

**INTEREST
RATES**

**ALL
BUSINESS
and
FARMING
FINANCE**

**WHY YOU
NEED A
STATE BANK**

**HOME
LOANS**

**LOCAL
AUTHORITY
FINANCE**

WRIGHT SUPPORTS STATE BANKING

During the debate on Supply (financial statements) in Queensland Parliament in September 1980. Mr. Keith Wright M.L.A. 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

.....The issue in this debate is a financial independence that we need to have, an independence we are not going to get because of the way in which the Commonwealth Government is treating this State Government and the people of Queensland. If we had the independence and the ability to back our own development, we are going to have employment, and money to finance development in co-operation with private enterprise where necessary.

.....It is not only suggested by me and other Opposition members, the Premier has spoken about it. However no action has been taken. It is wanted by people in industry. It is wanted by small business men. A major article some months ago stated that the cattlemen wanted their own bank or a State bank. I know it has been recommended by certain persons in Treasury." Hansard P. 313

Extracts from Hansard volume 282.1980. Authorised by
K. W. Wright M.L.A.

WHY YOU

NEED A

STATE BANK

FORWORD

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

"I am adamant that Queensland must establish its own Bank of Review.

Recent events in Canberra have seen the Commonwealth Government putting more and more pressure on the States for finance, to implement and boost the policies of the Commonwealth Government.

Such policies are having a devastating effect on States like Queensland both at the State Government and Local Government level.

Queenslanders should be allowed to invest and seek financial accommodation within their own State.

High interest rates and the possibility of an economic recession make the need for a State, with the potential Queensland has, an urgent necessity to assist financial undertakings such as more housing, finance readily available for Local Authorities, and the rural sector could well do with money at a lower rate of interest, by our own Bank.

Queensland has given a lead throughout Australia on many other issues, such as the abolition of death duties, therefore Queensland has the essential ingredient to set up a Bank of Queensland within its own State."

L.E. Hartwig M.L.A.,

Independent Member for Callide in
the Queensland Parliament.

1st October 1981.



PREMIERS WANT STATE BANKS



The Hon. Joh Bjelke-Petersen
Premier of Queensland

The Hon. Neville Wran
Premier of N.S.W.

Premier Joh has not stopped fighting to implement the **STATE NATIONAL PARTY'S PLANK** to have a State Bank to serve Queensland. Premier Neville Wran has decided to broaden his State's Rural Bank functions.

The ultimate need to set up a State Bank "for our own protection" was foreseen as far back as **15th September 1948** by National (then Country) Party Leader, the late Sir Frank Nicklin, 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.

SO WHY HASN'T IT BEEN SET UP ?????

Because certain of the senior organisational 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 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 organisational (some are M.L.As) hierarchy. They just continue to accept, without question, the anti-state-bank, unprovable High Court jargon served up by the State Treasury bureaucrats through the State Treasurer.

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 Joh, **and all** State politicians, that you want a State Bank **NOW!** The contents of this brochure will give you all 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

.....
.....
.....

Will you help to save Australia?

Will you join with us as **CONCERNED PERSONS** to mount a campaign to:-

REDUCE TAXES AND RATES?

END INFLATION?

STOP THE RIP-OFF OF CITIZENS BY "DEAR MONEY" MONOPOLIES?

PROVIDE THE FINANCE FOR A USEFUL JOB FOR EVERY WORKER AND SCHOOL-LEAVER?

PROVIDE THE FINANCE FOR ALL PUBLIC WORKS AT MUCH LOWER RATES OF INTEREST?

PROVIDE FINANCE FOR HOME BUILDERS AT MUCH LOWER RATES OF INTEREST?

PROVIDE FINANCE FOR SMALL FARMS AND BUSINESSES AT MUCH LOWER RATES OF INTEREST?

It is the small farm, the small factory, and the small business that will make Australia strong, free, and self supporting, **NOT** the big multi-national.

We need the Peoples' Bank (the State Bank) to provide the small home-buyer, the small farm, the small factory, and the small business with finance at a low rate of interest.

ARE YOU CONCERNED ABOUT THESE MATTERS?

IF YOU ARE CONCERNED, THEN YOUR HELP WILL MAKE THEM A REALITY IN THE NEAR FUTURE.

AUSTRALIA IS IN GREAT DANGER

Unless **concerned persons** act, Australia will suffer a depression worse than that of 1929 to 1934. Unemployment has left youths without jobs, without a future, and has brought violence to Britain. This unemployment will bring violence to Australia.

