

Why we need a
PARLIAMENTARY
STATE BANK
and how to get it



Our Premier
The Hon. J. Bjelke-Petersen

- To Reduce Inflation and Provide Home Loans at Fair Interest.
- To Finance Shire and City Councils At Below 5% Interest.
- To Reduce Electricity Charges and Rates.
- To Ensure Finance for Small Business and Farming at Reasonable Interest Rates.

FOREWORD

by

Mr L.E. Hartwig M.L.A.

I am adamant that Queensland must establish our own Parliamentary State Bank.

Present Federal Government policies are increasing taxes and inflation. They are not solving unemployment. Their restriction of financial credit will bring depression.

I believe that a Parliamentary State Bank, rightly used, will reduce electricity charges, will reduce rates, and thus reverse the inflation policy.

I believe that the example and influence of the Parliamentary State Bank will reduce interest rates for home buyers and primary producers.

I believe that the Queensland Parliament must act, and act quickly, to provide legislation to set up and use the Parliamentary State Bank of Queensland.

I will do my utmost in Parliament to make the Parliamentary State Bank a reality, and I look for active support from the Members of all Parties, but especially from the National Party.

We know that the Premier, the Hon. J. Bjelke-Petersen, strongly supports the setting up and use of the Parliamentary State Bank. For the welfare of the people of Queensland, we must definitely support the Premier in this regard.

Queensland gave the lead on the abolition of probate duties. I here ask my colleagues in the Queensland Parliament to give the lead to Australia by setting up and using the Parliamentary State Bank of Queensland, to reduce electricity charges, to reduce rates, and so reverse inflation and increase the buying power of farm incomes, wages, and pensions.

QUEENSLAND CAN DO IT!



Lindsay E. Hartwig M.L.A.
L.E.H.

May, 1982.



Our Premier
The Hon. J. Bjelke-Petersen

Premier Joh believes that the Parliamentary State Bank of Queensland is needed to make Queensland financially independent of Canberra, and thus be able to finance jobs for all workers and school-leavers by the development of Queensland in all sections.

The Premier is opposed by Sir Robert Sparkes, who has a motion for the agenda of the 1982 Annual Convention of the National Party which seeks to rescind the present STATE NATIONAL PARTY'S PLANK to have a State Bank to Serve Queensland.

It would seem that Sir Robert Sparkes favours Merchant Banks, and the present shortage of finance and high interest rates.

SIR FRANK NICKLIN, the Leader who did so much to build the National Party, saw the need for the State Bank as far back as 15th September, 1948, when he wrote:—

“....IT MAY BE NECESSARY FOR US, FOR OUR OWN PROTECTION, TO EXERCISE THE RIGHT WE HAVE UNDER THE CONSTITUTION TO ESTABLISH OUR OWN STATE BANK”

That great Queenslander, the late Rt Hon. Sir Charles Adermann, a deputy Federal leader of the then Country Party, respected by all sides of Federal politics, persuaded the State National Party to include “State Banking” as a vital plank in its Platform. That Plank was re-affirmed at the 1980 Annual Party State Convention.

It will be a tragic day for Queensland if Sir Robert Sparkes succeeds in taling the State Bank plank out of the National Party Platform. All branches, and all Delegates to Convention need to give this very careful thought, and vote to ensure the independence of Queensland.

WHY HASN'T THE STATE BANK BEEN SET UP ?

Because certain of the senior organisation hierarchy of the National Party, ruthlessly ignoring the decisions of the State Convention, have sought to thwart Joh's every move on State Banking.

WHY ? Is it because they want to tie the Party and the State in with a move by one of the world's largest merchant banks which is seeking to gain an edge on its international competitors in gaining control of Australia's private banking system ?

In his own Parliamentary wing Premier Joh has many weak sisters who are scared to stand up to the organisation hierarchy. They just continue to accept, without question, the anti-state-bank criticism served up by the State Treasury bureaucrats.

There are a number of State politicians, of all three Parties, who would fight for a State Bank if they had evidence of public support. You who read this brochure now have your chance to give those politicians that evidence.

Write to Joh, and to your local State Member of Parliament saying that you want a State Bank NOW !

