Australian Citizens Party

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MEDIA RELEASE

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CEC submission to Financial System Inquiry: Looming property crash will smash the banks—only solution is Glass-Steagall

Citizens Electoral Council leader Craig Isherwood yesterday lodged a formal submission to Joe Hockey's Financial System Inquiry, which opened with the following statement:

"The Inquiry you are charged to conduct will be incomplete, unless it includes the threat currently facing the Australian people of a total collapse of the financial system, as a consequence of the reckless speculation by Australia's banks in financial derivatives that are based on Australia's property bubble.

"Furthermore, your Inquiry should investigate the solution that the CEC supports, and which has broad support around the world: that of a complete separation of all retail banking from all investment and related banking, as mandated in the successful United States law which lasted from 1933-1999, the *Glass-Steagall Act*."

[Click here to read the full 3-page submission](#) (PDF).

The CEC's submission details the systemic risks confronting the Australian financial system, and explains why a full Glass-Steagall banking separation is the only solution.

It was submitted with four supporting documents:

1. *Memo: The Great Australian Mortgage Bubble*, which proves that Australia has the most highly concentrated financial system in the world, in just four "too-big-to-fail" banks, which are all so heavily exposed to the property bubble that a collapse in prices caused by rising interest rates and/or unemployment would wipe them out.
2. *How safe is your super?* The CEC's response to State Super Financial Services Australia's 27 August 2013 "Investment Viewpoint".
3. *Glass-Steagall Now!*, a comprehensive explanation of Glass-Steagall, why it is necessary for Australia, its global support, and the U.S. legislation to restore it in that country.
4. *Commonwealth National Credit Bank Bill*, the CEC's draft legislation for a new National Bank, owned and controlled by the elected government, which can harness and direct the credit of the nation into developing the infrastructure Australia needs for a prosperous future.

[\[Please click here to download these documents.\]](#)