Goodbye bankers’ rules-based order!

Lead Editorial

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The rules-based international order, which never had any standing in international law but over which today’s wars are being fought, is not long for this world. Originally known as the “liberal international order”, the system is centred in economic policies designed by international financiers to provide top-down control of nations which forego sovereignty and swear subservience to City of London-Wall Street-Bank for International Settlements technocrats.

Stories from customers impacted by regional bank closures are motivating local Councils to fight the banks.

That order is being simultaneously challenged on four fronts: At the global level, with a new economic order rolling out; at the national level, with Senators hammering at the “independent” Reserve Bank-controlled economic framework, challenging the local subsidiaries of the “Money Power” (*AAS*, 7 Dec.); at the state level, with fights over the lack of reconstruction and investment in preventive infrastructure following floods and fires; and at the local level, where in the campaign to stop bank branch closures crushing regional towns (p. 3), local councils across the country are now coordinating efforts to force a policy shift away from economic dictates of, by and for the banks!

The arrogance of the banks—who last week dictated that Financial Services Minister Stephen Jones scrap a bill that would have enforced civil penalties on bank CEOs for their fraudulent activities—will be their downfall. The more they dig in, the more they hasten their own demise. With the success of our campaign to put banking back in the hands of elected officials for the service of the nation, bankers soon face justice for their crimes, and furthermore, will be treated as local utilities with as much privilege as a local power substation or sewerage facility—vital for the nation but not especially lucrative for their principals.

Backing up this picture are recent reports of major cracks appearing in the existing global financial architecture, and significant progress in construction of a new, alternative framework:

The Bank for International Settlements reported a 47 per cent surge in outstanding derivatives contracts in the first six months of 2022, particularly interest rate and commodities derivatives. This means speculation on scarce commodities already soaring in price, at a time when some 345 million people face extreme food insecurity. Energy giants and grain traders are literally making a killing out of the current crisis. It also means betting on interest rates, i.e. the richest making money off the deflation that is screwing families into destitution with high interest rates. Soaring speculation is usually a sign the banks are in trouble, which recent events bear out, including the blowout of the FTX crypto exchange which had borrowed to gamble using crypto tokens as collateral, a Ponzi-style manoeuvre which remained effective only while customers weren't making withdrawals.

Emerging from the 28 November Business Forum of BRICS-Plus (Brazil, Russia, India, China, South Africa and over a dozen new applicants) held in Moscow under the banner "New Models of Co-operation Between BRICS and Eurasian Economic Union States as Alternative to Old Economic Paradigms" are plans to speed up establishment of a common payment system, including a merger of various credit card and Eftpos systems as well as increased trade outside of the US dollar. Russian Deputy Prime Minister Alexander Novak told the Russian-Chinese Energy Business Forum on 29 November that China and Russia are "creating a payment system without using SWIFT", the Western-controlled financial messaging platform. Geopolitical analyst Pepe Escobar (*The Cradle*, 20 Nov.) previewed that this "will represent a direct challenge to the western-designed (and enforced) monetary system, *head on*." (Emphasis added.) On 29 November Reuters noted that the yuan's share of the Russian currency market jumped from 1 per cent at the start of the year to 40-45 per cent, according to Moscow Exchange figures, while the US dollar, which commanded over 80 per cent of trading in January, dropped down to around 40 per cent in October. "International money flows reflect a similar trend", the article noted.

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