**From:** Paul Reid <anatomic51@hotmail.com>   
**Sent:** Sunday, 11 August 2019 2:19 PM  
**To:** RG - Black Economy <Blackeconomy@treasury.gov.au>  
**Subject:** Submission: Exposure Draft—Currency (Restrictions on the Use of Cash) Bill 2019

11 August 2019

Manager

Black Economy Division

The Treasury

Langton Crescent

PARKES ACT 2600

Dear Manager,

                         I am writing to express my strong opposition to the draft:

· Currency (Restrictions on the Use of Cash) Bill 2019;

· Currency (Restrictions on the Use of Cash – Expected Transactions) Instrument 2019; and

· Currency (Restrictions on the Use of Cash) (Consequential Amendments and Transitional

Provisions) Bill 2019.

Restricting cash is infringing on the freedom of citizens on a massive scale. In withdrawing cash, the citizen is bereft of choice for his payments. After all, the state has the monopoly on the production of money. There is no competition on cash. If the state restricts cash, transactions must be executed electronically. For the state to see who buys what when and who travels when where is then only a small step away. The citizen thus becomes completely transparent and his financial privacy is being lost. Even the prospect that a citizen can be spied upon at any time is an infringement on his right of freedom. I believe this bill if passed will be a stepping stone to a social credit score system similar to the one now operating in China. If this bill is passed, our money, lifestyle and liberties will be determined by one man - the governor of the Reserve Bank - who is tied to the International Monetary Fund and central bank, who are responsible for our current, disastrous economic situation in the first place.

Some economists want to abolish cash. Harvard Professor Kenneth Rogoff argues that we need to rid the world of cash so the world’s central banks can more easily “go negative” (i.e. impose negative interest rates on savers). This initiative, he argues, would go a long way toward propping up the global economy in the event of a serious recession. Citigroup Chief Economist Willem Buiter made headlines in 2015 when he proposed abolishing cash to allow banks to impose negative interest rates. He suggested imposing negative annual interest rates as low as -6% in financial crises, to force banks to lend and consumers to spend. In a cashless world with negative interest rates, governments would effectively flush out any hidden or saved wealth. You can’t save money, because negative interest rates mean you’re paying the bank. You can’t withdraw it or keep it under a mattress, because that’s impossible when there is no such thing as cash. And don’t forget that the “bail-in” model applies to bank deposits worldwide. If a bank goes bust, depositors must share in the losses.

Since the world has never operated in a climate of negative interests rates before, the Australian public will become guinea pigs in yet another experiment, forced on them by a government that does not respect the rights of its constituents. The Australian people have not consented to the introduction of zero and negative interest rates, which penalizes savers and older Australians. This is being proposed simply because the government and the International Monetary Fund (central bank) cannot control the huge debt bubble they have created in their quest to perpetuate an ever expanding economy. This oppressive move, in banning cash transactions over $10,000, is an infringement of our civil liberties, and really has little to do with regulating the black economy (they could have done this years ago) but more to do with total government control over the Australian populace. How, for example, will the government police cash transactions? Will the government be employing special agents with authoritarian powers to monitor our everyday activities, relying on 5G surveillance to carry this out?

Governments always use money laundering, drug dealing and terrorism as an excuse to keep tabs on honest citizens and deprive them of the ability to use money alternatives such as physical cash and gold. As Treasury knows full well, there is indeed a black economy, which is global, and which hides literally trillions of dollars of evaded taxes and laundered money in offshore tax havens. It is a matter of record that these offshore tax havens were deliberately established for this purpose by national governments with whom Australia is closely aligned,Britain’s foremost among them. Moreover, the perpetrators of the money laundering and tax evasion in this real black economy are not the tradies and hairdressers singled out in the Black Economy Task force report, but are the biggest banks and multinational corporations in the world.

Dennis Lormel, managing director for investigative firm IPSA, confirms that terrorist cells have been using technological networks for several years, leaving cash behind, as reported by financial reporter Jeremy Simon. “Terrorists are increasingly turning to credit cards, according to an expert on terrorist financing. Credit cards serve two key terrorist functions, providing both operational funding and as a means of distributing money to group members."Credit card exploitation and fraud has become a growth industry for terrorists," writes IPSA International's Dennis Lormel in a September 2008 white paper entitled "Terrorism and Credit Card Information Theft” "I think it's taken an upward path over the last few years," he adds, meaning "a limited number of people can do an incredible amount of damage." Fintech apps, which enabled encrypted payments to be made online, have had to address the risk of terrorist operations within their service.

The exposure draft of the bill has two notable features:

It bans ALLcash transactions over $10,000, enforced with a penalty of two years jail;

Division 2 is blank, containing only the words “To be inserted”.

What is the government hiding by releasing an incomplete draft, on a Friday afternoon, and allowing only two weeks for public consultation? The deception doesn’t end there. In its explanation of the law, the government has sought to make it palatable by emphasizing that there will be exemptions to the cash ban, including depositing and withdrawing cash in banks, and, curiously, most consumer-to-consumer transactions, such as for a second-hand car. However, the exemptions are not in the legislation. They are in a separate regulatory instrument to be issued by the Minister after the legislation is passed. This means that they are not permanent, but that in the future, the Minister will be able to scrap the exemptions without requiring new legislation. This is the “salami tactic”: first pass the law in a form that is politically palatable, and then slice off key changes. In a bail-in scenario, for instance, under the current regulation people fearing bail-in may withdraw all of their money from the bank, but the Minister will be able to issue a new regulation that suddenly stops people from withdrawing more than $10,000.

**In conclusion my concerns are as follows,**

**1. Privacy**

* Cashless transactions would always include some intermediary or third-party.
* Increased government access to personal transactions and records.
* Certain types of transactions (gambling, etc.) could be barred or frozen by governments.
* Decentralized cryptocurrency could be an alternative for such transactions

**2. Savings​**

* Savers could no longer have the individual freedom to store wealth “outside” of the system.
* Eliminating cash makes negative interest rates (NIRP) a feasible option for policymakers.
* A cashless society also means all savers would be “on the hook” for bank bail-in scenarios.
* Savers would have limited abilities to react to extreme monetary events like deflation or inflation.

**3. Human Rights**

* Rapid demonetization has violated people’s rights to life and food.
* In India, removing the 500 and 1,000 rupee notes has caused multiple human tragedies, including patients being denied treatment and people not being able to afford food.
* Demonetization also hurts people and small businesses that make their livelihoods in the informal sectors of the economy.

**4. Cybersecurity**

* With all wealth stored digitally, the potential risk and impact of cybercrime increases.
* Hacking or identity theft could destroy people’s entire life savings.
* The cost of online data breaches is already expected to reach $2.1 trillion by 2019, according to Juniper Research.

Yours Sincerely,

Paul Reid