

Submission to the Financial Systems Inquiry Relating to the Banking 'Bail-in' Laws

I am very concerned that the government is even considering introducing the banking 'bail-in' laws, to prop up banks that are gambling with our money in the derivatives market. This amounts to stealing the deposits of ordinary citizens. Any government that allows a bank to confiscate depositors' money is acting totally immorally. As soon as the people at large realise what is going on, there will be such a voter back-lash that the Government will be voted out and there definitely will be a risk of anarchy in the streets.

The proposed "bail in" legislation puts the deposits of **all** Australians at risk: private savings of ordinary people; large and small companies; large and small superannuation funds; bowling, Rugby League, RSL and other clubs; charities and other non-profit organizations; hotels and pubs; etc etc.

What depositors want is for their money to be **safe** when deposited in banks. Once people find out that the banks are using their deposits to speculate in the derivatives market, as they have already in ever increasing numbers, they will deposit their money elsewhere, such as in Credit Unions and Building Societies, which are not allowed to do this. In sufficient numbers, this would clearly pose a grave risk to the whole banking system, and therefore the economy of Australia.

The Government must introduce legislation to protect people's deposits, by separating the 'investment banking' activities of banks (derivatives, insurance etc) from their 'retail' or 'commercial' activities.

There is only one solution to protect both the economy and bank deposits: bring back the main provisions of the Glass-Steagall Act to Australia, to separate investment banking from commercial banking.
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