With bank interest at 15%, 6% above inflation for the first time ever, (economists warn that it will go higher) business will slow down and more jobs will vanish. The cut back in finance to the States means public works and jobs will be less. Federal Treasurer Howard says the States must borrow less. Prime Minister Fraser told New York bankers that governments must restrict expenditure. That means more jobs will be lost.

Inflation increases the cost of living, which gives the militant radicals in powerful key unions the valid reason to claim higher wages, and to organise strikes that bring chaos to industry. When school-leavers cannot get a job, they turn bitter, and many go for drugs and violence. Unemployed youth of our nation are being turned into "dole addicts"! Families on the dole have not got money to buy the needs of life, even though the shops are full of these needs, and factories are partly shut down. Ratepayers on low incomes are being priced out of family homes in their retiring years. Only one in five families can now afford to buy their own home.

The violence that has exploded in England will happen in our Australian cities - unless we end inflation and finance useful jobs for workers and school-leavers. One in five in our "lucky country" live in poverty.

MONEY IS THE KEY

The cause of these problems is that money has been made a commodity to be bought and sold. Its proper function is merely that of a permit to allow available materials, goods, services, and labour to be used.

If City and Shire Councils had the finance, they could provide useful, well paid jobs for jobless workers and school-leavers.

We urgently need to plant and tend millions of trees to halt and reverse our advancing deserts.

We need to cleanse our rivers, creeks and beaches of pollution.

We need work to stop soil erosion, and to replace the fertile soil that has been washed into our waterways.

We need a strategic railway from East to West across the North of Australia.

There are the engineers, the workers, the factory capacity, and the materials available to do all of this work. But we have not got the finance. And the Prime Minister and the Federal Treasurer say we will get **LESS** money in the future!

WHAT IS MONEY?

We cannot eat it, we cannot wear it, we cannot shelter under it. It is not sunshine or rain, nor fertile soil; it is not water; it is not cement or steel. We have all of these needs.

What do we get when we borrow a loan of finance from Japan, or Hong Kong, or elsewhere? Do we get a shipload of gold, or yen, or dollars? **NO**. We get a letter (or a telex) of credit. We get the written permit to use our workers and materials to do our own work. We then create money in Australia, in the form of a Counter credit in an Australian bank, equal to the written credit from Japan or Hong Kong.

The price we pay for this permission to use our own resources is 15% interest, which is paid out of increased taxes, which in turn increases inflation!

When our own citizens lend their savings, they get big returns in interest, but for most of us the whole of it is taxed so that we end up with the interest gain being less than the loss in value of the savings due to the inflation of prices during the lending period.

THERE IS NO NEED FOR THIS DANGEROUS NONSENSE

There should never be any shortage of finance. There is a tragic lack of knowledge about finance. How finance is created and controlled is not taught in our schools.

INFLATION is given as the reason why we cannot have money to finance jobs.

It is said that to create bank credit (cheque) money to finance jobs will increase inflation; and it is said that inflation is world wide and there is no known solution.

THIS IS NOT TRUE! There is a sure, and known solution. The Curtin Labor Government **DID END** inflation from 1943 to 1946, by using bank-issued money to reduce the prices of food, and other essential goods and services, instead of lending the money to employers at high interest to increase wages to keep up with inflation of prices.

This fact is recorded in Commonwealth Year Book number 37 page 462. The fact that the principle reduced the Retail Price Index is recorded in Year Book 55 page 251.

This Curtin consumer credit principle can be used now, associated with prices agreed upon, or arbitrated by authorities such as the Prices Justification Tribunal and the Industries Assistance Commission. This would end inflation.

This fact - **THAT THERE IS A SIMPLE SOLUTION TO INFLATION – THE SOLUTION THAT HAS BEEN PROVED TO BE EFFECTIVE IN Australia - that this solution will END and prevent** inflation now - **MUST BE CONSTANTLY REPEATED** and emphasised, if we are to save Australia from the violence that has exploded in Brixton and other parts of England.

We - your organisation - and you as individuals - should write to your Members of Parliament - and keep on writing - telling them we want the Curtin solution used **NOW** to end inflation Parliament has the power!

THE FRASER – HOWARD GOVERNMENT KNOWS!

The Federal Treasurer (Mr. Howard) admitted in Parliament on 10th September 1980, in answer to questions by Dr. Everingham M.H.R., that the Federal Government knew that the Curtin Government did end inflation, and he stated that the Government would not use the Curtin price support scheme now. He gave as the reason, that the principle (quote) ".....would not be acceptable or appropriate in current circumstances." (End of quote).

