

Financial System Inquire  
The Panel

Dear Sir/Madam

I wish to submit the following comment.

The interim report of the panels Financial System Inquire appears to push the case for supposedly solving the problem of "Too Big To Fail" by implementing "Bail-In" - this appears to be the system which we legalise the seizure of bank accounts to prop up banks. This panel is effectively saying the banks huge derivative gambling debts should be honoured by depositors on behalf of the banks.

This in Australia is mind boggling. This is financial terrorism. If I lend money to someone and we have documentation to that effect, as understand it, I am legally entitled to have that money returned together with agreed interest. Why wouldn't a bank client have the same legal right?

I believe the purpose of the financial system is to serve the common good not to support speculation in derivatives by Australian banks. Speculation which appears currently to exceed \$24 trillion as against a GDP of only \$1.6 Trillion. Australia must separate "Commercial Banking" functions from the speculation activities of "Investment Banking" as was done so successfully by America under the 1933 Glass-Steagall Act. This was during the depression of the 1930s and proved to be highly successful. Unfortunately it was repealed in 1999 but I understand several countries are now going down the same route.

I believe the government must back commercial banks serving the average Australian and speculative investment banks should look after themselves.

Please support the proven successful Glass-Steagall Act and not the blatant theft of bank clients' savings.

Yours faithfully

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