

Daniel Gallagher
169a Bussell Highway
Margaret River
WA 6285

11 August 2019

**Manager
Black Economy Division
Langton Cres
Parkes ACT 2600**

Dear Manager,

Cash Transaction Ban Consultation Submission - Currency (Restrictions on the Use of Cash) Bill 2019

I am writing as a concerned citizen to express my **strong opposition** to this draft bill which is based on the following observations:

1. I see no evidence in support of the subject Bill or the associated regulations that: (i) to my knowledge or satisfaction, shows it reduces the leakage of tax revenue, or (ii) has any meaningful effect on the reduction of crime or terrorism, or benefits Australian citizens. In fact, I believe it will have the exact opposite effect and will diminish an individual's civil liberties by reducing the freedom of how we, as free individuals, choose to legally spend our own money.
2. The Treasury's 'Black Economy Taskforce - Final Report 2017' does not provide sufficient empirical evidence that the proposed Bill would be effective; in fact, most of the assertions of this report have been refuted by the eminent Friedrich Schneider in his independent 2017 study: 'Restricting or Abolishing Cash: An Effective Instrument for Fighting the Shadow Economy, Crime and Terrorism?' (Reference A refers). In this study Friedrich Schneider writes that the restriction or abolishment of cash has a **minor** influence on the shadow economy, crime and terrorism, but potentially a **major** influence on civil liberties.
3. I also firmly believe the Government has resorted to dismissive tactics in order to the facilitate the passage of the proposed Bill into Law, thereby attracting minimal public awareness or debate, and also avoiding any public backlash. Moreover, once the Bill is passed into legislation, any underpinning regulation(s) can be amended without public consultation and allow further civil restrictions to be applied.
4. Democratically and morally, for any Government or Parliament to introduce laws that have a detrimental effect on its citizenry, such as an assault on an honest individual's freedom to choose how and where they choose to spend their own money, is totally unacceptable.

5. The design and purpose of this Bill reflects the myopic beliefs/views of unelected officials which have been shown to be totally inconsistent with real world conditions (Reference B, C and D refer). Proof of this is evident in their collective inability to forecast any recession for the past 80 years. The enactment of this Bill will provide Government the legislative tools for the introduction of a 'Negative Interest Rate' policy thereby, enabling the Australian commercial banking sector to take total control of an individuals monies and finances. The fact that this Bill is even being proposed identifies, without doubt, that the Government is a hostage to monetary theorists who brought about about the economic conditions we are currently facing. i.e - The Government has lost control of the economy!

6. It is deplorable and also highly improper for the Government to be considering the introduction of this Bill given the findings of the recent Royal Commission into the Banking Sector; the lack of any follow up legislation to prevent any reoccurrences of these findings is laughable. This is further exacerbated by allowing the the Banking Sector to develop its own Code of Practice, which will not be legislatively nor legally enforceable. This provides irrefutable evidence of the absolute unsuitability of any part of the banking industry to have control over the domestic money supply. Additionally, a recent book written by the respected journalist Adele Ferguson (Reference E refers), exposes systemic failure within the entire finance and banking sector including the incompetence of regulators to control the sector.

7. Furthermore, and totally alarming, is the willingness of our elected officials to venture down a path of complete uncertainty in relation to the consequences of negative interest rates. World renowned economists such as Dr. Michael Hudson et al, have expressed real concern over the direction in which economic policy is currently heading. There is no precedence for Negative Interest Rate policy, and certainly no proof that it benefits anyone except those issuing debt.

In conclusion, I tender that:

- a. Government regulators are responding to international pressure, to provide the economic conditions that facilitate the introduction of Negative Interest Rate regulation.
- b. There is an obvious attempt at deception by asserting that the initial cash limits are only designed to deter criminal activities relating to tax avoidance, money laundering etc., but the truth is, that once the Bill becomes law the regulations can be change at will and further restriction on cash transactions can be applied. Once cash transactions are eliminated (by law) and the private banks control the money flow, we are all hostage to confiscation of our private wealth. In light of the evidence from the recent Royal Commission, and the absence of any systemic changes within the regulatory framework, we have little reason to believe that the banking regulators have any desire of intent to protect private citizens from what could eventuate.
- b. Current economic policy, whether monetary or fiscal, is not fit for purpose and will be replaced with emerging currency models based on blockchain technology.
- c. If the current system was working properly there would be no need for such unprecedented policy measure that the subject Bill proposes. The fear this is creating for Government becomes obvious when researched.

- d. It is time for true representative leadership, and the willingness of those in the current political arena to endorse the extreme proposals of this bill could well signal a tipping point in Australian politics.
- e. The consequences of dismissive, non-representative government are becoming glaringly obvious. The sense that the commercial banks are running the economy on their terms is gaining traction and Australia is about to wake up from its slumber.
- f. I propose that this Bill is rejected and that our elected representatives show some courage and real leadership in formulating a suitable alternative that does not jeopardise the financial security of every honest Australian citizen.

Yours Sincerely,

Dan Gallagher

References:

- A. <https://www.bundesbank.de/resource/blob/634950/803cf541deb87a4433533e7196c2cd96/mL/2017-04-24-schneider-data.pdf>
- B. <https://www.imf.org/en/Publications/WP/Issues/2018/08/27/Monetary-Policy-with-Negative-Interest-Rates-Decoupling-Cash-from-Electronic-Money-46076>
- C. <https://blogs.imf.org/2019/02/05/cashing-in-how-to-make-negative-interest-rates-work/>
- D. <https://www.imf.org/en/Publications/WP/Issues/2019/04/29/Enabling-Deep-Negative-Rates-A-Guide-46598>
- E. Adele Ferguson - Banking Bad (2019)