

Financial System Inquiry Submission 26th August 2014

Whom do Prime Minister Tony Abbott and Treasurer Joe Hockey serve? Their Government claims repeatedly that they, must get out of the way of business, and therefore, cannot interfere in the market place to protect business, in particular those businesses connected to physical goods production, our primary and secondary industries such as manufacturing. Why? Because to do so, would promote inefficient practices!

However, when dealing with the most inefficient, immoral practices of the banking business, they conduct a Financial System Inquiry so they can bring in methods to protect our Too Big to Fail (TBTF) banks? Australia's Big Four and Macquarie which incidentally as you know are not Australia's banks at all according to their share holdings.

In fact, the interim report substantiates what many suspected from the outset that the intention behind this Financial System Inquiry is all about protecting those TBTF banks and their exposure to the rapidly expanding, already quadrillion dollar, global derivatives market and, was never intended to come up with outcomes based on what's good for the economy and certainly not what's in the best interest of shareholders and depositors of those banks, the unsecured creditors, or the financial system generally.

I run a small business but what I can determine from the FSI's interim report will put my business in jeopardy while manoeuvring to protect an International banking cabal. My business bank account could be frozen or at least skimmed to protect (prop-up) these TBTF banks according to the interim report. Like was done with banks failing in Cyprus, your intention is to legislate for bank 'bail-in' so the unsecured creditors take a hair-cut and not the banks. Not just my business but every other businesses bank account and our personal savings accounts as well could be given this treatment. Charities, Churches and Government Bodies all hold bank accounts.

What qualifications did you have to have to be chosen as a member of the FSI panel? Your background is banking, right? But, do you realise your recommendations will have life and death consequences? Don't sacrifice our economy and people to service non-productive derivatives gambling by the banks.

I strongly urge you to recommend that these TBTF banks be protected, not by stealing the deposits of their customers under a Cyprus styled 'bail-in' legislation which the Financial Stability Board is insisting be legislated for in the G20 countries but rather to ***protect those TBTF banks, by breaking them up into smaller banks under a Glass-Steagall bank separation*** legislation instead. Separate their speculative activity right away from their genuine banking activity, the activity associated with commercial and retail banking. When Australia has over \$23 trillion of derivatives in the banking system and a GDP of around \$1.6trillion, how long before a major bank does fail triggering a chain reaction? Before Australia committed to the murderous free market ideology; infrastructure development, and physical goods production, national sovereignty and promotion of the common good guided political decisions not legislation to protect and promote parasitical gambling.

The interim report argues that Glass-Steagall would be “expensive”, expensive for whom? Ask yourself what price will everyone pay, banks included, if the economy is forced into shutdown because institutions, businesses and individuals cannot access cash flow under bank ‘bail-in’?

Australia can’t afford not to implement Glass-Steagall and re-establish national banking, so that once again public credit can be directed into building up the production of physical goods -- the things I transport.

Tom Lawler,

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