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2 February 2024

Australian Citizens Party submission
to
Inquiry into the Treasury Laws Amendment (Reserve Bank Reforms) Bill 2023 [Provisions]

Senate Standing Committees on Economics

PO Box 6100
Parliament House
Canberra ACT 2600

Dear Senators,

Please accept this submission to your inquiry, regarding the government's legislation prepared in response to the recommendations of the RBA Review panel.

Yours sincerely,

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Executive Member	Research Director	National Secretary

Citizens taking Responsibility

The larger agenda of RBA independence:
Propping up a failing global financial system

Introduction

The Australian Citizens Party (ACP) is staunchly opposed to the provisions in the Treasury Laws Amendment (Reserve Bank Reforms) Bill 2023 which remove the government's power to overrule the Reserve Bank, remove the Reserve Bank's power to direct the lending policy of the private banks, and water down the RBA's objective of promoting "the economic prosperity and welfare of the people of Australia".

Indeed, the ACP argues these powers should be used, not removed.

The Australian people are suffering immensely from a cost-of-living crisis driven by an out of touch, incompetent, and callous central bank imposing the most rapid interest rate rises in history.

We roughly estimate that mortgaged homeowners are paying an extra $50 billion, and investors an extra $20 billion, in mortgage repayments, above what they were paying in 2021, an increase which dwarfs all other rising costs in the economy.

According to Digital Finance Analytics, more than half of mortgaged households are now in mortgage stress, and an unprecedented 73.47 per cent of renters are in rental stress.

These are precisely the circumstances for which the government's overrule powers were intended to be used—to stop the central bank from raising rates if they are crushing households.

Conversely, the powers were also intended to be used to stop the central bank from lowering rates to fuel speculation and house price inflation, as the RBA did in various stages following the 2008 global financial crisis, most recently during the COVID emergency.

If any of the Treasurers of the past 15 years had used their power to stop the RBA taking interest rates to near zero, house prices would not have become so unaffordable, mortgaged households would not be in as much debt, inflation would not have broken containment, and there would be far less cost-of-living pain today.

The RBA claims interest rates are its "one tool" to fight inflation, but that is not true—its power to direct the lending policy of banks is a very important tool to fight inflation in a way that doesn't punish already indebted households, which should also be used at this time.

In this submission, we address the curious question of why the RBA Review prioritised, as its first of 50 recommendations, the removal of the Section 11 power of the *Reserve Bank Act* that in the 72 years it has existed has never been used.

The issue comes down to who is ultimately in charge of Australia—the elected government, or the unelected central bank and the international banking bodies with which it coordinates?

From our understanding of the history of these powers, we warn that if the government pushes ahead with this legislation to give up its power over the RBA, it would be betraying the principle of democratic accountability, and the legacy of the great political leaders of yesteryear who fought so hard for democratic authority over the unelected central bank.

We urge the Committee to consider the following information carefully, and to recommend the removal of the above provisions from this bill.

Major questions

The Reserve Bank Reforms Bill 2023 (hereafter "the bill"), which is based on the recommendations of the RBA Review, proposes a number of changes to Australian law which would have dire consequences for Australia's economy and would threaten the very substance of Australian democracy.

This submission will focus on the most egregious aspects of the bill, in this regard.

We pose a number of questions. The answers to those questions reveal the true intention of the proposed legislative changes. Among them:

- Why was there a review of the RBA in the first place?
- Why was the RBA Review's recommendation 1.1—"The Government should remove the power of the Treasurer to overrule the RBA's decisions"—given top priority, when this matter had not warranted so much as a mention ahead of the review, in the Terms of Reference and Issues Paper or in the media; received so little attention during the submission/consultation process; and when this power has not been used in the 72 years it has existed?

Reserve Bank Act Section 11

Amendments to the *Reserve Bank Act 1959* will remove the mechanism contained in Section 11 to resolve differences of opinion between the RBA and the government when it comes to monetary policy, which although never used, enable the government to override the RBA if necessary. As stated in the explanatory memorandum for the bill, "the continued existence of such a power risks the independent operation of monetary policy".

Beginning in March 2021, Senators from the Greens, One Nation and the Liberal National Party started pushing the RBA during Senate Economics Legislation Committee Estimates to direct national credit into funding nation-building infrastructure rather than pumping up the housing bubble, among other things.

