

THE NEW TIMES

"Ye shall know the truth, and the truth shall make you free" - John 8:31

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MONEY MANIPULATION

By Jeremy Lee

Even for those who know something about the dominance of High Finance through the 20th Century, looking at past events can prove something of a jolt.

This issue of *The New Times* carries a 1934 article on the founding of the Commonwealth Bank. The most significant detail was carried in the following quote from Dr L.C. Jauncey's book "Australia's Government Bank":

"Immediately after the formation of the Labour Government in 1910, a bankers' conference was held in Melbourne, which was attended by the then Prime Minister and Attorney-General, Messrs. Fisher and Hughes. Neither possessed any technical financial banking knowledge, and were easily convinced that there was no profit in banking...." (Emphasis added).

Jauncey went on to describe Fisher's subsequent resistance to the formation of the Commonwealth Bank - only circumvented by luck and organisation.

Most readers will have seen enough evidence to know by now that the decisive factor in politics is self-interest rather than service and justice. This has been exploited by Finance, which has bought its way into dominance as no one else can.

It was Finance which helped dismember the original Commonwealth Bank through Prime Minister Bruce in the early 'twenties. It was Finance, which pressured a reluctant Australia to accept the Bretton Woods Agreement at the conclusion of World War II. It was undoubtedly Finance, which produced the somersault of the erstwhile "International Treasurer of the Year" - Paul Keating - to deregulate the Australian economy and then 'privatise' the very Commonwealth Bank, which the Labor Party had founded.

With the passing of Labor and the advent of the Howard Government in 1996, perhaps the most chilling example of the long arm of Finance appeared in the following article (*Australian Financial Review*, June 7, 1996). It described one of the biggest conferences of international financiers ever held in Australia. After meeting all morning, they were ready to deal with Prime Minister Howard in the afternoon:

... As John Howard swept into the chandeliered

banquet hall to address top executives of 100 of the world's biggest banks this week, he could hardly have known that a trap had been laid for him.

The bankers, the most internationally influential audience Mr. Howard has confronted since taking office, had spent half a day discussing the price they would demand from countries round the world for bankrolling them.

In an increasingly capital-thirsty world, international

OUR POLICY

To promote service to the Christian revelation of God, loyalty to the Australian Constitutional Monarchy, and maximum co-operation between subjects of the Crown Commonwealth of Nations.

To defend the free Society and its institutions - private property, consumer control of production through genuine competitive enterprise, and limited decentralised government.

To promote financial policies, which will reduce taxation, eliminate debt, and make possible material security for all with greater leisure time for cultural activities.

To oppose all forms of monopoly, either described as public or private.

To encourage all electors always to record a responsible vote in all elections.

To support all policies genuinely concerned with conserving and protecting natural resources, including the soil, and an environment reflecting natural (God's) laws, against policies of rape and waste.

To oppose all policies eroding national sovereignty, and to promote a closer relationship between the peoples of the Crown Commonwealth and those of the United States of America, who share a common heritage.

financiers, the commissars of capital, have become modern potentates with the power to dictate policy to states which have long considered themselves sovereign By the time Mr. Howard took the lectern in Sydney, the speakers at the invitation-only International Monetary Conference had already set out a checklist of policies.

Most explicit was the chairman of the big US investment bank Goldman Sachs & Co, Mr. John Corzene, a former central banker, who was asked by the group to specify conditions for what he called the 'inherently blunt process that leaves many worthy initiatives and investments without resources....'

Modern potentates? Commissars of Capital? Dictating policy to states which have long considered themselves sovereign? It really couldn't be put much more plainly.

John Corzene - the spokesman that fateful day in Sydney - has himself been replaced at Goldman Sachs. Another banker has joined its fold - Malcolm Turnbull of republican fame.

Andrew Fisher's manipulation by 'the commissars of capital' occurred in 1910; Howard's in 1996. Not much has changed, except the growth and power of the Masters of Finance.

WHO FOUNDED THE COMMONWEALTH BANK?

