

Wolf on Volcker

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[FT.com / Columnists / Martin Wolf - Volcker's axe is not enough to cut banks to size.](#)

Martin Wolf thinks Obama and Volcker have taken a step in the right direction. He says:

I admire Mr Volcker and strongly support his desire to develop a financial sector that supports the wider economy, rather than makes vast profits out of activities so likely to destabilise it. Equally, I agree that part of the solution is indeed structural.

So things are going in the right direction. But he adds

It is, alas, not the case that the US government can credibly promise to make banks safer, while leaving this vast forest of shadow institutions to the market. That would only be possible if it could separate banks from the shadow system and did not care what happened to the latter. So if governments are indeed to pursue structural reform, they would need to be substantially more radical.

Odd how, from whatever direction things are viewed our politicians need more courage, more conviction to beat bankers, more willingness to stand up for people against the machinations of the right in all its form - especially in the form of bank management.