

Submission to Financial Systems Inquiry. Ken Calder Dip F.M.

The simple fact about human beings is that they cannot be trusted completely and that proper checks and balances must always be in place to prevent any man or body of men from either exceeding the power with which they have been entrusted or acting in corrupt ways that is likely to impinge on their subjects.

Two great examples of this fact are being played out at present; One being the way in which perpetrators of child abuse were virtually protected by the establishment to which they belonged and left to act without proper controls (actually the biggest crime is the betrayal of the huge trust with which they had been endowed and forcibly demanded); The other one is the way bankers have broken down the system of controls so that only the trust they asked be placed in them was the only limiting factor to their criminal acts. Sadly many of the perpetrators of the 'financial gambling methods' created by bankers allowed a free rein have not been called to account and probably never will be.

The 'Mortgage Meltdown', part of the ABC show Addicted to Money (<https://abccommercial.com/contentsales/search/content/addicted%20to%20money>) which is a series, detailed the way in which Bankers were provided unlimited freedom with only their promise to do the right thing by the population being their restraining factor. A system all based on TRUST!

This has already caused one major financial crisis and will certainly cause another (most likely much worse) because the problem has not been fixed as bankers are still gambling with depositor/tax payer money via certain financial instruments that do not show up on their balance sheets. These are called by various names like derivatives, futures and over inflated mortgage debts or the many other forms of speculative banking.

I believe that the whole committee investigating the current financial system would find their time very well spent viewing the whole ABC series (not yet completely shown) and most educational as to how we have arrived at our current situation.

As far as correcting the problem then the most simple but urgent action would be to again put in place adequate checks and balances for bankers to abide by so as to protect the general population from their criminal actions both now and in the future.

The Australian Government is not blameless either because by 'confiscating' deposits from bank accounts that have not been accessed for those few years as currently legislated then this must certainly be considered as stealing from those poor unsuspecting holders of those bank accounts.

I well remember the time when banks were required to hold a certain amount in deposits to be able to lend a certain pro-rata amount and in those days the banks paid a reasonable rate of interest. Nowadays they seem to be able to lend unlimited quantities of funds with no relationship to their equity.