

## Submission to Financial System Inquiry

The banks are supposed to be the pillars of our society for lending for homes, private and Government infrastructure.

They were until they were allowed to go into speculative investment which was a departure from normal banking ie derivative and hedge funds

Speculative banking was the domain of commercial banks and now they as so both intertwined that the whole banking system looks like a commercial bank

Normal banking held the savings of our people and local businesses

This speculative banking has affected their ability to lend funds even for interbank lending and for nation building projects such as infrastructure and business loans

Commercial banking was the speculative side

The speculative investments have reached such enormous amounts that the Bank of International Settlements is itself is concerned to the extent that they are now putting pressure on the Australian Government to introduce a Bail in policy through enquiries such as yourselves because in the event of the collapse of a major bank and its domino effect even the Government could not bail out the banks

We all know what happen in Cypress with the public losing their savings

I feel sure that if the Australian public were made aware of the proposal, it would cause a run on the banks

The Local Government in the Town of Beverley in WA is so concerned that they passed a resolution to write to all Federal Politicians

The same correspondence is still relevant so I am attaching this correspondence as a submission to your inquiry

The Shire of Beverley also passed a resolution to make a submission to the Financial System Inquiry

I think your efforts would be better spent in introducing recommendations to the Government to separate the two spheres of banking to restore confidence in this sector but **definitely no 'bail in'**

Chris Pepper

Retired Local Government CEO, retired business owner and current Councillor with the Shire of Beverley