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

Dear Mr Murray,

I understand you will be chairing the Financial System Inquiry which will establish a direction for the future of Australia's financial system and lay out a 'blueprint' for the financial system over the next decade.

A major concern for me and for many citizens with hard earned savings is the threat to these savings in the event that the banking system fails as has happened overseas in recent times. In particular the possibility that our banks will be allowed to access our savings to service their debt – as I believe has been the case in several European banks.

In order to avoid this I believe that it is essential to separate the retail functions of the banks and the provision of credit for housing and other retail activity from the banks dealing in derivatives and similar speculative and risky activities.

There should be NO possibility that the latter financial dealings could be financed with our savings or that in the event that a bank cannot meet its speculative commitments, our savings could be used to bail it out.

I believe there should be a total separation of the banks retail activities from any dealing in derivatives – as was provided in the USA until 1999 by the Glass Steagall act.

Whatever recommendations are considered for the future of our financial system, the people's savings should not be put at risk.

Yours sincerely



Anne M Dawborn