

11 August 2014

Mr David Murray

Chairman

Financial System Inquiry

Commonwealth of Australia

Dear Mr Murray and panel.

Sir.

Thank you for the opportunity to express my views to your inquiry.

I am very concerned about the circumstances surrounding our banking sector, the direction they seem to be taking to remain competitive and on top of their game are from what I've been able to learn so far is fraught with danger for the people of Australia, and while our banks currently enjoy appraisal from many quarters they are operating in a speculative manner predicated, I believe, on the value of our real estate, this could burst without warning, it has happened previously stock markets crash and the flow-on effect is catastrophic, this would be grave for all Australians as you would appreciate. Surely the last depression was evidence enough to instigate more rigid banking regulations to prevent this happening again. We have seen what happens when banks fall over as was exposed in Cyprus, Spain, Ireland etc.

While I don't necessarily agree with some of the decisions taken by America on several fronts I am absolutely certain and fully confident that their Glass-Steagall law was the best in the world to protect their citizens from impending financial doom and was repealed by a President who, I believe, has stated publicly that he now regrets his decision on this matter.

There have been several well qualified people speaking about the financial circumstances we currently endure including former Prime Minister Malcolm Fraser, but none more so than visiting former deputy director of Japan's Ministry of Finance, Daisuke Kotegawa in March of this year who stated categorically that Australia should implement Glass-Steagall laws now to avoid the upcoming crash. Further and more recently the Pope has expressed very real concerns for the world's monetary system and the predictable outcomes that will fall upon us without remedial action.

It is my genuine belief that ring-fencing is not a real solution to this problem as it is only a fence when what is needed is an impenetrable barrier and that is Glass-Steagall in every sense.

I have spoken to my federal member and at least one other state premier about this and the proposed "bail-in" and I am not at all convinced by their responses and I reject their notion that Glass-Steagall would not work in Australia.

I was a victim of 19% interest rates and the anger, animosity and family upheaval that this caused by the thought of everything being lost by something in which I had no control whatsoever has scarred me for life and I now see similar patterns emerging which is worrying to say the least.

Times have changed and the world has become more hostile, despite two world wars and inevitably more to come, I think we need to take stock of current world events and prepare for what could only be described as a disaster -in -waiting so that at least we can fend off the unnecessary burdens and extreme hardship that will be borne by so many.

Yours Sincerely

Don Goldsmith

A handwritten signature in cursive script that reads "Don Goldsmith". The signature is written in dark ink and is positioned below the printed name.