

SECOND ROUND SUBMISSION TO THE FINANCIAL SYSTEM INQUIRY

What is the purpose of a financial system? To serve the the general public or to serve bankers?
Should the general public's wealth be used to balance the books of banks with toxic speculation?

Ordinary Australians stand to lose a lot of REAL wealth unless REAL measures are put in place before the next financial crisis. Bail-in is worse than bail-out. Instead of taking from the collective public purse it takes from unknowing individuals. I am certain these individuals would not view this removal of their wealth as a 'haircut'. Ring-fencing does not go far enough in protecting the wealth of the general public from speculation which may become toxic.

Bail-in serves, and ring-fencing hardly prevents, the continued shifting of wealth from the general public to Wall Street, City of London and their subsidiaries. Any claim that 'haircuts' are being taken by those who can afford it is simply not true if one considers that knowing individuals in the banking sector will likely avoid a 'haircut'.

Full Glass-Steagall separation of banking institutions into commercial and speculative institutions is the ONLY way to protect the financial system that serves the general public. It will provide the financial security to avoid involvement in Global Financial Crises.

In the interests of the public I serve I ask that you abandon bail-in and recommend Glass-Steagall separation of commercial and speculative banking to create a financial system which is isolated from speculation and its deleterious effects.

Cr Andrew Soulos

Strathfield Council