

I am totally opposed to any measure that will allow banks that have indulged in derivatives activities which have endangered deposits and depositors, to call on those deposits to prop up a failing banking system. This "bail-in" approach does not recognise the key reason for the potential failures - i.e. the irresponsible gambling by investment banks using monies from its depositors, possible because of the linkage of these two parts of banking. The only responsible approach is a full separation of personal banking from institutional banking or 'gambling' within the same bank. I am fully supportive of an immediate separation of the two parts of banking as was present under the Glass-Steagall act. Even though this would mean a loss of value and income to the shares I currently hold in a number of Australian banks, I believe the principle is so important, that I would be prepared to take a hit following full separation of these two arms of banking. It seems to be the only way that will force banks to act responsibly and take the full consequences of their own actions rather than wreak havoc on the respectable but less interesting/volatile everyday banking that is likely to be more productive. I am therefore in favour of a full and immediate separation of these roles of banks as in Glass-Steagall.