

Financial System Inquiry Panel

Dear Panel Members

I take this opportunity to comment on Financial Stability and Bail In of bank customer's funds to support failing banks. My short answer is unreservedly No!

The reasons are- That if this action is taken a massive instability will be forced on the nation, leading to rioting, suicides, property damage, mob justice, loss of many lives from these and from starvation, lack of medical care and stress of survival. Disclosure [of occupation] by Bank Staff or Federal Politician would also have a high risk of injury or death to themselves and their families.

The effect on business enterprises would be catastrophic with a lack of cash/credit to continue operation, pay employees and creditors and with customers unable to pay.

The current generations of younger Australians have not had to go without, are capable of violence without much provocation, have easy access to firearms and weapons, have easier electronic access to production of explosive devices and have the practice of assembling in large groups with short notice courtesy of electronic social media.

Bank Customers being "Unsecured Creditors"

I find this to be a failure by the Banks of a Full Disclosure and should be subject to investigation by APRA and ASIC.

Seizing of Customers Funds

This is nothing more than Theft. If the banks are in the position of Bankruptcy then they should fail like every other business in Australia. If they have reached this position by poor management, risky investments or corrupt employees then APRA has failed to recognise the issues or force the necessary changes.

Bank Integrity

If the Bail-In is implemented, Banks will have lost their integrity as most Australians look to them as a haven, a secure place from theft. Private Banks will have lost the people's trust and struggle to survive. Generations will resort to cash in tins, buried in the backyard. Ethical Banks would not be paying Multi Million dollar salary packages to their CEO's and top management nor would they be distributing record "profits" to shareholders. A full forensic investigation of the banking industry, to arrest those responsible, in Australia, for the losses in GFC and other fraudulent practices. The culmination being imprisonment, return of funds or both.

Government Bank

If the Private Banks fail [which includes the Reserve Bank] then the Government Bank should be reinstated with full powers as in the 1940's.

Savings Banks

These should be separated from the Merchant Banks, returning to the previous system. They should be operated in a prudent manner, able to withstand market fluctuations.

The Banks are here in Australia to provide a service to the people not the reverse. If the Private Banks want to resort to stealing customer's deposits to keep operating and with no regard to misery and hardship inflicted on Australians, then there is no place for them here. Stop the Bail-In, separate the Savings from the Merchant Banks and provide some stability for Australians. Bring in a "Glass-Steagall" style plan not ring fencing!

Thank you for your time and consideration of my submission

Eric Scroop