

There is talk of a Cyprus-style bail-in being considered for Australia. Depositors should be seriously concerned and should strongly condemn and oppose such a move as it is nothing less than financial terrorism.

Australia's banks have been the most profitable businesses in Australia in the past. Laws have virtually forced people to keep their money in the banks yet banks have never been required to declare what they have been doing with depositors' funds. TBTF banks have been investing deposits freely in derivatives even after the GFC without declaring the risks to their depositors when they are just as likely to fail as other businesses which gamble. Banks are currently at liberty to speculate as they like; if the speculation succeeds, they reap great profits; if the speculation fails, they can't lose because they are too big to fail!

Australia must separate legitimate commercial banking functions from the speculative activities of "investment banks", as did the Glass-Steagall law in the United States so successfully from 1933 until its repeal in 1999. Such commercial banks serving the interests of the average Australian should be backed by the government, but the speculative banks should be left on their own to sink or swim.