How Can Bank Deposits, Pensions, and Basic Fiscal Payments Be Protected?

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For ordinary people, the most direct fear when political power changes hands is often not an abstract institution, but whether the money in their bankbook is still there, whether next month's pension will be paid, and whether funding for schools and hospitals will be cut off. Once financial panic breaks out, bank runs and capital flight can hollow out a system within days — and panic often comes from rumors and uncertainty, not from genuine insolvency.

Protecting deposits, pensions, and basic fiscal payments is therefore not "clean-up work" to be done after a transition is complete, but a promise that must be honored in the very first week of the transition period. Whether the promise can be honored depends on three things: banks opening as usual, pensions and wages being paid as usual, and treasury money having a list and supervision.

1. Deposit Protection: First Stabilize Confidence, Then Talk About Reform

The first step is a public promise, implemented immediately: residents' bank deposits are protected, the transition period's deposit protection arrangements remain in effect, and the deposit insurance mechanism under the future constitutional order will take over this promise. The promise must be specific — who guarantees it, which accounts are covered, and whom to appeal to if problems arise. A vague reassurance that "the state will not ignore it" reassures no one; it only feeds rumors.

The second step is to keep banks operating normally. Branches, clearing systems, and interbank payments must not be interrupted during the transition; bank executives must not flee with funds, and large, unusual transfers are subject to temporary reporting and review. The line that needs to be drawn is this: controls target the behavior of asset flight, not the freezing of ordinary residents' normal withdrawals — freezing normal withdrawals is precisely what creates the bank run they are meant to prevent.

2. Pensions and Wages: A Priority Payment List

Pension payment rolls and accounts should be sealed in place, earmarked for their specific purpose, and never diverted. A pension is not a favor from the government, but a benefit residents have already paid into; any transition

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arrangement that uses pension funds to plug other holes will immediately lose the broadest trust. Equally prioritized are civil servants' wages, teachers' wages, and medical staff wages — as Question 21 in this series has already explained, wages paid on time are the most direct signal of administrative continuity, and this question cites that conclusion.

Executing the payment list requires dual verification and public records: every large payment is approved by two or more people and leaves a trace, and local fiscal payment progress is published regularly. Disclosure is not for appearances, but to leave rumors of a bank run with nowhere to stand: when residents can see that money is indeed being paid on time, panic loses its fuel. Once arrears occur, the order of back payment and the handling method should also be announced in advance, to avoid case-by-case bargaining creating new unfairness.

3. Fiscal Continuity: Treasury Money Must Have a List

The central treasury and local treasuries should inventory, face to face, at the handover: cash, accounts, claims and debts, and outstanding contracts, each item entered on a handover list and signed to confirm. During the transition period, surprise spending, surprise disposal of assets, and surprise signing of long-term contracts are prohibited — whatever name such behavior appears under, it is an encroachment on future taxpayers.

Budget disclosure and independent auditing should begin on the very first day of the transition period: where this period's budget has been spent, how much remains, and where the next period's money will come from should all have records that can be checked. Whether a transition plan is reliable (see the criteria in the sixth introductory essay) can be judged, in fiscal terms, by one of the hardest indicators: a plan that can say where the money comes from and where it goes is worth trusting.

4. Long-Term Institutions: From Emergency Promises to Credible Rules

Emergency promises can only buy time; long-term trust requires institutions: an independent central bank and financial supervisory bodies, legislative arrangements for deposit insurance, and rules-based fiscal decentralization. How the center and localities divide fiscal powers is the theme of Question 32 in this series, which this question cites in advance without developing — but one principle can be laid down first: decentralization must be paired with auditing and disclosure, otherwise decentralization becomes a pretext for local retention.

The institutional options in the Seven-Law model texts relating to property protection and fiscal disclosure (model laws under discussion, not current law) can serve as a starting point for discussion, but they cannot be cited directly as

laws already in effect. Residents' rights to know about and supervise fiscal matters must ultimately be confirmed by legislation under the future constitutional order — and the transition period's public records are precisely the evidence prepared for that legislation.

Residents' right to know should have concrete implementation mechanisms: regular public disclosure of fiscal account receipts and expenditures, pension payment progress that can be queried, and clear complaint channels when deductions or arrears are encountered. Disclosure is not a slogan, but a means for every resident to check whether their own money has arrived — when everyone can check, misappropriation is hard to hide. Transition-period fiscal disclosure can also invite independent auditors and civic groups to participate in re-checking, with the re-checking results likewise made public, forming multiple layers of supervision.

Further Reading

Index of the Forty Questions on the Republic of China | 《中华民国四十问》索引 (https://freechina.live/governance-public-policy/third-republic-governance-blueprints/roc-history-constitutional-reconstruction/)

Introductory Essay No. 6: How to Judge Whether a Transition Plan Is Reliable (https://freechina.live/?p=21238)

Question 18: Who Will Maintain Local Governments, Hospitals, Schools, and Basic Public Services? (a later question in this series)

Question 32 in the Third Volume: How Should the Central Government and Provincial and County Governments Divide Fiscal Powers? (a later question in this series)

After a Change of Political Power, How Can Administrative System Paralysis Be Avoided? (https://freechina.live/%e7%ae%80%e4%bd%93%e4%b8%ad%e6%96%87-simplified-chinese/%e6%94%bf%e6%9d%83%e6%9b%b4%e6%9b%bf%e4%b9%8b%e5%90%8e%ef%bc%8c%e5%a6%82%e4%bd%95%e9%81%bf%e5%85%8d%e8%a1%8c%e6%94%bf%e4%bd%93%e7%b3%bb%e7%98%ab%e7%97%aa%ef%bc%9f/)

References

Index of the Forty Questions on the Republic of China | 《中华民国四十问》索引 (https://freechina.live/governance-public-policy/third-republic-governance-blueprints/roc-history-constitutional-reconstruction/)

Introductory Essay No. 6, "How to Judge Whether a Transition Plan Is Reliable" (https://freechina.live/?p=21238) — institutional constraints and verifiable criteria, cited in this question

Seven-Law Model Texts (model laws under discussion, not current law) (https://freechina.live/?p=15848) — deposit insurance and other institutional options, cited in this question

Translated from the ZH-Hans master (published 2026-10-31).

← Back to the Forty Questions index (https://freechina.live/governance-public-policy/third-republic-governance-blueprints/roc-history-constitutional-reconstruction-40-questions/)

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