

I am concerned by the huge growth in derivatives gambling by the major banks. This has the potential to cause a bigger financial crisis than occurred in 2008. At present there seems no force that can curb this reckless growth, especially since "bail-in" legislation is being implemented.

I consider that a Glass-Steagall style separation of commercial banking from investment banking would allow normal commercial activity continue should a major investment bank fail, and also would impose some control over an investment bank's derivative activities.

Such a separation would be expensive - but outweigh this against the cost of imposing a Cyprus-style solution in Australia: think of the riots that would ensue should banks begin to rob depositors of the money in their accounts!

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