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**From:** E & R Kitto <[ejkitto@skymesh.com.au](mailto:ejkitto@skymesh.com.au)>  
**Sent:** Wednesday, 6 August 2014 10:52 AM  
**To:** FSI  
**Subject:** Financial System Inquiry

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Dear Sirs,

It is very wrong ,morally and financially, for banks to be able to take retail depositor's money to cover their Gambling and Derivatives losses. People expect that money deposited in a Government licenced bank should be safe and guaranteed by the Government

For this to be so these funds should only be used for nation building purposes, such as business and infrastructure.

All speculative type trading and dealing should be kept separate with no cross ownership or control and no Government guarantee .

It is interesting that those who most vehemently oppose separating retail from speculative banking are the same bankers and their friends whose executives served jail terms in the 1930's for the same types of fraud against humanity.

We need some jail penalties for these criminals today.

To follow up the separation of banking types the Nation needs a National Bank along the lines of the original Commonwealth Bank to loan on behalf of the Government to industry, farming, and for power station building and rail and roads construction. That way the taxpayers would be collecting interest instead of paying exhorbent rates to private money sharks.

Yours faithfully,

Ernest J. Kitto

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**From:** edmund van roosendael <[timekeep@iprimus.com.au](mailto:timekeep@iprimus.com.au)>  
**Sent:** Monday, 25 August 2014 9:03 PM  
**To:** Ted Rosendale; des mckenna; FSI  
**Subject:** the FSI and the issue of "bail in".

I hereby submit my objection to the ('Cyprus-style') use of Australian (AKA Oz) depositors' funds to "bail-in" any "too big to fail" banks. We should, IMHO, stick to the present (and in the past well-serving) Government-backed "bail-out" system. Markets alone have brought us our recent and present problems and, left alone to solve further crises will cost non-bankers dearly.

I realise this'd mean great changes for our nation's financial processes and systems as well as our present geo-political alliances. Nevertheless, having ordinary (hard) working peoples' savings used to "bail in" (ie bail OUT by any other name) the existing system of (often highly) speculative "Casino capitalism" is a travesty of social justice (and thus of the great Ozzie "fair go").

I am thereby, inter alia, also objecting to the "Claytons" measure of 'ring fencing', which purports to separate the Speculative 'investment' banking sector (or aspects thereof) from the Retail side wherein resides the overwhelming hard-earned savings of the ordinary working Ozzie.

I acknowledge, as the head of the FSI pointed out, Australia has developed as a gross Capital importer and at present is dependent on Global credit sources for its 'modern' capitalist development, and APPEARS to provide an incontrovertible reason for our doing what the G20 (meeting soon in our Nation) is doing: i.e. adopting a "bail-in" or deposit-funded system in times of economic/financial crisis. I, however, humbly submit this 'Western' (or Anglo-American dominated) structure no longer serves our (or for that matter any other) Nation successfully (as, inter alia, the 2008 GFC, not to mention continuing problems overseas, well signify). It is an inherently UNstable system (a fact trumpeted by some of its ideologues as its very motor of 'development'!) and one might well better term it a 'Paper Tiger' (if not an outright 'Ponzi scheme') - a house of cards built on fictitious (largely derivative driven) 'profits'. The kind of 'profits' which seem to require bleeding the poor ordinary depositor by measures such as the proposed "bail in"!!

Moreover, though Oz is presently dependent on foreign capital/credit, surely we should not sacrifice the integrity or security of what internal saving[s] we have on the idol of fictitious/crisis-ridden external or overseas sources?

This submission argues for the need to (re-) establish a strong, sovereign National Bank issuing credit for what the 'Lucky Country' presently (its manufacturing base being near decimated) badly needs, i.e., real socio-economic development (AS was once the case with the Commonwealth bank - in two World Wars and into the 'fifties etc.). Such a bank could (indeed should) then look to align itself with the rising BRIC (Brazil, Russia, India, China and South Africa) system, similarly based on the issue of Sovereign credit but united in the New Development bank, one dedicated to REAL and not fictitious paper growth. After all, are we not now 'part of Asia' (and presumably its partners in the 'not-so-developed' world)?!

