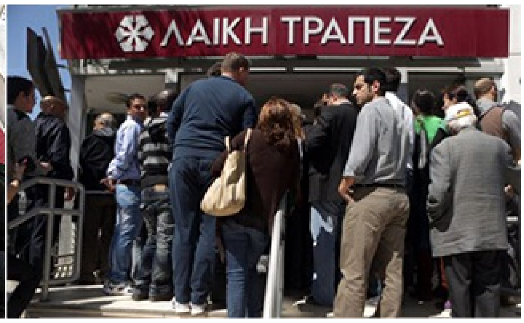
Stop 'Bail-in'

The CEC will stop any 'bail-in' of Australians' savings deposits. Bail-in is the international policy devised following the 2008 GFC to ostensibly avert the need for a taxpayer 'bailout' of banks through a 'bail-in' of bank creditors, which includes depositors. To prop up failing banks, regulators write off, or convert into effectively worthless shares, a percentage of the deposits of their customers.



Following the first bail-in of banks in 2013, in Cyprus, the CEC exposed and fought the Australian government's plans to legislate bail-in here. The government denied any such plans, but on 14 February 2018 it snuck legislation through Parliament giving the bank regulator APRA crisis resolution powers to bail in certain instruments, but with wording so broad that CEC legal advice identified it could extend to deposits.

In February 2019 the IMF demanded the Australian government implement a full bail-in system. The CEC will rescind APRA's bail-in powers, and the Separation of Banks bill will bring APRA under much tighter Parliamentary control.

In April 2019 the CEC was provided with the **Legal opinion: Australian deposits can be 'bailed in'** (Download PDF of Legal Opinion)

In an extraordinary development, in July 2019 Australian banks made changes to their deposit terms and conditions. By any analysis, these changes are positioning the banks legally for bail-in. HSBC Australia has made the most explicit changes, which, according to a professional legal opinion, have the effect of giving HSBC legal cover for the very actions taken in the 2013 Cyprus bail-in. Read the **Legal opinion: Banks changing deposit T&Cs for bail-in** here. (Download PDF of Legal Opinion)

Cash ban breakthrough! Make your submission to the inquiry

Thanks to the thousands of submissions and phone calls that Treasury and MPs have received from fired-up Australians, on 19 September, Labor joined with One Nation, the Greens and Centre Alliance to overrule the government and refer the Currency (Restrictions on the Use of Cash) Bill 2019 to a Senate committee for an extended inquiry that is due to report by 7 February 2020.

The committee is open to receive submissions now, and the ***deadline for submissions is 15 November***. The reporting date is 7 February 2020. *Everybody* should make a submission. If you made a submission to the Treasury, send an updated version of that, citing any of the new information that has since come to light. Click here to read the media release with suggestions of what to cover: Cash ban breakthrough! Opposition parties respond to public outcry and refer bill for extended inquiry

What you can do:

1. Click here to make a submission at the inquiry website .
2. Sign, and share as widely as possible, the Change.org petition: Stop Scott Morrison from banning cash to trap Australians in banks!
3. Sign the CEC's petition against bail-in: Hands off our bank deposits—stop bail-in!
4. Volunteer to become part of a delegation to your local MP and Senators with other concerned people in your area. Call the CEC on 1800 636 432 to get put in touch with other people.

Petition: Stop Scott Morrison from banning cash to trap Australians in banks!

23 Aug.—The Citizens Electoral Council has today launched a Change.org petition against Scott Morrison's totalitarian ban on cash transactions over $10,000. The ban is contained in the draft Currency (Restrictions on the Use of Cash) Bill 2019, which is intended as a first step to a cashless society in which individuals will have no privacy in their financial affairs, and will be trapped in the private banking system.

[Read about the coverage the campaign has received, here.]

Click here for background: [Morrison is banning cash so Australians can't escape bail-in, negative interest rates]

What you can do:

[Click here to sign and share the change.org petition].

Important note: This is a different petition to the bail-in petition that the CEC has circulated since June, which will be tabled in Parliament next month. Even if you have signed the bail-in petition, please sign this cash ban petition too! Change.org petitions are entirely online, and can be shared widely through Facebook and Twitter, etc. Every time someone signs, a message is sent to a nominated list of politicians to notify them of the public opposition to this law. Don't just sign yourself, but share widely to get as many other people as you can to sign also.

Call MPs

Call MPs and Senators before Parliament resumes in September, to tell them you strongly object to this law, and will vote against them if they support it. That's the best way to get the message through to politicians that they shouldn't just go along with this agenda, but should represent their constituents. [Click here to find contact details for MP and Senators].