By September that year the IMF[1] and OECD[2] were suggesting a review of Australian monetary policy. That month then-Shadow Treasurer Jim Chalmers committed Labor to a review and by the end of 2021, Treasurer

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[1] The IMF's December 2021 Article IV Consultation staff report, resulting from September 2021 consultations, stated that: "In light of the changing global environment and an expansion of central bank toolkits, a review of the monetary policy framework, as conducted in many peer central banks, would be good practice to ensure that the RBA's framework remains up to date." This was discussed with local authorities during the IMF talks which ended on 23 September 2021, who were "open to reviewing the monetary policy framework", the IMF noted. "A decision on a review would be made by the Commonwealth Government."

The head of the fund's Australian mission, Harald Finger, pushed for the review in the media. Along with a number of other IMF technocrats, Finger was among the contributors to the IMF Review panel, as were senior (current and former) figures from the Bank of England and Bank for International Settlements.

[2] Referencing the "higher public debt and limited monetary policy space" resulting from pandemic actions, the OECD's September 2021 Economic Survey of Australia proposed that "A review into the monetary policy framework should be undertaken and the fiscal framework buttressed."

Citing recent reviews in the USA and Canada, the report recommended: "As in other OECD countries, [Australia] undertake a review into the monetary policy framework that is broad in scope, transparent and involves consultation with a wide variety of relevant stakeholders."

Going beyond the demand for central bank independence, the OECD suggested "independent" oversight of government spending: "The government could strengthen the transparency an d accountability of fiscal policy by explicitly requiring an independent fiscal institution to regularly evaluate and monitor the fiscal strategy." This is something for which past RBA Governor Philip Lowe has pushed, notably in his final address which called for "giving an independent body limited control over some fiscal instruments". ("Some closing remarks", 7 Sept. 2023)

Josh Frydenberg had indicated the government would proceed with such a review after the (May 2022) election.

Meanwhile, over the course of numerous Senate Estimates interrogations of RBA leaders, notably Guy Debelle, Philip Lowe and Michele Bullock, by Senators Nick McKim, Malcolm Roberts and Gerard Rennick, it was established that:

1. The government has the power to direct the RBA to lend into the real economy; and
2. That the RBA has the power to instruct the banks on where their lending should be directed, using its advances (loans) policy and interest rate policy, both contained in the *Banking Act 1959* (sections 36 and 50 respectively).

The override powers contained in Section 11 were not raised by Senators at that time, although their necessity was foreshadowed when Senator Rennick asked then newly appointed RBA Deputy Governor Michele Bullock, in April 2022 Estimates hearings, what the RBA would do "if the government directed [it] to create money through a quantitative easing program to build infrastructure such as dams, power stations and roads". Bullock's ultimate answer was an admission that it was not impossible, and that "If the government directed us to do that, that is a conversation that would have to be had."

A summary of the relevant Senate Estimates discussions is available in the ACP's submission to the RBA Review, under the heading, "Senators press the paradox". That October 2022 ACP submission was the only public submission to the RBA Review which mentioned Section 11, being perhaps the first time that the import of the provision was raised in this political context. The existence of the section was raised thereafter by Senator McKim, in a 7 February 2023 press release following the RBA's ninth interest rate hike, in which he called on the Treasurer to "start using his power to bring into line [the] RBA board".

A week later, in the 15 February 2023 Senate Estimates discussion with the RBA, Liberal Senator Jane Hume, a former banker, raised Section 11, claiming to have come across it while reading the *Reserve Bank Act* "just for fun". She expressed her shock at the government override function and her hope that the government would never use the power, a sentiment with which then-RBA Governor Philip Lowe expressed firm agreement.

Where did the recommendation come from?

Neither the Terms of Reference of the RBA Review nor the panel's Issues Paper cited government oversight of the RBA, nor increasing RBA independence as matters for consideration.

None of the public submissions cited Section 11, except that of the Citizens Party which argued for its protection, and it was not discussed in any of the publicly available reports of consultations, provided by the RBA Review panel, barring one expert paper. Apart from inviting public submissions, holding focus groups, conducting an economist survey and expert panel consultations, the RBA Review sought expert opinions from five economists. Only one of the submitted papers recommended the removal of government override powers from the *Reserve Bank Act*. That paper was submitted by Andrew Levin, Professor of Economics at US Ivy League college Dartmouth. A regular visiting scholar at the IMF, Levin spent 20 years on the US Federal Reserve Board (1992-2012) while it presided over the culture of unbridled, reckless banking speculation that caused the 2008 global banking meltdown and then bailed out the same banks that caused the crisis. At the Fed, Levin was a special advisor to the board on monetary policy strategy and communications, and he has acted as a consultant to the European Central Bank and worked with numerous other central banks internationally.

