

## Financial Systems Enquiry

### Second Round Submissions

#### Stability – Addressing to –big-to-fail

The proposal to adopt bail-in of unsecured creditors deposits as a regulated financial measure to rescue a failing bank is setting up the government up as robbers and thieves and is not an honourable solution. It will only deliver chaos out of chaos. It will establish banks as not a safe place to protect savings. The only solution is to FULLY SEPARATE (not ring fencing) commercial banks from investment banks. Such a solution will enable the real physical economy to be reactivated in productive investment from the commercial arm of banking and thus be free of the speculative gambling bets of derivatives etc, Additionally a national bank should be established to enable large major investments in transport, farming, dams, power stations etc the issue of long term credit as was done during the second world war era through the Commonwealth Bank. Finally if you take a bet, be it on the horses or with derivatives then you take your losses and don't ask the government or the banks to cover the bet using the money of people who were not involved in the gambling in the first place, which is what bail-in effectively does. No bail-out, no bail-in only a Glass Steagall separation of banks can resolve this issue.