

## Submission to the financial system inquiry #2

Ben Williams

Dear sir/madam,

I'm writing the submission because as an Australian citizen I have great concern for the future of the country and also the future of my 4 children. I am now a 71 year old pensioner and have observed with great concern the way the world has changed for the worst especially over the last decade. The physical economy of the western world (Britain, Europe and USA) while billions of human beings suffer near or actual starvation with the ever increasing gap between have and have nots.

While this is going on governments of the day continue to bail out too BIG TO FAIL BANKS with trillions of dollars. This situation becomes even more abhorrent when they now want to cease individual deposits of unsecured creditors which they term BAIL IN (my savings deposits would be classed as unsecured credit) to prop up TBTF banks.

This combines the worst features of tax payer bailouts with its deadly austerity and outright confiscation of wealth from the public to capitalise bankrupt banks. These are facts that cannot be denied. The ongoing 2007-8 crisis is still on going without solution. The solution to the problem is a complete separation of the banking industry no other so called solution will work. Partial separation under one umbrella (Volker ring fencing never worked) is not the solution. This just allows the banks to continue with TBTF with a pat on the back.

The regulations to separate commercial banking from investment banking (The Glass Steagall Act of 1933) was put in place and worked for 60 years after the great depression.

Customers savings deposits were safe and government backed. Investment banking was completely separate and people who wanted to risk their money in investment great or small were on their own. If the investor lost or the company went under it was not the responsibility of governments or tax payers to bail them out. In the same way as governments and citizens are not responsible for gamblers losses or casinos losses.

This activity of so called TBTF must stop now. A Glass Steagall regulation must be enacted for Australia. We have no time to experiment when we know that the solution worked for 60 years. The next big crash will be of mammoth proportions, as afterwards will be too late. It must be implemented now. Bail in is absolutely not the answer, only a perpetuation of TBTF and totally unsustainable. The bankers of the world as well as governments know that Glass Steagall is the answer. Pass a Glass Steagall act now. The solution is staring us in the face.

Yours sincerely, Ben Williams

