

## U.S. TO ADOPT CARNEY'S TOUGHER BANKING RULES

JP Morgan Chase CEO railed against tighter loan restrictions: Dec 19, 2011



*Bank of Canada governor Mark Carney chairs two global groups regulating the banking sector, and has advocated stricter loan rules for banks.*

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Wall Street's biggest financial firms appear to have lost their battle to avoid the more stringent regulations being promoted by the likes of Bank of Canada governor Mark Carney.

Despite a concerted campaign by some top U.S. bank executives who branded the rules "anti-American," the U.S. Federal Reserve is poised to adopt the measures, which apply to global firms that are essentially "too big to fail," according to a report in the Wall Street Journal.

The latest set of rules would require the world's biggest and most interconnected banks — the ones that pose the greatest risk to the global financial system — to maintain extra capital, called a surcharge, of between 1 and 2.5 per cent of their risk-weighted assets. What a harsh world they live in!

### Attacked by CEOs

Carney, as chair of the Basel-based Financial Stability Board (Quote from Canada's Finance Minister, Jim Flaherty: 'It's just a part-time job'), works under the direction of the publicity-shy *Basel Committee*, has championed the new measures — and 'met the wrath of the bankers' who control an inter-connected corporate world and the CEOs who head them. It should be noted that Carney spent 15 years with *Goldman Sachs* before his meteoric rise to governorship of the Bank of Canada...and, apparently, a powerful financial advisor to the US government!