Under the subhead "Potential override of policy decisions", Levin asserted that "even a veiled threat" of political interference in monetary policy committee decisions "could substantially undermine the central bank's statutory independence". Without naming Section 11, Levin demanded modifications to the *Reserve Bank Act* "to strengthen the RBA's statutory independence", spelling out his advice: "The Board's monetary policy decisions should not be subject to any potential override by government officials."

Levin also recommended against annual central bank consultations with elected officials and suggested that "The tradition of issuing joint statements with the Treasury should be discontinued." He further recommended the adjustment of the RBA's objectives, to remove the clause which anchors the RBA mandates of price stability and full employment to "the economic prosperity and welfare of the people of Australia". This, too, was recommended by the RBA Review panel and adopted by the government in its proposed amendments to legislation.

External demands for 'bail-in', austerity and central bank independence

The Citizens Party contends that the changes proposed by the RBA Review panel were made at the direction of external (international) interests, with local support, and were not the result of a sovereign determination based on what is best for the people of Australia. The international pressure for increased central bank independence did not arise in 2021 with the push for the RBA Review, however.

The ACP has elsewhere documented the long historical precedent of external demands upon Australian banking, aimed at blocking national credit.[3] Here we present the recent schedule of demands by international financial agencies, albeit in a far from comprehensive list. The reason for the urgent push by international banking fraternities to consolidate full independence for central banks, in both Australia and New Zealand, becomes obvious upon reading. The case of New Zealand is included for context and because the two countries are often lumped together by international authorities. The review of the Reserve Bank of New Zealand (RBNZ), commencing in 2017, was clearly designed to usher in a financial framework under absolute banker control, untouchable by elected politicians; ours followed suit.

Timeline of BIS, FSB, IMF demands

The focus on financial stability that international banking outfits are demanding of Australia, derives from the global banking regime known as the resolution or "bail-in" regime, introduced following the 2008 global financial crisis.[4] That regime empowers banking authorities to seize the people's investments (e.g. "hybrid bonds" which have contractual clauses indicating they will be confiscated to reliquidate a collapsing bank) and deposits (in numerous cases of European bail-ins, deposits have been confiscated) to ensure the continuation (stability) of the financial system. The demand for independence—both for central banks and for bail-in authorities such as Australian Prudential Regulation Authority (APRA)—is necessary to ensure politicians who are answerable to voters at the next election do not stand in the way of that program in a crisis. Today's push to reform the RBA must be viewed in that context. The same institutions pushing RBA reform forced bail-in upon Australia. Our timeline therefore includes relevant demands for bail-in laws, as well as for absolute independence for financial authorities, and austerity measures (from raising rates to budget cuts) to force the burden of the financial and economic crisis back onto citizens (as does bail-in) rather than imposing the cost on the banking system.

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[3] See *The genesis of austerity*, available at citizensparty.org.au/publications/australian-alert-service/genesis-of-austerity

[4] Bail-in resolution of collapsing banks—recapitalising them by expropriating bonds, savings and deposits of bank creditors—was thought up by derivatives dealers, adopted by the Bank of England and Bank for International Settlements (BIS) and promoted through the G20. The April 2009 London G20 summit made bail-in mandatory for all jurisdictions, leading to the establishment of the Financial Stability Board, under the BIS umbrella, to police progress.

