



Australian Citizens Party

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MEDIA RELEASE

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Bob Katter will introduce Australian Glass-Steagall legislation into Parliament—organise your MP to second it

The Member for Kennedy, Bob Katter, is collaborating with the Citizens Electoral Council-led campaign for a Glass-Steagall separation of Australia's banks.

Mr Katter will introduce the newly drafted [Banking System Reform \(Separation of Banks\) Bill 2018](#) into the Commonwealth Parliament as a Private Member's Bill.

Glass-Steagall is the name of the famous American law enacted after the Great Depression that separated commercial banks with deposits, from all other financial activities. (It was named after Carter Glass and Henry Steagall, the two Congressmen who sponsored the law.)

The purpose of the Bill is to protect bank customers and their deposits:

- from the kinds of exploitation currently being exposed at the Financial Services Royal Commission;
- from the risks of financial speculation; and
- from a financial crash.

The Bill is closely modelled on the USA's successful *Glass-Steagall Act* of 1933, which protected Americans from banking crises for the 66 years it was in effect until its foolish repeal in 1999; and the 21st Century Glass-Steagall Act that is currently before the US Congress to restore the separation of commercial banks from speculation.

The 21st Century Glass-Steagall Act has been updated to prohibit commercial banks from speculating in the specific financial products that caused the 2008 global financial crisis, which didn't exist in 1933, such as financial derivatives. These updates are reflected in the Australian bill.

Aside from specific practices, the overriding lesson of the 2008 crash is that commercial banks should not mix with other financial activities such as speculative investment banking, hedge funds and private equity funds, insurance, stock broking, financial advice and funds management.

As Mr Katter observed about the 2008 crash and its aftermath, "This has come about because it took them into merchant banking, which took them into housing, which caused the GFC."

Likewise in Australia, the banks have gone far beyond traditional banking, into other financial services and speculating in derivatives and mortgage-backed securities. Consequently, they have built up a housing bubble, which is heading towards a crash and an Australian financial crisis.

Prominent experts and political leaders around the world agree with Bob Katter and the CEC that separating banks is absolutely necessary for a functional financial system. The support for Glass-Steagall is bipartisan. In the United States, it includes Republican Senator John McCain, Independent Senator Angus King, and Democratic Senators Elizabeth Warren and Maria Cantwell. Both the Republican and Democratic parties included Glass-Steagall in their 2016 election platforms, and Bernie Sanders and Donald Trump campaigned for it. Former bankers who lobbied to repeal Glass-Steagall in 1999, including former Citibank chiefs Sandy Weill and John Reed, after the 2008 crash admitted their mistake and now advocate for it to be reinstated.

In the United Kingdom, 445 members of the Houses of Commons and Lords voted for Glass-Steagall in 2013, and were only narrowly defeated after intense lobbying by the City of London banks. Prominent supporters include Conservatives such as former Chancellor of the Exchequer Lord Lawson and Lord Hamilton, Labour's leader Jeremy Corbyn and Shadow Chancellor John McDonnell, and the Chief Economist of the Bank of England Andy Haldane.

Bob Katter is taking the lead in Parliament on Glass-Steagall, as he did on the need for a Royal Commission into the banks, against the entrenched opposition of the banks, the government, and leading media outlets such as the *Australian Financial Review*.

[\(Click here to see Bob Katter on 27 March 2017 move the bill for a banking Royal Commission.\)](#)

The revelations from the Royal Commission prove that Mr Katter was right, and that the government, media and banks were not just wrong, but were protecting criminal activity. The same vested interests can be expected to also oppose a Glass-Steagall separation of Australia's banks, not least because breaking up the banks will end the so-called vertical integration that has enabled them to exploit their customers.

Introducing a Private Member's Bill into Parliament requires an MP to move it, and another MP to second it. It is now time for other MPs on the cross-benches and among the Nationals who fought for the Royal Commission, and in the backbenches of the Labor and Liberal parties, to step forward and commit to second the Banking System Reform (Separation of Banks) Bill 2018, so that the Australian Parliament can have a proper debate on separating the banks.

Meet, call or email your MP as soon as possible to communicate to them that they should second the Australian Glass-Steagall Bill.

What you can do

- [Get a copy of this bill](#) to your Federal Member of Parliament plus any Senator/s you can. Urge them to not only read it themselves, but press them to second Bob Katter's call for Glass Steagall. The very best way is to make an appointment and go and see the MP in person—MPs really want to know what their constituents think and this will make a big impression on them. If that's not possible, email or mail the document with a personal cover note asking them to support the bill in Parliament, and to let you know whether they will.
- Share copies with others: State MPs, any media you can contact, councils, unions, church leaders, community groups, etc. and get any concerned people you know to visit their MP as well; and on Facebook etc., or with your email address book, urging everyone you know to get involved.