As the Commonwealth Bank heads towards a profit approaching \$2 billion in 1999 it is worth remembering that there was a time a large part of this sum would have been credited to Consolidated Revenue. The original Commonwealth Bank was never part of a cartel, and forced some restraint on the private Trading Banks through genuine competition. It certainly was never forced to contribute to such advertising gimmicks as the recent dubious John Laws debacle.

Lest the Commonwealth Bank's important history is no longer available to the modern generation, the following article, from *The New Economics*, March 30, 1934 is worth reading. The only change, for the convenience of readers, is that dollars have been substituted for pounds (\$2 for one pound):

During the past 25 years no financial affair has been of such interest to Australia, and perhaps to the world, as the inauguration and development of the Commonwealth Bank. And as far as we know, no better treatment of the subject is to be found than that by Leslie C. Jauncey, Ph.D., in his book "Australia's Government Bank". In 1929 Dr Jauncey submitted a thesis on the Commonwealth Bank, which was accepted for the degree of Doctor of Philosophy by the Economics Department of the Harvard University, Cambridge, U.S.A., and this present work is the result of four years further investigation, during which time Dr Jauncey had the assistance of several eminent economists and bankers, including Mr. R.G. Hawtrey, of the British Treasury.

UNIQUE BANK

In some respects the Commonwealth Bank is unique. The Act of Parliament enabling its establishment was passed in 1911, and it commenced operations early in 1912 with no more capital than a sum of \$20,000, lent to it by the Commonwealth Treasury, and which sum was repaid the same day. It is the only State-owned commercial bank in the British Empire, and it has no share capital.

One of the many interesting phases dealt with by Dr Jauncey is the effort of its early advocates to get the Commonwealth Bank established. In view of the frequent pronouncements by present-day labour leaders that their aim is to restore this Bank to what Mr. Andrew Fisher,

Prime Minister, originally intended it should be, it is surprising to learn that had Mr. Fisher had his way there would have been no Commonwealth Bank at all. Andrew Fisher was against the idea of a national bank from its inception. He opposed it in caucus, and he submitted the enacting Bill to Parliament only because members of the Labour Party had carried a motion obliging him to do so. Later he expressed the opinion that:

"...while the bank may deal in land securities and other securities, it will in time grow to be rather a bank dealing in ordinary bills of exchange and liquid securities - that it will ultimately become the bank of banks rather than a mere money-lending institution."

This does not look much like as though Mr. Fisher intended making the Commonwealth Bank a competitor with other banks, as Mr. Scullin and others now suggest was the policy Mr. Fisher aimed at. On another occasion Mr. Fisher was approached by trade unionists who requested him to move for the "advancement of money for building workmen's homes to the extent of four-fifths of the valuation of the properties," but the Prime Minister took no action. Right through the piece his attitude was one of leaving the matter to the experts.

TRUE FOUNDER

Mr. King O'Malley is the person to whom every credit is due for the founding of the Bank. An account of his endeavours to get the Bank established reads like a romance. King O'Malley is a Canadian by birth, though he worked for some time in U.S.A. There he became

interested in banking, and for several years was engaged in the banking business. He migrated to Australia on account of his health. He subsequently interested himself in Australian public affairs, and in 1896-99 was member for Encounter Bay in the South Australian Parliament. At that time he advocated a State Commercial Bank for South Australia. In 1901 King O'Malley was elected for a Tasmanian seat in the Federal Parliament, on a platform, which embraced the establishment of a national banking system. After the election he approached the Prime Minister (a Liberal) on the question, but soon saw that the anti-Labour forces, on account of their business connections with private banks, could not establish a national bank. Thereupon he joined the Labour Party.

"Labour leaders, however," says Dr Jauncey, "easily became persuaded through their association with uncompromising opponents of a national bank that a Commonwealth commercial bank was unnecessary and doomed to failure, and would therefore wreck Labour".

The Watson Labour Government took office for a few months in 1904, but refused to place a Commonwealth Bank in the Government policy.

"King O'Malley was not a member of that Cabinet. At the time one of the representatives of Tasmania informed King O'Malley that Labour leaders would never choose him as a Cabinet member because of his advocacy of the bank. This meant that he would never be a Minister of the Crown, for although caucus chose the Prime Minister in the event of a Labour Government being formed the Prime Minister selected his Cabinet.

