

Financial System Inquiry

“Too- big- to- Fail” banks.

I strongly oppose the use of creditors’ accounts to “bail in” dodgy investments by derivatives traders in the too-big-to-fail investment banks.

I also strongly oppose the concept of “ring-fencing”. It does not go far enough and the British experience of the failure of this concept, as the bankers have already found ways around it.

I however do strongly support the introduction of full separation of commercial banks from investment banks. Glass-Steagall laws worked in the USA from 1933 to 1999 until they were repealed. They should be legislated here.

I also support the establishment of a national bank similar to what we had in the old Commonwealth Bank whereby the Government can direct funding into infrastructure projects.

Failure to address these principles in full will result in the most dreadful of austerity measures as seen in the recent experience in Cyprus.

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