



Australian Citizens Party

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MEDIA RELEASE

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Stealing bank deposits now official policy; if you don't want to be robbed, demand Glass-Steagall

No bank deposits anywhere are safe following the disastrous Cyprus “bail-in” using confiscated deposits, because this is now the standard for all future bank rescues.

In further evidence to that effect, it has now emerged that the confiscation of deposits in Cyprus was planned well in advance by the economic authorities in the European Commission, the Bank of England (BOE), and U.S. Federal Deposit Insurance Corporation (FDIC), spelt out in a 10 December 2012 joint BOE-FDIC paper, *Resolving Globally Active, Systemically Important, Financial Institutions*.

A form of [deposit confiscation has already hit over one million households in Spain](#); Eurozone President Jeroen Dijsselbloem has declared Cyprus is now the “template” for the entire Eurozone; and Canada’s Economic Action Plan 2013 includes grabbing deposits to prop up banks.

But New Zealand is apparently the most advanced in its planning to confiscate deposits to rescue banks. The Reserve Bank of New Zealand’s already-established Open Bank Resolution plan classifies depositors as “unsecured creditors” who “invested” fully aware of the “risk”, and should therefore share the cost of rescuing the bank.

The computer systems of all NZ banks are already programmed to freeze and confiscate deposits in compliance with this Open Bank Resolution plan. ([Reserve Bank of New Zealand Bulletin, September 2011, “A primer on Open Bank Resolution”, by Kevin Hoskin and Ian Woolford.](#))

Citizens Electoral Council leader Craig Isherwood today warned that Australian deposits were also at risk of confiscation, unless Australia moved quickly to protect deposits through a Glass-Steagall separation between commercial banks and risky investment banking.

“Don’t be fooled that Australia’s banks are too strong to be at risk,” Isherwood said. “Who owns NZ’s banks? Australia’s banks do!”

“Australia’s banks have laid \$20 trillion in derivatives bets, which put the entire banking systems of both countries in severe financial danger.

“When those bets blow up—as they most assuredly will—under this new ‘bail-in’ policy Australian depositors will discover their deposit guarantee is worthless, and that their money will be confiscated to keep the banks afloat.”

He continued, “Confiscating deposits is suicidal insanity because it destroys the confidence of depositors in the banking system—as we are witnessing live in Cyprus—but it is therefore the clearest possible signal that a global blowout far worse than that of 2007-2008 is now underway.

“A Glass-Steagall banking separation to protect deposits from the banks’ reckless derivatives gambling is now a matter of immediate survival. All bank accounts in Cyprus have now been either seized outright or largely frozen, and the economy is grinding to a halt. How long before we see mass starvation there? And how long before the same thing happens here?” Isherwood urged, “Call your MP today and demand that the Parliament enact Glass-Steagall, immediately.”

For a dramatic update on the Cyprus crisis, its history and its global implications, [watch the 24-minute LaRouchePAC video *The Cyprus Template: “Your Money AND Your Life”*](#).