

A2. NOTICE OF MOTION 4/2013-2014 – BANK DEPOSITS

(Separate circulation to Councillors, CEO and Group Managers)

(DocSetID: 1642309)

Notice of Motion

In accordance with Glenelg Shire Council Meeting Procedure, Clause 4.13.2, I give notice of my intention to move the following Motion at the Ordinary Council meeting to be held on Tuesday, 27 May 2014:

That in the interests of protecting bank deposits of Glenelg Shire Residents, Council write to Dan Tehan, Federal Member for Wannon, Mathias Cormann, Minister for Finance and Tony Burke, Shadow Minister for Finance:

1. Stating that the Glenelg Shire Council is unalterably opposed to the legislation now being drafted to enable the "bail-in" (seizure) of Australian bank deposits as happened in Cyprus recently.
2. Urgently that they encourage the Australian Parliament to, instead of passing legislation enabling "bail in," pass legislation modelled upon the U.S. Glass-Steagall law which functioned so successfully from its passage in 1933 until its repeal in 1999, which separated commercial banking from investment banking.

Signed: Cr Wilson

Dated: 20 May 2014

The following comments are provided in relation to the Notice of Motion.

Comments as provided

Part 1

The stated purpose of such legislation, in Australia and internationally, is to save the "Too Big to Fail" megabanks whose unbridled speculation has caused the present financial crisis in the first place. But, as in Cyprus, such legislation will plunge this country into mass misery and even worse. There is overwhelming evidence that legislation is being planned for Australia, as in a 15 April report of the Financial Stability Board (FSB)¹ of the Swiss-based Bank for International Settlements which is overseeing the global bail-in process; that report explicitly states on page 5 that such legislation is "in-train" for Australia. The FSB and the IMF have classified Australia's "Big Four" banks as "Systemically Important Financial Institutions," which must be saved at all costs.

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(continued)

Part 2

This part of the Motion calls for the separation of commercial and investment banking to protect bank deposits. Without such a separation, banks are free to speculate with customers' deposits, which, for instance, is why Australian banks now hold some \$21.5 trillion in highly risky derivatives. Numerous prominent individuals even from the City of London and Wall Street have spoken out to urge the reinstatement of Glass-Steagall, and legislation to do so has been introduced into both the U.S. House of Representatives and Senate as well as in numerous other countries. This would prohibit the seizing of bank accounts.

1 In many jurisdictions, resolution authorities still lack the powers set out in the Key Attributes to achieve rapid transfer of assets and liabilities and to write down debt of a failing institution or convert it into equity ("bail-in"), although legislation is in train in some jurisdictions (including Australia, Brazil, the EU, France, Germany, Indonesia, Singapore and South Africa) to align national regimes fully with the Key Attributes.

MOTION

MOVED Cr Wilson

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1. **Stating that the Glenelg Shire Council is unalterably opposed to the legislation now being drafted to enable the "bail-in" (seizure) of Australian bank deposits as happened in Cyprus recently.**
2. **Urgently that they encourage the Australian Parliament to, instead of passing legislation enabling "bail in," pass legislation modelled upon the U.S. Glass-Steagall law which functioned so successfully from its passage in 1933 until its repeal in 1999, which separated commercial banking from investment banking.**

SECONDED Cr Stephens

CARRIED

B. DEPUTATIONS:

Nil.

C. PETITIONS:

Nil.