

SUBMISSION ON POLICY ISSUES RAISED IN ROUND 5

Submitted By: William Arthur Dagger

Email: [REDACTED]

Phone Number: [REDACTED]

Submission for: My Self

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The Macro economic history of Banking indicates that the most stable and nationally secure strategy for banking is by the application of full regulation of the Banking process using the Glass Steagal Model adopted by US President Roosevelt in the 1930's to pull the USA and the world out of the Great Depression. This system provides clear vertical and horizontal separation of Banks into Prudential Banking and Investment Banking. A National Credit Bank accumulates funds from savings and taxation and redirects these funds into Infrastructure projects that support small business and fund large infrastructure projects. Investment banks are separated and are there for those who wish to take greater risk and share investment or other income generating return. If the Investment Bank fails - its is liquidated in the normal course of business. Such banks are not propped up by government as being "to big to fail" structures. Deregulation of the Australian Banking system has introduced a depth of human greed, gambling and self centred return such that the system has led to the 2007/2008 Banking Crisis and Government guarantee of the banks subsequently has witnessed the continuation of the gambling and gaming ethic that has lead Australia (and the World) to the point of a second and more deepening crisis. I am concerned that within the present macro economic system Bankers can control countries and demand austerity measures that cripple nations and impoverish people. Glass Stegal Models and National Credit Bank systems are simple, proven and in a more controlled way represent, regulate and protect the nation and its people. The system creates national employment and focusses infrastructure development and true small (and large) business investment and development. In my view the Hamiltonian system of Economics focussing the Physical development of assets rather than the greed and gambling ethic and asset stripping of the Keynesian model appears far superior. Regulate the banks once again and return to probity.