

Dear Financial System Inquiry Team and Associates,

Why do we need Bail In? Is there a problem?

The title of this inquiry should lead us to ask the question why do we need 'Bail In' if our banks are 'too-big-to-fail' or should it be retitled 'Stability – addressing too-big-to-**LET**-fail'

It is now apparent that after the years (decades) of banking deregulation the only clear winner of competition has been the banks and their ability to loot our physical economy and turn our productive sectors of the 'lucky country' into 23 trillion dollars' worth of useless and unproductive derivatives.

Unfortunately these derivatives are worth something to a few, who believe that these 'financial instruments' should be allowed to continue to exist 'at all costs'. Even if it means now blatantly taking a portion of savings out of peoples bank accounts and giving it to those in the 'investment banking' sectors to prop up, albeit only momentarily there derivatives bubble for a small portion of time longer.

Mr Murray, you responded recently when asked the question "why can't we have Glass – Steagall introduced as opposed to rewarding the banks and their bad behavior with 'bail in'?"

Your response was 'Paul Volcker has proposed a Glass – Steagall system which is known as 'ring fencing'.

Mr Volcker is **wrong**. This re-writing of history and economics by Volker is clearly an attempt to 'bury at all costs' those economic mechanisms which have been used as the foundation for the true 'American System of Economics'. An economic system which created the greatest industrial power and an economic system which Australia has seen glimpses of. Glimpses that made those abroad want to be part of the 'lucky country'.

The Glass – Steagall act is legislation that does not trust the banks to 'police themselves' and clearly states that there will be no business or position or any other not mentioned relationship between a commercial bank and an investment banking house.

The 'True American system of economics' gave priority in the past to the development of the physical economy. It is the physical economy that is the foundation of life required to support us, the human race. It enables us to be increase our life expectancy and population density.

It is time to put '**people first**' Mr Murray and **NOT** listen to the dictates of the Bank of International Settlements (BIS) or those backers who seek to have our 'too-big-to-fail bank's bad behavior' rewarded by taking from those now already struggling.

I OPPOSE 'BAIL IN'.

Andrew Fox