

Submission to FSI.

From Jean Robinson. Former candidate for seat of O'Connor

I am vehemently opposed to the idea of a "bail-in" of any financial institution using depositor's funds or any other method, I consider it to be totally immoral and an act of genocide as the real consequences will cause unnecessary deaths of Australians, like the Cyprus template that European nations are now victims of. The only way to resolve "Too Big To Fail" banks is to break them up into smaller banks and other financial institutions to separate out the riskier side of these banks through re-regulation using legislation principals of the "Glass-Steagall" \ (Prudent Banking Act 1933) in USA.

The 1933 Pecora Commission, in seeking to uncover the causes of the 1929 financial collapse, found that irresponsible bank behaviour was the main cause of the Great Depression of the 1930s. Chief Counsel Ferdinand Pecora revealed that bankers could not be trusted to regulate their own behaviour in the face of the great temptation to abuse the tremendous power that banks are granted via their banking licence.

Now we are faced with the question: what to do about banks that are "too big to fail"?

The obvious answer is to separate the banking functions (as the Glass-Steagall law did in the United States) to ensure that banks in Australia are not "too big to fail". Under Glass-Steagall, TBTF banks are broken into two totally separate entities, Commercial banks which take deposits are regulated and whose depositors' funds guaranteed; and Investment banks speculate at their own risk with money that their own customers knowingly "invest" in the investment bank in expectation of speculative profits.

To maintain the health of a "Systemically Important Financial Institution", the solution is not to underwrite the bank's total debt (which is inflated by speculation) but to reduce the size of the institution by breaking it into two parts:

1. The commercial bank with depositors' funds guaranteed regulation. With no cross ownership or control of any form.
2. The investment bank that is free to speculate with the funds of its investors but without the safety net of a government regulation.

This is the underlying principal of Glass-Steagall and Australia should implement such a law in order to protect depositors' funds and relieve government of the responsibility for debts arising from speculation.

As was demonstrated during the Pecora Commission of enquiry into the behaviour of banks leading to the Great Depression of the 1930s, banks cannot be trusted to regulate themselves. The temptation to put personal financial gain above the interest of the community is just too great as history has proved over and over again. Unfortunately this calamity continues as NO bankers have been prosecuted for the GFC have they?

This begs the question, why has our federal government set up this financial enquiry when all the solutions to addressing this systemic financial collapse are well known? Australia's recent history of bank deregulation bestowed on the unsuspecting population by the means of several financial enquiries that are run by bankers for the benefit of banks and have led to policies of more and more deregulation, privatization, free market – competition policy, this has over time utterly destroyed the means of this nation to facilitate credit for primary and productive industries and maintain a strong growing productive economy. Under this policy we sacrifice agriculture, manufacturing, our machine tool sector, car industry and virtually everything and yet the tax payers are the nations depositors expected to pay again in the case of a bail-in. Why does the policy of protectionism and national defence apply only to bankers who are operating above the law and outside the control of government as the BIS, FSB have demanded? Meanwhile the deregulation of private banking and commodities has allowed the frenzy of speculation to take over the economy to the point where the Australia's TBTF are actually failing under this regime. Especially from the so called derivative market that was responsible for the GFC. Today our foreign owed banks are speculating like crazy loading themselves up with 24 trillion dollars of derivative obligations, like a runaway train increasing at a rate of a trillion dollars per quarter as reported by the ARB, as obviously the Q1, Q11, Q111 of trillions bailing out of banks to prop them up, have all failed. To be continuing with this policy is insane and immoral. This is why Australian banks will fail very soon, unless the Glass/Steagall of bank separation is implemented immediately and new government bank of credit to issue funds for major infrastructure projects will protect the citizens and economy and provide safe institution for population to put their saving in.

Are we marching down the road of financial fascism and serfdom as we witness the bail-in process decimates nations and living standards in Europe? Are we to be the next victims of this genocide and it is genocide because it is with deliberate intent. The obvious solutions are easily to see, Roosevelt and Curtin defeated financial fascism that gave us WW11, when the Bank of England and the BIS backing of Hitler's, using Oxford's trained finance minister Hjalmar Schacht program of austerity and debt repayment killed millions. Yet, today we see the same evil policy championed by "end of entitlements" of the Australian government and banker's excuse of balancing the budget lunacy. Not forgetting these "entitlements" are those that Australians have fought for in wars and worked hard to achieve and protect, a hall mark of a modern nation state, but, the fight for these rights and entitlements, our nature to develop has always pitted against the money power. Is our present government so entrenched in serving the interest of criminal bankers which includes such outrageous behaviour as insider trade and rigging of markets as exposed by the UK LIBOR scandal? The desperation of banks is very evident when they can get governments to resort to frauds like this present FSI as means to use the uninformed Australian public as the perceived public consultation to condone an act such as legislating to enact bail-in of Australians deposits and superannuation (unsecured creditors) that will lead to the total destruction of the economy and the Australian population's lively hoods.

It's time for a Pecora Commission in Australian, not another banker rigged FSI as reported correctly by the Australian Financial Review on 18th August, by former banker, ANZ bank director John Dahsen, "The (FSI) interim report has been prepared, by bankers on behalf of bankers for banks".

Great statesman like Roosevelt and Curtin used the sovereign power of government on behalf the citizens to defend them against such tranny, by using the system of national banking and public

credit to overcome the bankruptcy of free market system and rebuild their countries and restore confidence in banking system with the Glass/Steagall Act of 1933 or similar regulation. A very recent example of this, is the sovereign nation of Iceland who has actually prosecuted politicians and bankers for the irresponsible and criminal activities that the FSI is proposing, bail-in, ring fencing and phony bank deposit guarantees. One of the smallest nations in the world, also proving nations don't need foreign investment either.

Fortunately for mankind, national governments representing 50% of the world's population have been guided by their visionary political leadership who are acting in the interest of the general welfare of their populations first, by abandoning in mass the failed policies of globalization of bankers dictatorship, by returning to being sovereign nations, currency controls, national banking, fair trade and major infrastructure projects to end system dominated by the London and Wall centred bankrupt monetary empire. It's time to bury this failed empire and their agenda of using the now estimated 1.8 quadrillion US dollars of utterly useless speculation to kill millions of people and drive the world towards thermo nuclear war, once and for all. As Pope Francis has demanded "Money must serve not rule"

Instead, Australia in its great tradition of acting to defeat fascist imperialism as in WW11 should be joining the incredible courageous nations of the BRICS to create a new just economic order for the world and a future for millions of the world's youth and children who are looking to a real future that puts them at the centre and value of economic policy. Something that Australia's children and youth are in want of and we must as Australians in our grand tradition committed to the general welfare do what is right.