

# Facing down coronavirus and economic catastrophe: We have the solutions!



**The Australian Alert Service is the weekly publication of the Australian Citizens Party.**

It will keep you updated of strategic events both in Australia, and worldwide, as well as the organising activities of the Citizens Party.

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Lead Editorial

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Whether the market meltdown, the economic fallout from coronavirus, or the impact of the disastrous crisis response of governments to the ongoing financial crash, the Citizens Party, with local and international collaborators, is prepared with policy solutions.

Since the 2008 global financial crisis we have persistently warned that the effort to defuse that crisis would lead to a new, even worse collapse. The current crisis is far from unexpected, as politicians are claiming. The signs that it could not be staved off any longer appeared last September, when a banking emergency forced the US Federal Reserve into unprecedented interventions in the “repurchase agreement” (repo) overnight and short-term liquidity markets.

That effort has intensified in recent weeks, with an emergency rate cut and the New York Fed increasing daily repo offerings from US\$100 billion to at least US\$150 billion, and two-week repos from US\$20 to US\$45 billion from 9 March.

The *Australian Financial Review* reported 10 March that the Reserve Bank of Australia is poised to inject liquidity into the banking system with “emergency multi-billion dollar funding lines on standby”. It has already quietly increased lending to banks through “repo” lending since 19 February. Credit to Australian banks, most from offshore, has dried up in recent days due to uncertainty, wrote John Kehoe and Jonathan Shapiro. Even crisis denier Christopher Joye—who in the great housingbubble debate with economist John Adams, on Peter Switzer’s Sky News show on 25 March 2019, had said all bets were off if China went into recession—told *AFR* there had been a “complete evaporation of liquidity”, describing it as “truly cataclysmic” for both corporations and banks.

Coronavirus is merely the excuse authorities have been waiting for, to launch a massive bank bailout. John Adams reported in 2018 that a politician told him the government just needed some “external event” to blame. This external event, however, is so serious that it can force a far-reaching economic intervention. In Australia in particular, where both depositor bail-in and the cash ban have been exposed and stalled in critical ways, the population is riled up to an extent that politicians and media must begin to look at reality. Since 3 March, broadcaster and TV host Alan Jones has exposed both the cash ban and bail-in repeatedly, last night on Sky News telling viewers to demand their MPs support One Nation Senator Malcolm Roberts’ bill to amend bail-in to exclude deposits! Bob Katter MP held a widely-covered press conference, buying \$19,000 worth of gold to illustrate the impact of planned cash restrictions, while senior Liberals are now saying that the bill is dead.

Along with stopping the bankers’ attempts to save their system, we need policies to revive the economy on an emergency basis. For provision of virus testing, urgent medical care, medical equipment, and production of basic economic requirements with many factories and workplaces shut down, regions with low infections or recovering areas must be mobilised on a wartime scale. This requires national banking to make credit available immediately (as recently raised by Liberal Senator Gerard Rennick) and potential nationalisation of vital industries and services, with appropriation of resources as necessary. A moratorium on home and business foreclosures must be imposed so that those forced to shut down or self-quarantine are protected. The response to this crisis cannot be left to the free market—governments must intervene! But simply “throwing money at the problem” as proposed by Peter Switzer on Sky News will not work. The Citizens Party has legislation already drafted to achieve the necessary changes, on which we are collaborating with MPs.

The COVID-19 crisis is also an opportunity for cooperation among the world’s major powers, which for too long have been at loggerheads due to Anglo-American geopolitical manipulation (p. 11). To address the health crisis and achieve a global economic recovery, nations *must* collaborate.

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