



Australian Citizens Party

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MEDIA RELEASE

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Australians are worried about their bank deposits. To restore confidence, scrap cash ban and pass Senator Roberts' bail-in amendment bill

Across Australia people are trying to pull their savings from banks. So far it is a slow, silent "run", not enough to be a systemic threat with crowds gathering outside of bank branches. But it is accelerating.

The banks know this is an issue. One piece of evidence is the growing queues of people outside of businesses that are alternatives to the banks, such as bullion dealers, trying to buy gold and precious metals as a safe haven. Other evidence is the direct reports of these people, recounting their difficulty in withdrawing their own money—the banks have contrived to impose ad hoc limitations on withdrawals to slow down the exodus.

The problem is that many Australians have no confidence in the banks, or the government. The banks have destroyed public confidence in themselves over many years through their predatory and fraudulent behaviour, and successive governments have let them. The entire banking royal commission exercise proved to be a travelling circus that swept into town, entertained people for a while, and then left—but nothing changed.

On top of that, since the 2008 global financial crisis, ordinary people have become more aware of the systemic risks of financial speculation. Australia's major banks are as reckless as their US and European counterparts in their exposure to bubbles in real estate and derivatives speculation. But instead of learning the lessons from the 2008 crisis, and implementing important reforms such as the Glass-Steagall separation of deposit-holding banks from speculative investment banking, which would strengthen the banking system and protect the savings of bank customers, governments and central banks resorted to extreme measures to be able to prop the banks up.

These measures included the pernicious "bail-in" policy of confiscating deposits to recapitalise failing banks, and cash bans to force people to use the banking system so they can't escape bail-in and negative interest rates. Claims that these policies would never come to Australia are being blown away fast.

It's no wonder that people have lost confidence in the banks, and it's entirely due to the bastardry of the banks and the government.

Scrap cash ban, pass bail-in amendment bill

In this current crisis, which is a financial crisis coinciding with—not caused by—a public health crisis, mere words by the government will not restore confidence. Scott Morrison can jump up and down as much as he likes, but people will not stop hoarding toilet paper and food, because they have no confidence in his leadership.

At a time like this, actions speak louder than words.

If Morrison and the banks want to *start* to restore confidence in the financial system—which they know they should—there are two concrete actions they must immediately take.

First, announce today that he will scrap his totalitarian and fraudulent cash ban bill, the Currency (Restrictions on the Use of Cash) Bill 2019. This bill is entirely without evidence, but it demonstrates the desperation of the establishment to force people to use banks, which naturally further destroyed confidence. If Morrison wants to begin to calm people, just scrap it.

Currently, the bill is on the Senate Notice paper for debate next week, so he should announce today that the bill is gone.

Second, pass One Nation Senator Malcolm Roberts' [Banking Amendment \(Deposits\) Bill 2020](#) on Monday. The bill is currently scheduled for debate on Monday morning, but it's likely to be pushed off the agenda by the government's stimulus measures. Instead of pushing it aside, pass it immediately!

The bill amends the *Banking Act 1959* to ensure that there is no way that the bail-in law the government and Labor rammed through Parliament on Valentine's Day 2018 can be used to bail in

deposits. The government claims it can't, and that they wouldn't bail in deposits anyway, but that 2018 law included a loophole that could be used to confiscate deposits. Senator Roberts' bill simply closes that loophole to make explicit in the law what the government claims anyway.

If the government is being honest, it should have no objection to passing the law. But by doing so immediately, it will send a genuinely reassuring message to the public.

More to be done

These measures will not fix the banking system completely; there's a lot more to be done to overhaul the system to re-establish trust, including imposing Glass-Steagall and establishing a national bank. But they will speak volumes about the government's intentions, which is crucial in this crisis right now.

The Citizens Party understands why Australians are concerned to try to ensure their personal financial security, but gives this caution: whatever you may do for yourself individually may or may not succeed in the short term, but it will not solve the problem, which is the state of the economy. We all need to exist in an economy that can provide food, shelter, energy, and healthcare, and that requires every Australian to fight for policy solutions.

The Citizens Party is leading that fight, with draft legislation for:

- a national bank to invest in the infrastructure and industries the nation needs;
- Glass-Steagall to destroy the speculation virus that has infected the financial system;
- a government auditor for the banks to assess how sick they really are and keep them honest;
- an immediate moratorium on foreclosures of homes, family farms and small businesses (Scott Morrison and Josh Frydenberg said yesterday they were asking the banks to refrain from foreclosures, which is pathetic—you don't ask, you order).

Now is the time to [join us](#)—our nation's survival depends on it.

[Click here for a free copy of the Citizens Party's financial crisis manual, *The next financial crash is certain—End the BoE-BIS-APRA bankers' dictatorship! Time for Glass-Steagall Banking Separation and a National Bank*](#)