

**Submission to the  
SENATE ECONOMICS REFERENCES COMMITTEE  
INQUIRY INTO THE POST-GFC BANKING SECTOR  
Attention of Colby Hannan, Senior Research Officer**

June 12, 2012

Chairman and members of the Committee, thank you for this opportunity to submit written materials in reference to your inquiry.

I am a former civil litigation attorney living in Los Angeles, California, USA, and the president of the Public Banking Institute, a non-profit research and educational organization that promotes public-interest banking and monetary reform. I am also the author of 11 books, the most recent of which is The Web of Debt, The Shocking Truth About Our Money System and How We Can Break Free. Since its publication in 2007, I have written over 130 articles concerning monetary matters and public banking, available at <http://webofdebt.com>.

The Australian Government's "Senate Inquiry into the Banking Sector post GFC" was brought to my attention when a colleague sent me a copy of a submission to the Senate Inquiry which included one of my published articles.

I would like to suggest the following articles as of potential interest for your inquiry:

**"What a Government Can Do With Its Own Bank:  
The Remarkable Model Of The Commonwealth Bank Of Australia"**  
[http://www.webofdebt.com/articles/commonwealth\\_bank\\_australia.php](http://www.webofdebt.com/articles/commonwealth_bank_australia.php)

**"Public Sector Banks: From Black Sheep to Global Leaders"**  
<http://webofdebt.wordpress.com/2012/03/08/public-sector-banks-from-black-sheep-to-global-leaders/>

**"North Dakota's Economic 'Miracle'— It's Not Oil"**  
<http://webofdebt.wordpress.com/2011/09/01/north-dakota%E2%80%99s-economic-%E2%80%9Cmiracle%E2%80%9D%E2%80%94it%E2%80%99s-not-oil/>

**"Oh Canada! Imposing Austerity on the World's Most Resource-rich Country"**  
<http://webofdebt.wordpress.com/2012/04/01/oh-canada-imposing-austerity-on-the-worlds-most-resource-rich-country/#more-3373>

**"Out of the Mouths of Babes: Twelve-Year-Old Money Reformer Tops a Million Views"**  
<http://webofdebt.wordpress.com/2012/05/29/out-of-the-mouths-of-babes-twelve-year-old-money-reformer-tops-a-million-views/#more-3787>

The first article gives some brief information on the success of the Commonwealth Bank of Australia in its formative years.

The article on public sector banks gives an overview of their prominent international presence and successful performance, especially evident since the onset of the current financial crisis.

The article on the Bank of North Dakota, the lone example of a state-owned depository bank in the U.S., tracks its remarkable performance record.

The last two articles relate to the Canadian government's successful use of the Bank of Canada between 1939 and 1974 to fund government projects effectively interest-free (since the government owns the bank). Both Australia and Canada are Commonwealth countries with large land masses, relatively small populations, and rich natural resources. Both could benefit from again employing their greatest natural untapped asset, their National/Reserve Bank to fund government projects effectively interest-free.

Respectfully submitted,  
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