

12 August 2019

Manager Black Economy, Treasury

Dear Manager,

Re: *Currency (Restrictions on the Use of Cash) Bill 2019*

I am completely opposed to this bill it is cleverly designed to be changed in the future without going back to parliament, for E.g. that \$10,000 dollar ceiling can be dropped to a lower amount at any time and possibly spreading the way a little wider could also include Crypto's, Bit coin, gold and silver there is no end to where this can be taken.

In a cashless world, there would be no lower bound on interest rates. A central bank could reduce the policy rate from, say, minus 1 percent to minus 5 percent to counter a severe recession. The interest rate cut would transmit to bank deposits, loans, and bonds. Without cash, depositors would have to pay the negative interest rate to keep their money with the bank, making consumption and investment more attractive. This would jolt lending, boost demand, and stimulate the economy.

When cash is available, however, cutting rates significantly into negative territory becomes impossible. Cash has the same purchasing power as bank deposits, but at zero nominal interest. Moreover, it can be obtained in unlimited quantities in exchange for bank money. Therefore, instead of paying negative interest, one can simply hold cash at zero interest. Cash is a free option on zero interest, and acts as an interest rate floor.

Because of this floor, central banks have resorted to unconventional monetary policy measures. The euro area, Switzerland, Denmark, Sweden, and other economies have allowed interest rates to go slightly below zero, which has been possible because taking out cash in large quantities is inconvenient and costly (for example, storage and insurance fees). These policies have helped boost demand, but they cannot fully make up for lost policy space when interest rates are very low.

Ultimately you want to steal our deposits, what about the collusion with the big four accounting firms have had with the banking system; money laundering has been going on since the time of memorial. Ordinary tax payers are forced to use banks and have no option to take our money out, so banks can bail in our money when they need propping up when they fail! Banks are the biggest launder's of money they have a terrible track record.

Yours Sincerely,

Michael Murray

Email: c4comps@yahoo.com.au