"To obtain the chance to be a Minister King O'Malley caused the Melbourne Conference of the Labour Party in 1905 to adopt a proposal that in future the caucus rather than the Prime Minister would select all Labour Ministers. This action paved the way for the appearance of King O'Malley in a future Labour Ministry. An oversight in the proposal, however, still left to the Prime Minister the distribution of the portfolios".

PROLONGED STRUGGLE

At the Interstate conference of the Federal Labour Party at Brisbane in July 1908 King O'Malley succeeded "after a prolonged struggle between advocates of a national bank and proponents of an Australian Navy for a place in the 'fighting platform' of the party," in getting his proposal adopted. Conference, as a matter of fact, adopted both proposals. King O'Malley's idea of what a national bank should be was, however, a very different one from that which later came into being. He sought to establish a banking system, which would use all post offices as branches. His bank would have had a capital of 12,000 shares of \$200 each, of which at least 6,000 would be held by the Commonwealth Government, and of the balance no more than 1,000 shares would be held by any one State Government. The bank would engage in general banking business and assume responsibility for the Public Debt, and

it would be controlled by a board of trustees, one of whom would be the "Chairman of the Associated Banks".

In 1910 the Labour Party was elected with a majority in both Houses, and King O'Malley was chosen as one of the Ministers. But on the allotment of the portfolios he became, not the Federal Treasurer as might have been expected, but the Minister for Home Affairs. Mr. Fisher, himself, was Treasurer as well as Prime Minister. This did not augur well for the national bank proposal, and in a pamphlet King O'Malley wrote:

"Immediately after the formation of the Labour Government in 1910, a bankers' conference was held in Melbourne, which was attended by the then Prime Minister and Attorney-General. Messrs. Fisher and Hughes. Neither possessed any technical financial banking knowledge, and were easily convinced that there was no profit in banking, so the Treasurer informed us that the note issue would be withdrawn from the trading banks and placed in the Commonwealth Treasury. As the note issue is the fundamental capital of a national bank, this meant the death of the bank."

QUID PRO QUO?

It would be interesting to know whether the handing over of the note issue to the Treasury by the bankers was a consideration given in return for the promise - presumably given by Messrs. Fisher and Hughes - that the national bank idea would be dropped. Or whether it was, as King O'Malley suggests, done with the object of rendering such a bank impotent if it were started.

Dr Jauncey comments on the foregoing development as follows:

"In accordance with this programme the Fisher Government in July 1910 placed the note issue in the Treasury. Leaders of the Government dropped the bank from their policy.

"As the leaders of the Labour Government, opposed to the establishment of a national bank, King O'Malley began to organise the rank and file of the party to force the leaders to act in the matter. If King O'Malley had not been a Minister, it would have been impossible for him to organise successfully the rank and file of the party for the banks."

Leaders of the Government threatened to force King O'Malley out of the Government if he persisted in his advocacy of the bank, and therefore the Founder of the Commonwealth Bank was compelled to work in secret. This led to the formation of a secret body known as the "Torpedo Brigade", and closely associated with King O'Malley in this effort were Dr William Moloney and J.H. Catts, secretary of the organisation. After 15 months of secret organising among members of the Parliamentary Labour Party, the "Torpedo Brigade" deemed that sufficient support had been won to make it reasonably safe to bring up the question of a bank in caucus. This was done at a meeting of caucus on October 5, 1911, and "after a vigorous fight advocates of the bank defeated the leaders

of the Government and forced them to bring down a Bill for the bank."

FISHER'S BILL

As Commonwealth Treasurer, Andrew Fisher had charge of the preparation of the Bill, but he did not confer with King O'Malley, whose idea it was. He delegated the task to the Federal Under-Treasurer, Mr. Allan, who doubtless sought the assistance of bankers in preparation of the Bill. Consequently many differences from the scheme of King O'Malley adopted by the Brisbane Conference appeared in the Bill introduced by the Prime Minister. This instance illustrates how many are the obstacles to be overcome, as well as the influences at work to thwart even the expressed and explicit demands of members of a Government party from becoming law.

