



# Australian Citizens Party

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## MEDIA RELEASE

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24 May 2018

### **CEC issues new handbook: 'Time for Glass-Steagall Banking Separation and a National Bank'**

The Citizens Electoral Council has just released a 100-page handbook titled "The Next Financial Crash Is Certain! End the BoE-BIS-APRA Bankers' Dictatorship. Time for Glass-Steagall Banking Separation and a National Bank", which deals with all aspects of the profound crisis of banking in Australia, and provides the urgently required solutions to rebuild the national economy.

These solutions pivot on two landmark pieces of legislation drafted by the CEC, both of them published in the new magazine:

1. The Banking System Reform (Separation of Banks) Bill 2018, which will force the criminal Big Four banking behemoths to break up; it is modelled upon the "Glass-Steagall" legislation American President Franklin Delano Roosevelt got Congress to enact in 1933 to rein in the tyranny of Wall Street and lift the USA out of the Great Depression, and which protected the US economy from any severe financial crises until its Wall Street-mandated repeal in 1999;
2. A draft law for a "New Commonwealth National Credit Bank", designed by the CEC in 1994 to create a national bank that will finance real economic development, modelled upon two proven precedents: our original Commonwealth Bank, established in 1912, and the banking reforms enacted by the Curtin/Chifley Labor government during World War II, which overnight transformed Australia from a largely rural economy into one of the most advanced industrial powers in the world and enabled the allied victory in the Pacific during War II.

The federal Member for Kennedy Bob Katter intends to introduce the CEC's Glass-Steagall legislation into Parliament.

In an introduction to the new manual, CEC National Secretary Craig Isherwood situates the urgent necessity of such sweeping new reforms:

This publication is designed as a guide for the overhaul of Australia's financial system, in the face of the looming next global financial crisis, worse than the events of 2008-09. The myth that "Australia has one of the strongest and most stable banking, superannuation and financial services industries in the world ... and world's best prudential regulation and oversight" (the words of the December 2017 Letters Patent for the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry) is false. In 2008 the Rudd Government stepped in with guarantees for Australia's "Big Four" banks' foreign borrowings, their deposits, and, in effect, their mortgage loans; without that action, they would have collapsed. The situation has worsened in the past ten years.

The new CEC manual has four principal sections:

#### **Part 1. National Banking**

Craig Isherwood and CEC Research Director Robert Barwick present the history of national banking, starting with the work of the first US Treasury secretary, Alexander Hamilton. Included in detail are the virtually forgotten precedents in Australian history for the CEC's current proposed legislation—the policies of Hamilton-admirer King O'Malley in the early 20th century, and Prime Minister John Curtin and Treasurer Ben Chifley during World War II.

#### **Part 2. Fraud and Crimes of the Banks**

The pervasive illegalities of Australia's Big Four—even beyond what the Royal Commission has exposed so far—stem from the City of London and its offshore criminal global financial empire, all supervised by the Bank of England and its front organisation, the Swiss-based Bank for International Settlements (BIS), and implemented here by their local arm, the Australian Prudential Regulation Authority (APRA). While turning a blind eye to mass drug-money laundering and terrorism financing, and itself initiating mortgage fraud on a staggering scale, APRA in 2017 led the charge for the BoE/BIS-devised scheme of "bail-in", to allow the seizure of individual bank deposits in order to save the bankrupt Big Four in the next crisis. Adopted in most of the Western world in 2015-16, such legislation had been stalled by CEC-led opposition here. In 2017 and early 2018 we forced an intense debate on

the Turnbull government's intent to simply sneak the APRA bill through an unwitting Parliament, as did happen in February 2018.

### **Part 3. Step One: Glass-Steagall Banking Separation**

This section of the handbook provides historical and theoretical background to Glass-Steagall legislation and the principles underlying it. Included is a review of China's explicit adoption of that principle as the cornerstone for its almost 10 per cent annual economic growth rate in recent decades.

### **Part 4. Glass-Steagall and National Bank Legislation**

This chapter excerpts Roosevelt's 1933 *Glass-Steagall Act* and the 21st Century Glass-Steagall Act (2017), a bill presently before the US Congress, followed by the full texts of the CEC's two draft bills for Australia, cited above.

Within limited time and resources, the Royal Commission has done an admirable job of exposing the crimes of Australia's major banks. And while indignation at the sheer scale of their crimes has led to some protests against the Big Four's practices of "vertical integration", no one but the CEC and Bob Katter have put forward a decisive solution to such endemic fraud, looting and criminality. If you are outraged by the comparatively little exposed thus far, we now offer you, *personally*, an opportunity to do something decisive about it: secure a copy of this new CEC manual, study it, and demand your MP support the solutions outlined herein. You should also mobilise anyone else you can think of, including state MPs, local councils, trade unions, community leaders, business organisations, local media and others, to bring pressure on Federal MPs to act.

Otherwise, when the next global financial crash hits, as it most assuredly will, and either our economy utterly collapses or the Parliament is steamrolled into once again pouring taxpayer money into bailing out the Big Four (including through seizure of your own personal bank deposits), will you be left moaning, "I wish I had acted when I had the chance"?

Call the CEC on 1800 636 432 to order copies. A single copy is free to first-time callers.