

This is what we propose needs to be done to safeguard the depositors and stop the banks gambling.

There is only one genuine solution to TBTF banks, which protects both the economy and bank deposits: a full, Glass-Steagall separation of investment banking from commercial banking, as mandated in America's 1933 *Glass-Steagall Act*. Under Glass-Steagall, the Big Four banks and Macquarie would be split up into completely separate new institutions: commercial banks that hold deposits and perform the so-called "boring", but safe, banking functions that service the community; and investment banks that engage in risky financial speculation. The two types of banking would have no contact whatsoever: no cross-ownership, no shared directors, no joint ventures. The commercial banks will be super-safe, and the investment banks will know that if their financial gambling goes bad, they are on their own, and will not be bailed out.