The silencing of King O'Malley really proved a blessing in disguise. Dr Jauncey expresses the opinion that the forcing of the propaganda underground was responsible for the outwitting of the bankers and the adoption of the proposal. He writes:

"One fact of the campaign for a Commonwealth Bank merits attention. If King O'Malley had continued publicly advocating a national bank, the banks would have naturally prepared to block the proposal from going into effect. As it was, however, bankers after the conference with Government leaders in 1910 thought the matter settled. The prolonged silence of King O'Malley seemed to confirm this view. Consequently when caucus in October 1911 voted for the bank, leaders of private banks were caught unprepared. It is very doubtful if King O'Malley would have succeeded if he had not been silenced."

A CAUTIOUS BANKER

Another myth, which a perusal of this book dispels, is the belief that the late Sir Denison Miller, who was first Governor of the Bank, was a man holding advanced views of credit policy. Some people consider that if he were in control of the Bank at the present time the policy of the Bank and its effect on Australia would be vastly different. There is nothing in this book, which provides grounds for this belief. Sir Denison was, above all, a cautious banker who kept strictly to orthodox banking practices. He conferred with private bankers and supported their views. He made no attempt to compete actively with the trading banks, and there is little doubt that his aim was no higher than to make the Commonwealth Bank a Central Bank, or as Mr. Fisher put it: "the bank of banks".

Although one of the reasons for establishing the bank was, as Dr Jauncey says, to aid the farmer, it soon became apparent that the bank was not doing very much to transact business with farmers. Governor Miller in 1914 wrote to Andrew Fisher, leader of the Federal Labour Party:

"I do not desire to interfere in the lending out of the money to settle people on the land, which seems to me to be a State matter, as they control the land laws."

At another time Sir Denison Miller expressed opposition to the export of gold to relieve the exchange difficulty. He considered:

"It would be suicidal for us to allow free shipment of our gold unless Great Britain did the same."

Dr Jauncey comments: "It is not clear why free export of gold would have been 'suicidal'."

It is true, in reply to a delegation which waited on him, July 1921, that Sir Denison Miller promised to do his best to provide money for productive works to assist the unemployed, but although two years elapsed before his death there is no record of his having made any definite move to that end.

WAR LOANS

The Great War, with its gastronomic demands for money, made the Commonwealth Bank. The bank conducted all loan flotation with profit to itself and a saving to Australia. These operations enhanced the Bank's prestige in Australia and abroad, and war finance generally brought much other business to it. Loans to the sum of \$515,439,978 were floated by the Bank for the Commonwealth Government in six years. In a speech in London in 1918 Sir Denison Miller said that the war loans issued up to that time had been floated by the Commonwealth Bank at a cost of .46 per cent. Yet loans floated between 1910 and 1915 by private banks cost 2.7 per cent. He considered that the Commonwealth Bank had saved Australia \$6,532,000 by handling the loans.

Since the promulgation of the idea of a national bank, and its adoption in the form of a Commonwealth Bank, it is possible to trace the machinations of the private Money Monopolists in their efforts to keep the prerogative of money issue away from any source, which they deemed amenable to control by the people. The shuttle-like movements of the note issue control were all taken with that end in view. First, control of the note issue was kept from the Commonwealth Bank - and placed with the Treasury. Then, doubtless, fearing that a Government might use it for unapproved purposes, it was placed under the control of an Australian Notes Board comprising five members, and which was distinct from the Government and the Bank. Later, control was transferred to the present Commonwealth Bank Board, and one of the rules governing it is that any proposal for a change in note-issue policy must be approved by six of the eight members of the Board, or five if not all are present at a meeting. Thus safeguard against any radical alteration is practically assured.