The contents of this brochure will give you the information, and the simple way to apply correct legal, moral pressure on State Politicians.

ON STATE BANKING JOH IS RIGHT, BUT HE IS BEING THWARTED BY SHORT-SIGHTED AS WELL AS BY POWER-HUNGRY SMALL MINDS.

BACK JOH ON THE STATE BANK !

To

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Will you, the reader, help to provide the written evidence, that the people want the State Bank ?

What can the State Bank do for you and me ?

The State Bank, rightly used, can reduce electricity charges. (They are being increased now!) HOW ? By providing the finance for the construction of power houses and distribution lines, at the real cost of banking (which is less than one per cent) instead of the present high rates of interest. And by taking over the loan interest and redemption debts on existing power houses.

By this means the State Bank can reduce present electricity charges by half.

Sir William Hudson, Commissioner of The Snowy Mountains Hydro-Electric Authority, in his Report to Parliament for the year 1966, stated that interest and redemption payments amounted to eighty per cent of the total cost of electricity generation for the year. (That means that every electricity bill for \$10 can be reduced to \$2.00 !)

Everybody from the Pensioner to the major industrial company uses electricity. So, reduced electricity charges, increases the buying power of your pension, wages, or other income.

PENSIONERS

If you are dependent on any kind of pension, this is of the most vital importance to you.

At present, every time wages are increased to keep up with inflation, prices are increased to pay those wages, and the buying power of your pension is reduced. The present increase in electricity charges will reduce the value of your pension.

The State Bank, by reducing electricity charges, increases the buying power of all wages, and by reducing the cost of food production, it will reduce your food bill each week.

YOU CAN HELP GET THE STATE BANK, by writing a letter to your Member of Parliament, asking him/her to vote in Parliament for the State Bank. You can ask your Branch of the Pensioners League to carry a resolution asking the Government to set up the State Bank. The number of Pensioners is big enough to ensure that the State Bank becomes a reality. Will you do this to increase the value of your pension ?

RATES

The State Bank, rightly used, can greatly reduce rates payable to all City and Shire Councils. The State Bank can reduce rates by making finance available to Local Authorities, at the actual cost of banking, which is less than one per cent, and by taking over the loan debts of Local Authorities.

Every person (especially Pensioners) and every industry will be helped by reduced rates. Reduced rates, like reduced electricity charges, will reverse inflation.

THE STATE BANK – THE SOLUTION OF UNEMPLOYMENT !

This principle of reducing costs, will END and prevent inflation. And with inflation stopped, the State Bank can finance a useful job for every worker and school-leaver.

The State Bank can do this by making finance available (at the actual cost of bank salaries and bank overhead) to all Local Authorities, and other public authorities, such as main roads, railways, water dam construction (Mount Morgan for example!), education, hospitals, ambulance, forestry, welfare services of all kinds especially homes for the aged), research, etc.

If we have the workers and the materials for ANY PROJECT, then, the State Bank can provide the finance.

This can be done.

WHERE WILL THE MONEY COME FROM ?

The Queensland Parliament can end inflation by the use of the Curtin principle.

The Queensland Parliament can use their sovereign powers to provide the money needed to finance jobs for all workers and school-leavers through a Parliamentary State Bank of Queensland.

HOW ?

The Parliamentary State Bank of Queensland can create bank credit (cheque) money in the same way that all Trading Banks now create overdraft finance for their customers.

When a person gets an overdraft from a Trading Bank, for say, \$100, he gets an entry in his bank's ledger, against his assets. When he writes a cheque for \$100 to pay wages, or to pay for goods or services, that \$100 is money; It pays wages or buys goods or services. \$100 of new money was created when that overdraft was granted and that cheque written.

When that overdraft is paid back to the bank, that \$100 of money will be cancelled out of existence.

The Parliamentary State Bank of Queensland can create bank credit (cheque) money in exactly the same way, against the assets of Queensland, to the credit of each Local Authority in Queensland, who will draw cheques on that bank credit to pay the wages of the (at present unemployed) workers and school-leavers, and to buy materials, to build public works for the use of the people.

