

Mr David Murray AO  
Chairman  
Financial System Inquiry  
GPO Box 89  
Sydney, NSW, 2001

Dear Mr Murray,

As an ordinary Australian citizen I respectfully propose that a Glass-Steagall solution be adopted over the proposed Bail-In system. Please consider the following:

1. Bail-in is immoral, being a form of theft and the cost for Bail-in versus the cost for a Glass-Steagall solution should not be relevant.
2. Government's prime responsibility is to protect the people, not the banks. The cost for Bail-in would be largely borne by the people whereas the cost for Glass-Steagall would be mostly borne by the banks and thus Bail-in favours the banks over the people.
3. Australians have always seen banks as safe (Safe-as-a-bank) and Government has promoted this perception, particularly during the GFC. The Australian people will see a 'Bail-in' legislation as a major betrayal, particularly if Bail-in was used as a means of avoiding the Government Guaranty on bank deposits. Trust may never return.
4. The experience of bailing out banks throughout the world has been poor and banks continued with high-risk investments in derivatives and such like. Based on this experience, one must assume that bail-in will not solve the problem. Only a split between the deposit taking commercial banks and the speculative investment banks as demanded through a Glass-Steagall style of legislation will protect the ordinary people.
5. To facilitate a Glass-Steagall solution, I suggest that a new 'Commonwealth' Bank be formed
6. Unfortunately, there will be very few submissions from ordinary citizens and the bulk will be from the financial sector with a self serving interest towards Bail-in. It is thus important to note that a large number of former seniors from this industry are in favour of Glass-Steagall. Don Argus former CEO, National Australia Bank and former Chairman, BHP Billiton has spoken in favour of Glass-Steagall and David Komanski, former CEO, Merrill Lynch stated "Unfortunately, I was one of the people who led the charge to try to get Glass-Steagall repealed ..... I regret those activities and wish I hadn't done that." Surely statements from former seniors should carry much more weight than those currently employed in the industry.

Yours Faithfully



W.R.Ifield