- A **November 2012** Technical Note in the IMF Country Report, **Australia: Financial Safety Net and Crisis Management Framework**, recommended that "extraordinary tools for resolving large ADIs may be necessary". It revealed that these tools, including legislation of "provisions for statutory bail-in", were being pursued by Australian authorities.
- An **April 2013** Financial Stability Board (FSB, run out of the Bank for International Settlements) **Report to the G20 Finance Ministers and Central Bank Governors** noted that some nations, including Australia, had not fully attained the powers necessary to conduct bail-ins in the face of a financial crisis that were spelled out in its 2011 document "Key Attributes of Effective Resolution Regimes for Financial Institutions", and called for the bail-in regime to be fulfilled.
- The IMF's **May 2017** **Financial Sector Assessment Programme** advised New Zealand, which boasted one of the earliest and most explicit bail-in regimes but had no deposit insurance safeguard, to adopt a scheme to mitigate against bank runs by depositors panicked about having their savings bailed in. In November that year, the NZ government announced it would undertake a review of its monetary policy framework.
- After denying any plan for bail-in, the Australian government under PM Malcolm Turnbull pushed its ***Financial Sector Legislation Amendment (Crisis Resolution Powers and Other Measures) Act 2018*** through an almost empty Senate chamber on **14 February 2018**.
- One year later, in **February 2019**, the IMF called on the Australian government to implement a more explicit, failproof bail-in regime. In its February 2019 **Financial System Stability Assessment for Australia** the IMF demanded:
    1. That the mandate for APRA—which was granted the bail-in powers—be changed to put "financial stability" ahead of depositor protection;
    2. An end to the Treasurer being able to direct APRA, and to the current requirement that APRA obtain the consent of the Treasurer to implement certain measures in a bail-in "resolution";
    3. An end to Parliament being able to disallow an APRA prudential standard, a democratic safeguard which the IMF insists "weakens" APRA in terms of its ability to enforce measures (such as bail-in) to achieve financial stability.[5]
- A technical note from the IMF's **February 2019** **Financial Sector Assessment Program** **for Australia** lamented that "Australia has a less formal institutional framework for financial stability policy than many other countries", with responsibilities spread among a number of agencies, including the RBA, APRA, the Australian Securities and Investments Commission (ASIC) and the Treasury. It called for honing the RBA's financial stability expertise.
- In another **2019** Financial Sector Assessment document, **Detailed Assessment of Observance—Basel Core Principles for Effective Banking Supervision**, the IMF acknowledged that "the *Crisis Resolution Act* has amended the *Banking Act* to give APRA additional powers for crisis management to facilitate an orderly resolution of distressed or failing regulated entities." However, it went on, APRA was hamstrung by parliamentary oversight: "Prudential standards are legislative instruments, but they are subject to parliamentary scrutiny and *could be disallowed by the parliament*. While this seems to be exceptional and has not happened in practice, it causes a potential concern to APRA's regulation setting powers. … the main gap in relation to this principle is *the need for APRA to table its prudential regulations in the Parliament, which could subject them to being disallowed by the Parliament*. While this can be considered part of the checks and balances in the Australian democratic process, it could

[5] In order for APRA to conduct its "overarching financial stability mandate", the IMF recommended that "APRA should be given clear powers in relation to prudential standard setting by removing the legal provision that subjects APRA prudential standards to being disallowed by the parliament."

potentially lead, in extreme situations, to the failure of APRA to introduce a key prudential standard or to change a key element of its prudential framework, which *could potentially limit APRA's ability to achieve its primary objectives*. The nature of this limitation is similar to the Minister's ability to issue directions to APRA on policies it should pursue". (Emphases added.)

- A **June 2019** RBNZ Review consultation document, "**Safeguarding the future of our financial system"** (2B), confirmed that the independent review of the Reserve Bank of New Zealand, including the provision for deposit insurance, was designed to smooth the way for a broader, statutory bail in power. The document stated: "The *Reserve Bank Act* already has systems that are recognised internationally as important for effective resolution. However, as has been noted by the International Monetary Fund (IMF) and other stakeholders, New Zealand's crisis management regime falls short of best practice in some areas." The Review's reforms, it states, were intended "to bring the existing crisis management framework into line with international best practice", including: "ensuring that the Reserve Bank has broad enough powers to resolve a failing bank … such as a power to 'bail in' unsecured debt to recapitalise a bank". NZ cabinet papers reflect this.
- The IMF's **December 2021** **Article IV Consultation with Australia** report noted progress towards completing the "resolution policy framework and expedit[ing] development of resolution plans for large and mid-sized banks and financial conglomerates". The report carried a reminder of the recommendation to "introduce statutory powers" for resolution (bank bail-in) as well as establishment of Australia/NZ "cross-border bank resolution modalities".
- Likewise, the **February 2023** report from the IMF's 2022 **Article IV Consultations with Australia** demanded greater independence for the RBA, APRA and ASIC and finalisation of the resolution regime "in line with the FSB Key Attributes".
- The **IMF Article IV Consultations** with New Zealand, released in **August 2023**, noted that the revamped *RBNZ Act*, rewritten by recommendation of the RBNZ Review, advanced trans-Tasman cooperation for resolution of troubled banks[6]. The IMF stated that the "Phase 2 Review of the *RBNZ Act* examined options to enhance the crisis management regime, most of which have been developed with reference to the 2017 FSAP [the IMF's Financial Sector Assessment Program] recommendations." The report stated that the *Deposit Takers Act*, the July 2023 legislation which resulted from the RBNZ review, "removes the requirement for Ministerial consent to issue [bail-in] directions, thereby removing the current high threshold for using this tool to take corrective action." The *DTA* also includes, noted the IMF, "An amendment to the *Public Finance Act 1989* [to] address a gap in the current arrangements, enabling the Government to act quickly and use public funds in a financial crisis."[7]