THE ASSETS OF QUEENSLAND are enormous. They include:— Every powerhouse and distribution line, every mile of railway and road, every bridge, every locomotive and piece of rolling stock, every school, hospital, and other public building, every harbour;

And most important of all — Our fertile soils, rivers, sunshine and rain, our coal, bauxite and other minerals, and our workers and knowledge of how to use them.

A National Credit Account needs to be kept. The money value of these assets entered, and the money value added of every mile of new road and railway, of every new building, of every powerhouse, etc.; Every water dam, every tree planted, adds to the assets. The money value of depreciation is subtracted.

The cheque money created by the State Bank to build new assets, will flow through the whole of industry, and then repay the overdrafts loaned by Trading Banks to produce the goods and services used, or the money will become deposits in Trading Banks. When it repays an overdraft, that money is cancelled out of existence.

Banking Authorities confirm the fact that the created money is cancelled out of existence when an overdraft is paid off. The Rt Hon. Reginald McKenna, one time Chancellor of the British Exchequer, and Chairman of the Midland Bank (of England), in an address to the shareholders of the Bank on 25th January 1954, said this (as recorded in his book "Post War Banking"): "Every loan, overdraft, or bank purchase creates a deposit, and every repayment of a loan, overdraft, or bank sale, destroys a deposit".

Dr. H.C. Coombs, retired Governor of the Commonwealth Bank – now the Reserve Bank – of Australia, in an address at the Queensland University on 15th September 1954 said (quote) “. . . when money is lent by a bank, it passes into the hands of the person who borrows it without anybody having less. Whenever a bank lends money, there is, therefore, an increase in the total amount of money available.” (End of quote) Dr Coombs is saying that when a bank allows an overdraft, it creates new money, it does not lend deposits. This is where the money comes from.

THERE SHOULD NEVER BE A SHORTAGE OF MONEY

At present the concern of every person is – “Where will we get the money?” This is wrong. With a State Bank in Queensland, used in the right way, the concern of every City and Shire Council will be:– “Is the project needed? Can we get the engineers, the work force, and the materials?”

If the answer is “Yes”, then the Parliamentary State Bank of Queensland can enter a credit in the account of the City or Shire Council for the finance needed, and the City or Shire Council can draw cheques on that account.

When we have unemployed workers and materials, the money is only the written permit to use them. That is why there should never be a shortage of money.

WHO CONTROLS AUSTRALIA ?

Are we Australians in charge of Australia, or are we to remain submissive slaves of foreign bankers who make decisions affecting Australians in Board Rooms overseas ?

Many years ago, Meyer Rothschild, father of the House of Rothschild world bankers, said: "Permit me to issue the money of a nation, and I care not who makes its laws".

We have permitted, and we are still permitting, the world financiers to control Australia's finances and cost of living.

Wheat Farmers who buy a harvesting machine for \$50,000, have to pay 15% interest for the permit – finance – to buy a machine made in Australia ! That interest cost is reflected in the price of everybody's loaf of bread.

The young home builders who borrow \$40,000 to build their house, and pay 16% interest on the balance owing, over a period of 20 years, will pay \$64,000 in interest, on the loan of \$40,000. They pay more for the permit (finance) than they pay for the materials and the work of which the house is built ! This is usury.

SMALL FARMS, SMALL BUSINESS, SMALL FACTORIES

The small unit, and the Family, are the foundation of freedom, the bedrock of Queensland. The influence and the example of the People's Bank, the Parliamentary State Bank, is vital to finance the small farm, business, and factory, the lifeblood of our independence, at very low rates of interest.

The ending of inflation, and the full employment of our work force will increase production and generate buying power, which will ensure the prosperity of local small business.

The survival of the family farm, the family business, and the family factory, may depend on the right use of the Parliamentary State Bank of Queensland.

To get the Parliamentary State Bank of Queensland set up and working effectively, needs the active support of each small farm, business, and factory organisation, and of each unit. By resolution and by letter, tell the Premier, tell your Cabinet Minister, and tell your Member of Parliament that you want the State Bank in action now.

ARE YOU CONCERNED ?

**"All that is necessary for the spread of evil,
is that good men and women do nothing about it"**

Edmund Burke.

Are we (you and I) going to do anything to end this evil debt money system in Queensland ?