I submit Oz is at the geo-political cross-roads. Either we stay with the crisis-ridden 'Anglo-American' system, which seeks to make ordinary working people pay for its (often multi-trillion dollar) shortcomings, OR we choose the path/model of the 'BRIC' Nations (in our case particularly China - it being now our biggest trading partner) who seek an alternate and REAL path to international trade and development - this for the teeming masses that constitute their peoples. Either an old and outmoded ('Western') model of fictitious paper development and profits OR a new system based on co-operating Sovereign banking

systems aiming at REAL development ( and so world peace).That,it seems to this submission is the crux of the matter.

Hence (to finish): NO to exploitative “bail-in” for “too big to fail” FAILED devious Speculators- YES to a new alliance with co-operating sovereign nations working for similar goals of creating REAL social wealth for the mass of humanity.Those ‘leaders’ convening the FSI must consider this very BIG picture and where AND HOW the “lucky Country” fits in.

Thank you.

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**From:** Edward Concannon <[eddiecon@optusnet.com.au](mailto:eddiecon@optusnet.com.au)>  
**Sent:** Wednesday, 30 July 2014 4:16 PM  
**To:** FSI  
**Subject:** FW: Financial System Inquiry

The panel financial system Inquiry.

I am a self-funded retiree, I was self-employed in the retail industry, and if I made any bad financial decisions I had to ware that burden on my shoulders. I could not just take the money from my customers; I would be thrown in gaol. The banks are in business the same as I was and if they take the money from their depositors accounts it's called STEELING and changing the law to make it LEGLE doesn't make it RIGHT. (Remember the things that a man called HITLER did in the Second World War were all legal, because he changed the law to make them legal first. IT DIDN'T MAKE IT RIGHT)

Trading insolvent is against the law as any business person knows; it is when your liabilities exceed your assets. The TBTF banks gambling liabilities in the derivatives markets are enormous and far out way there assets, so they are insolvent. Any attempt to Bail in the banks by taking customers deposits is immoral and reprehensible. The solution to this mess is the separation of commercial and investment banking like what worked very well in the USA for over 65 years this was called the Glass-Steagall act. It was repealed in 1999 by the Clinton administration and is what got the world into this mess in the first place.

Re introduce a Glass- Steagall type separation of our banking industry now. It's a proven workable solution to this mess.

Yours respectfully  
Eddie Concannon  
Po box 356 Happy Valley  
South Australia 5159

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**From:** Ernie Barry <ebarry056@gmail.com>  
**Sent:** Thursday, 31 July 2014 8:30 AM  
**To:** FSI  
**Subject:** Plea For Commonsense Government

### **Glass-Steagall for the Common Good!**

In response to the call by the Financial Systems Inquiry (FSI) for a second round of submissions, we the undersigned

submit the following statement:

The purpose of an economy is to serve the common good of all of the citizens taking part in it. That common good

is a moral imperative, which ranks above the supposed rights of a “free market” to rule at the expense of the increasing

impoverishment and unemployment of an ever-growing number of Australians. What is the purpose of a “financial system”,

if not to serve that common good? Is it just, for instance, or moral that the speculation in derivatives by Australia’s banks

led by the Big Four and Macquarie, now exceeds \$24 trillion as against a GDP of only \$1.6 trillion? We do not need

more of the same financial deregulation which has helped cause the present crisis, both in Australia and worldwide, nor

the “bail-in” of Australian depositors in order to bail-out that worthless \$24 trillion.

Therefore, we as Australian citizens demand the following:

1) That there be no bail-in of depositors in order to “save the banks”.

2) That Australia must separate legitimate commercial banking functions from the speculative activities of “investment banks”, as did the Glass-Steagall law in the United States so successfully from 1933 until its repeal in 1999. Such commercial banks serving the interests of the average Australian should be backed by the

government, but the speculative banks should be left on their own to sink or swim.

3) That to anchor such a system of private commercial banks, Australia must also establish a national bank typified by our old Commonwealth Bank, where our government directs credit into the real physical economy

of agriculture, manufacturing, and infrastructure projects which provide for the common good, including employment opportunities for all.

In making this submission, we take note of the recent call by Pope Francis for a sweeping reform of the global financial

system based upon the “primacy of the human person” rather than the “dictatorship of an impersonal economy lacking a

truly human purpose”, and that “it is the responsibility of the state to safeguard and promote the common good of society”.

Whether one holds a professed religious outlook of any persuasion, or is simply a person of good will, those universal

principles which emphasise the dignity, worth, and physical well-being of every single human being—in this case every

single Australian—must be the basis upon which any financial system must be constructed.