[Download the flyer to distribute]

PETITION: [Hands off our bank deposits—stop 'bail-in'!]

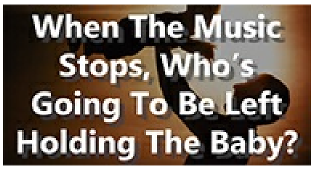
With panic breaking out in the financial system, the danger grows that bank customers will have their deposits "bailed in" to save desperate banks. The Citizens Electoral Council is escalating its fight against bail-in with a new petition calling on Parliament to scrap bank regulator APRA's existing bail-in powers and stop the plans that are under way to legislate stronger bail-in laws.

[Sign the petition] and [join the fight]!

[Download PDF copy of the petition]

Background: Bankers devised 'bail-in' so financial risk falls on households

The nasty truth about the global banking system is that it is rigged to privatise profits and socialise losses, of which bail-in is the ultimate example. The system is designed so that the risks taken by bankers in their reckless financial gambling with other people's money are ultimately borne not by the bankers, but by households.

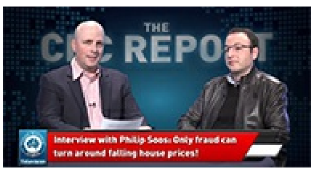


In a very important 28 May video post, "When The Music Stops, Who's Going To Be Left Holding The Baby?", banking expert Martin North of Digital Finance Analytics goes through the International Monetary Fund's April 2019 Global Financial Stability Report. Having waded through the technical details of the 160-page report, North reveals: "It shows how households are the bedrock, who will ultimately pick up the pieces if the financial system crashes, whether it be through sovereign debt defaults, bank funding costs, insurance, and via bail-in, higher taxes, or loan defaults."

[Click here to watch "When The Music Stops, Who's Going To Be Left Holding The Baby?"].

North quotes former Bank of England deputy governor Paul Tucker, one of the principal architects of bail-in, who told a 5 November 2014 forum in Washington DC that the risks in the financial system must be borne by households: "You absolutely can't allow banks and shadow banks to hold it", Tucker said. "So that leaves you with insurance companies, pension [superannuation] funds, mutual funds, etc. And when I've said that in other groups people have said, 'My goodness, it's households!' … Well, there are only households… Do you want all the risk to fall back on Wall Street firms?"

This is criminal, not least because regulators like Tucker and APRA, and the technocrats at the IMF, Bank for International Settlements and the Financial Stability Board, who have set up the global bail-in regime, have not stopped the banks from engaging in the reckless and fraudulent practices that increase the risks in the system—in fact, they have assisted them!



A stark example of this complicity was presented by Philip Soos of LF Economics in a 31 May interview on the *CEC Report*, "Only fraud can turn around falling house prices". One of Australia's leading experts in mortgage control fraud, Soos explained in detail how the regulators allowed Australia's banks to lend against massively understated expenses and income levels, in order to justify making bigger and bigger mortgage loans to grow the housing bubble. Since the banking royal commission spooked the banks into lifting lending standards, loan sizes have been cut in half and so house prices are falling; the only way the banks will be able to reverse those falls is to return to massive levels of mortgage fraud.

Click here to watch "Only fraud can turn around falling house prices" .

Panicked that falling house prices will cause a banking crash, the RBA has slashed interest rates to an all-time low of 1.25 per cent. If that and other emergency measures don't work, APRA has the power to order a bail-in of special bonds and deposits to keep banks afloat, the pain of which will be suffered by ordinary households. Even the banks are in denial that this could happen, but it's not their decision. In New Zealand, which has an explicit statutory bail-in regime called Open Bank Resolution, the banking association, comprising banks owned by Australia's banks, in a recent submission to the Reserve Bank of New Zealand (RBNZ) said, rightly, that deposits *shouldn't* be bailed in, but also expressed doubt that they would be. In a 29 May press conference RBNZ Governor Adrian Orr called it "astounding" that the banks assumed if they failed the RBNZ would bail them out—a clear message to expect bail-in.

As the European experience of bail-in proves, it is an insane policy that destroys households but also the banking system, by destroying the public's trust in banks to keep their money safe. Australians must stop this policy in its tracks, and fight for a Glass-Steagall separation of the banks instead, to keep deposit-taking banks separate from the risks of financial gambling.

Further background on the Bail-in policy and the CEC's fight against it read through the following pages.

- Who created bail-in?
- Bail-in overseas—horror stories
- History of the CEC's fight against bail-in