The facts, and common sense, show clearly that the Curtin principle will end inflation now. The evidence indicates that the Fraser-Howard Government is committed to **maintaining the high interest inflation policy**, in spite of all they have said about the need to control inflation.

As Mr Hayden and Mr Hawke have not spoken of the Curtin principle to end inflation, it appears that they also will **maintain the inflation policy!**

THEREFORE, WE MUST ACT IN THE QUEENSLAND PARLIAMENT to end inflation and provide money to finance jobs for the jobless. **THIS CAN BE DONE.**

WHERE THE MONEY WILL 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 State Bank of Queensland.

HOW?

A 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 pay 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.

A 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, to be used to employ the workers and school-leavers of Queensland, who will build and repair roads, and do all kinds of public works for the use of the people of Queensland.

Cheque money thus created and used, will flow through all industry, and repay the overdrafts loaned to industry by the Trading Banks to produce the goods and services. As it repays overdrafts, the cheque money will be cancelled out of existence.

This creation and cancellation of bank credit (cheque) money is confirmed by banking authorities throughout the world. To quote two of these authorities:-

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".

The Rt Hon. Reginald McKenna, one-time Chancellor of the British Exchequer, and Chairman of the Midland Bank (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."

To avoid the threatening disaster, the people of Queensland need to tell our Members of Parliament, by individual letters and letters from organisations such as yours, that we want them to enact legislation to set up **and use** a State Bank of Queensland to finance the generation of jobs, and to finance the method used by Curtin to end the inflation spiral.

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 each City and Shire Council will be:- "Is the project needed? Can we get the engineers, the work force, and the materials without creating competition for materials and labour, thereby forcing up prices?"

If the answer is "Yes" then a 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 the unoccupied workers and materials, the money is only the written permit to use them. That is why there should not be a shortage of money.

A State Bank of Queensland can take over the existing debts of City and Shire Councils. There need be no repudiation of contracts to repay past loans. but there will be no new debts. The State Bank would be responsible for existing loans, and thus enable Local Authorities to **REDUCE** rates. Rates will only be needed for maintenance.

ELECTRIC POWER

Sir William Hudson, Commissioner of The Snowy Mountains Hydro-Electric Authority, in his statement of Income and Expenditure for the year ended 30th June 1966, states that interest on loan money amounted to eighty per cent of the total cost of electric power generation for the year.

If the Commonwealth Bank had functioned as a true Peoples' Bank, each ten dollars worth of electricity generated, would have cost only **two dollars!**

The Queensland Government wanted to borrow money from overseas to build electric power generating stations; the Commonwealth Government refused permission; so development is denied.

A State Bank of Queensland can provide the finance for these, and thus save domestic consumers, and all industry, the interest charge of 12½% or more, on a capital cost of one thousand million dollars, without creating competition between public and private sectors for any goods and services in limited supply, which could increase costs.

WHO CONTROLS AUSTRALIA ?

Are we Australians in charge of Australia, or are we to remain submissive slaves of foreign investors 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 pricing monopolies.

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% 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 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 Peoples' Bank, the 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 State Bank of Queensland.

To get the State Bank 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 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?

Your organisation, and its members, can write to your local State Member of Parliament, telling him we want him 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, by ensuring that the small borrower receives the same loan rates and conditions as the big combines.

Ask your Alderman or Shire Councillor to move in Council to ask the Minister for Local Government (Mr Hinze) to move to enact legislation to set up **and use** a State Bank of Queensland.

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

A personal letter to your State 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 below, and post it to your State Member of Parliament:-

I.....of.....

(Your name) (Your address)

..... ask you, as my representative, to vote in Parliament to enact legislation to set up **and use** a State Bank of Queensland, as explained in this brochure.

Date Your signature

(Students under 18 years of age may sign this, but state your age, Although you have not yet got a vote, you soon will, and your message to your representative in Parliament will be very effective)

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. They have appointed Mr Lindsay Hartwig M.L. A., the Independent Member for the Callide Electorate as their contact with the public. For further information phone or write:-

Mr L.E. Hartwig M.L.A., 1 Normanby St., Yeppoon, Q. 4703
Phone Code (079) 39 2352 20 30

Copies of this brochure are available ~~12~~ cents per copy, ~~42~~ copies for \$5 plus postage.

(See attached statements by Mr Lindsay Hartwig M.L.A., the Hon. Dr D.N. Everingham M.H.R., and economist Mr. H.W. Herbert)

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 all 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 a 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.)"

Wholly set up and printed by:
VISION PRESS
Shop 1, Bridge Square,
Rockhampton.
Telephone:(079) 27 5307