WHAT YOU AND I CAN DO

Our organisation, and its members, can write to your local State Member of Parliament, saying that we want him/her, as a Member of the Queensland Parliament, and as our representative, to control the issue of the money Queensland needs, as well as to make the laws of Queensland.

To do so, Queensland must have a Parliamentary State Bank.

Ask our Alderman or Shire Councillor to move in Council to ask the Minister for Local Government to move to enact legislation to set up and use the Parliamentary State Bank of Queensland.

Get copies of this brochure and hand them to our friends and business contacts.

A personal letter to your Member is the most effective action, but if, for any reason, you are not able to write a letter, then fill in and sign the statement on the last page of this brochure, cut it off and post to your Member.

This brochure has been prepared and issued in good faith and in the public interest by a group of CONCERNED PERSONS, who, as individuals, are supporters of each of the major political Parties.

This brochure is sponsored by Mr Lindsay Hartwig M.L.A., the Independent Member for the Callide Electorate.

For further information, phone or write:—

The Hon. Secretary,
State Bank Brochure Committee,
Box 55 P.O.,
Rockhampton North, Q 4701

or

Mr L.E. Hartwig M.L.A.,
Box 404 P.O.,
Yeppoon, Q 4703

WRIGHT SUPPORTS STATE BANKING

During the debate on Supply (financial statements) in Queensland Parliament in September 1980, Mr Keith Wright M.L.A. for Rockhampton, said: "There is another necessity that I have raised time and time again, but it has fallen on deaf ears. Because I believe it is one of the major solutions to the economic problems facing this State, I will raise it again, the necessity to establish a State Bank. For the life of me, I cannot understand why the Treasurer is opposed to this concept." Hansard P. 311.

Statement by the Hon. Dr D.N. Everingham M.H.R. for Capricornia:—

"We need public control of banking. Australia has the power to exercise that control. We need public lending policy.

"If the Commonwealth Bank is too big, too bureaucratic, too aloof, too tied to multi-national interests, or too far from the consumer, then we need State Banks.

"The Australian Constitution provides for control of banking by the Australian Government, except for State Banks.

"Those who are concerned with the drift should demand of State Governments that they set up or develop their banks to provide the money policies needed by State taxpayers, local government ratepayers, home buyers, rent payers, and those who pioneer our undertakings — small farmers, small graziers, small business people, small borrowers and small investors, co-operatives of producers, employees and consumers, and not just big names, big boards, big bureaucrats and big bunglers.

"We must not wait till our banks are taken over by mergers and foreign merchant banks now setting up business in Australia.

"The States should use their independent rights. Unless people — ordinary voters and organisations — ask for a State Bank, Australia may end up as another South American type "banana republic" run from the board rooms of London, New York, Tokyo and Zurich."

Statement by Mr H.W. Herbert (Economist and Business Consultant)
printed in "The Australian Financial Review" of June 25th 1959 :-

"It was quite unnecessary for the Commonwealth Government to hand over to the banks the job of creating new money in 1958/59 (or in 1959/60 if another deficit is in the Budget). It left the Government with an unnecessary debt and presented the Banking System with an unjustified asset.

"The Government could have created the money itself, and had it debt free. It could have passed over a large portion of this money to the States, debt free.

"(This is quite separate from the tax money the Commonwealth channels to the States, and on which it also quite unjustifiably charges interest.)"

To

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Parliament House,
BRISBANE. Q 4000

As my Representative, it is my will that you vote in Parliament for legislation to set up and use the Parliamentary State Bank of Queensland to finance the needs of Queensland, and so make our State independent of Canberra.

I believe that the right use of the State Bank will reduce electricity charges and that it will reduce Local Authority rates, and thus reverse the inflation policy.

The way will then be clear to finance a useful job for all workers and school-leavers.

I believe that the State Bank, by reducing the cost of living, will be of special benefit to all pensioners, as well as increasing the buying power of all wages and other incomes.

I would like you to take the initiative by discussing the State Bank with your colleagues, with the view to an early move in Parliament.

Signature

Full Name

Address

Date

(Students under the age of 18 years can sign this request. You will soon be a voter. You need the State Bank. It is suggested that you state your age. Youth can play a vital part in getting the State Bank)



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