  The IMF report advised the RBNZ it "needs to keep its focus on inflation", likely keeping "rates high for longer". New Zealand must continue on its "marked, but orderly, policy-induced slowdown", it insisted. The "fiscal-monetary policy mix must retain a restrictive bias". The report praised reforms initiated by the NZ monetary policy review, stressing the objective of financial stability.
- In November 2023, Australian Treasurer Jim Chalmers approved the IMF's advice, contained in its **31 October 2023 Staff Concluding Statement** reporting on its staff visit of that year, to slow down the nation's infrastructure pipeline, after it advocated continued rate tightening during its late October

[6] Because NZ's major banks are all owned by Australia's Big Four banks, the two countries had signed a memorandum in 2010 to coordinate action during a bank crisis.

[7] NZ already had the world's most explicit bail-in regime, Open Bank Resolution, but its use was permitted only by ministerial direction. According to the IMF (above), under the *Deposit Takers Act* that oversight has been removed.

staff visit, plus reduction of government deficits, increased "economic efficiency" (code for austerity), higher indirect taxes and the reining in of state and federal government infrastructure spending.

- The full report of the 2023 **Article IV Consultations with Australia**, released in **January 2024**, welcomed the recommendations of the review of the RBA and the government's intention to implement them in full. A new consensus between Treasury and the RBA, through revision of the Statement on the Conduct of Monetary Policy, was welcomed by the IMF; but not the role of the Treasury in devising it, nor the Treasury Secretary's retention on the new Monetary Policy Board. While the IMF praised the new Statement as reaffirming "the Government's commitment to the RBA's autonomy and support [for] its inflation targeting framework", it emphasised that "the Treasury Secretary as part of the monetary policy decision-making is unusual by international standards. Ideally, *monetary policy formulation should be fully independent of political influence*, with other mechanisms used for fiscal-monetary coordination." (Emphasis added.) The report also pushed stronger independence for the prudential regulator, APRA, and corporate watchdog ASIC, while praising cooperation on "detailed resolution [bail-in] planning" between Australian and New Zealand authorities.

  The report, released 18 January, demanded reduced government spending, further interest rates hikes, strengthening the "resolution" framework, and structural policies including higher regressive taxes.

Other changes in the Reserve Bank Reforms bill

The above assessment, which primarily pertains to the removal of Section 11 of the *Reserve Bank Act*, also explains other egregious changes demanded by the RBA Review, including:

- Removing the RBA's power to determine the lending policy of banks (Section 36 of the *Banking Act 1959*), a tool the RBA could have used to prevent housing market inflation by directing the class of loans made by banks;
- Removal of the "economic prosperity and welfare of the people of Australia" clause as an RBA objective, making it an "overarching objective" for which the RBA is not held "responsible";
- The addition of a new RBA responsibility, being undefined financial system stability;
- A new Monetary Policy Board to include economic and financial experts, including six external members representing the majority of the board; and a new Governance Board, which replaces the bank's governor as the accountable authority of the RBA; in addition to the existing Payment Systems Board.

Local support, and dissent

This timeline sheds some light on the question posed regarding where the first and primary recommendation of the RBA Review—the removal of the government override power—came from.

