

Ron MacPherson,
109 Balmoral Crt,
Wagga Wagga NSW 2650

August 14, 2014

Dear Mr. Murray,

SUBMISSION TO AUSTRALIAN FINANCIAL SYSTEM INQUIRY – August 2014

It was unique that as the writer was walking to school at Toolern Vale, Victoria in the year of 1933 citizens starving and sleeping under bushes, would ask for a sandwich. It was this same year of 1933 that the President of the United States, Franklin D. Roosevelt, signed into law the Glass-Steagall Act to regulate banking. It operated for 66 years, and in the World War 1939-1945, it gave Australia many benefits which enabled us to be victorious in the war.

As I was loading straw at the Melton Rail Yards early in 1942, I witnessed thousands of American troops travelling by train to rest at the Darby Military Camp now no longer in existence. They were also involved in the laying of the road in just 90 days, between Alice Springs and Darwin. The battle of the Coral Sea was also a massive effort by Americans in the interest of Australia, and in this and other areas of concern it must be explained that Australia on its own could not have achieved success. We needed America and America could not have done what it did without its Glass-Steagall banking system.

Regarding the “Too Big To Fail” banks: I am absolutely opposed to implementing a bail-in system by which the bank accounts of depositors could be used to prop up failing banks, as we saw happen in Cyprus. Any move to align Australian regulation with the Financial Stability Board’s “Key Attributes of Effective Resolution” regimes, the financial measures which the G-20 members are committed to comply with, including bail-in, should be rejected.

I request that there be no bail-in of depositors’ money to save the banks. Australia must separate legitimate commercial banking functions from the speculative activities of investment banks as did Glass Steagall law in the United States. It is noted how many world-wide prominent citizens are seeking Glass Steagall banking regulation.

Thanking you,

Ron McPherson

Former Member of Victorian Wool & Wheat Grower Assn.
Former Member of Australian Wool Industry Conference
Former Melton (Vic) Shire Councillor
Former Junee (NSW) Shire Councillor
Former Member of Temora County Council Water and Power
Active Member of Fire Brigades (Melton and Junee)
Wheat Grower and Stud Breeder of Meat Sheep for 65 years