The only supporting evidence cited by the authors of the final report of the RBA Review was a single working paper from researchers at Harvard University's Mossavar-Rahmani Centre for Business and Government, titled "Central Bank Independence Revisited: After the financial crisis, what should a model central bank look like?" (Balls, Howat and Stansbury 2016). However, this paper would appear to contradict the recommendation to remove the government's power to override the central bank in the event of a conflict. While the paper argued that the 2008 Global Financial Crisis showed that central banks needed to be "much more powerful and have broader mandates", it cautioned that "as these unelected, technocratic, institutions become increasingly powerful, the pre-crisis academic consensus around central bank independence—put crudely, 'the more, the better'—has become inadequate." The authors argued that the operational independence of monetary policy should be protected, "while prioritising coordination and cooperation with the government where necessary over full central bank political independence".

In Australia, even prominent Australian veterans of the neoliberal government and banking reforms of the 1980s and 1990s have expressed concern about the changes proposed by the RBA Review, calling them "risky", "radical" and "uncertain". These include Former Labor Prime Minister Paul Keating, Former Liberal Treasurer Peter Costello, former RBA Governor (1996-2006) Ian Macfarlane, Former prime minister John Howard, former RBA Governor (1989-96) Bernie Fraser, economist Ross Garnaut, and other leading economists.

Conclusion

The reforms contained in the Reserve Bank Reforms bill are not in Australia's interests, but in the interests of the supranational financial institutions which drove them. Those institutions must get rid of the government override power because our financial system cannot be ruled by two masters—in their view the only override power or source of control must be the coordinating bodies of the international banking network such as the IMF and Bank for International Settlements and their attendant private banks.

Why are politicians going along with it, willingly giving away their power? The expert opinion of Eric M. Leeper, in a paper received by the RBA Review panel, said it all: "elected officials granted monetary policy 'independence' precisely to give themselves cover when economic outcomes turn bad."

Now is not a time for politicians to give away their power and absolve themselves of responsibility. We face a new financial crisis, worse than that of 2008, stemming from the unwillingness to resolve the problems that caused that crisis. The inaction of our leaders has made it worse.

Now is the time to listen to our forebears who originally legislated the Section 11 override power that is now in the *Reserve Bank Act*, in response to the finding of the 1936-37 Banking Royal Commission's investigation of this very matter. [8] Chapter VI, 530 of the Royal Commission's Final report stated: "The Federal Parliament *is ultimately responsible for monetary policy*, and the Government of the day is the Executive of the Parliament." It recommended that if conflicts arose between the government and the board of the bank, the government should assure the board it accepts full responsibility for the decision but "it is the duty of the bank to … *carry out the policy of the government*." (Emphases added.) In 1945, two of Australia's greatest prime ministers, John Curtin and his successor Ben Chifley, then Treasurer, enshrined this principle of Parliamentary authority established by the Royal Commission in legislation. Before Parliament cavalierly legislates this power away, Members and Senators should take note of their explanation of why it is so important.

John Curtin in his 1937 election campaign launch speech at the Fremantle Town Hall demanded the full implementation of the recommendations of the Royal Commission, especially the principle that the government have ultimate authority over monetary policy. He declared: "If the Government of the Commonwealth deliberately excludes itself from all participation in the making or changing of monetary policy, *it cannot govern except in a secondary degree*."

Ben Chifley served on the Banking Royal Commission and as Treasurer enshrined the override power in the *Banking Act1945.* In his dissenting comments to the final report of the Banking Royal Commission, Chifley

[8] Following the 1930 refusal of Commonwealth Bank Governor Sir Robert Gibson to create credit to fight the Depression, as instructed by the government, a banking royal commission was called to rule on the matter. (See "Bankers' mate Jim Chalmers trashes Curtin and Chifley's greatest legacy", ACP Media Release, 21 April 2023.)

argued against raising interest rates on indebted households to control inflation: "I disagree with the contention often made that the raising of interest rates is a suitable or effective method of checking undesirable expansion [i.e. inflation]", he wrote. "In my opinion, this end can better be achieved by restricting the volume of advances [loans]." This comment shows that if Chifley were Treasurer today, he would use the override power he legislated to stop the RBA from raising rates and direct the RBA to instead use its power to direct banking lending to curb inflation—both powers which this bill would remove.

Please heed the warning. Australians will be denied effective government, and actual democratic accountability, if the elected government hands financial control over to an unelected, external banking network.