CHANGE TO CENTRAL BANK

The policy pursued by all Governments in relation to the Commonwealth Bank has been one of making it more and more a Central Bank, or, in other words, a bulwark to the private trading banks. Its expansion has been mainly in the direction of swallowing one by one the State Savings

Banks, and no attempt has been made to swallow the other banks. As Dr Jauncey pertinently remarks: "The Commonwealth Savings Bank sends representatives to factories to explain the benefits of saving to workmen, and unlike the general banking department of the Commonwealth Bank, actively courts business. The Commonwealth Savings Bank advertises on the billboards of the country, whereas the general banking department does not, but should."

Until September 1928 the Associated Banks, with the objective of keeping the exchange business to themselves - and apparently the Commonwealth Bank concurred in this - would not allow a foreign or English bank to open an account in Australian banks if the bank proposed to deal in exchange operations. An American financial concern, the American Express Company, set up a branch in Sydney in 1922, but the banks refused to give it credit in their books, and also declined to accept its cheques on other banks. Consequently the company had to withdraw.

While Dr Jauncey himself holds to an orthodox outlook financial policy, he is under no illusion as to the

responsibility of the monetary system for the depression. His opinion is that:

"The unsatisfactory condition of the monetary system is the most important cause of the depression. Money was first introduced to facilitate exchange of goods. As soon as it does not perform this service, the monetary system needs to be overhauled. Current troubles of money arise directly from banking policy."

To regard Dr Jauncey's work as a history of the Commonwealth Bank alone is to sadly misjudge its scope. It is really a history of Australian finance. Banking history prior to the institution of the Commonwealth Bank is outlined. Financial affairs in general, embracing public loans, savings banks, note issue, the exchange question, and other matters, are also fully dealt with in a most readable style. The writer furnishes a wealth of information, which should prove invaluable to Social Credit students in discussion or debate. My advice to everyone is to get a copy, somehow, and read it."

(Australia's Government Bank," L.C. Jauncey Ph.D., 288pp. Chanley and Day, London. Original price in England, 7/6. Long since out of print)

POVERTY AMIDST PLENTY

It was during the Great Depression in the 'thirties that the paradox of Starvation in the midst of plenty' became widely recognised. The city destitute queued at soup kitchens, while farmers were destroyed for lack of paying customers.

The desperate conditions, plus the worldwide tour conducted by C.H. Douglas in the first half of 1934, resulted in a widespread debate about money and banking of a quality sadly lacking in 1999.

There was increasing pressure in Australia for some sort of an inquiry into the money system, which resulted in the 1937 Royal Commission. As an advocate for such an inquiry the Melbourne paper *The Age* included the following comments in its issue of September 3, 1934:

Irrespective of political creed or social class, thoughtful men and women everywhere are disturbed in conscience and upset in their emotions by the presence of human poverty amid material plenty. The anomalous and cruel situation has been described by countless pens; proofs of its reality are familiar to every social worker, and are encountered daily on practically every domestic doorstep.... Nature is lavishing her gifts, yet legions are living on charity. Food is being destroyed or stored, while men are unemployed and women and children undernourished. As the election campaign proceeds it is plain that some people have not yet grasped what the really vital problem is. There is criticism and defence of Commonwealth Bank administration and Australia's private banking system. The inherent importance of each is great, but both are, and must be, of secondary importance by comparison with the basic question....

should cease to be virtuously angry or ponderously funny

NOT MUCH CHANGE

Because the Debt System was not and has not been tackled since *The Age* carried those words in 1934, starvation in the midst of plenty has escalated.

On October 2, 1983 *The Washington Post* carried this article:

"... Jeffery Birnbaum, a Wall Street Journal reporter, recently toured a dormant limestone cave in Missouri. There, the government "stores so much surplus cheese, butter and powdered milk that a visitor would be hard-pressed to walk past it all in one day". A tour by golf cart reveals canyons of cheddar cheese in 500 Ib. Barrels, towers of frozen butter in 68 Ib. Boxes, endless aisles of 100 Ib. sacks of dried milk - 61 million Ibs of dairy products, enough to cover 13 football ovals 17 ft. deep.

This is just 2 per cent of the 2.9 billion pounds of dairy products that American taxpayers have bought. In recent years they have paid \$3 billion, or \$13,000 for every dairy farmer. Taxpayers are currently paying \$275,000 an hour

to buy more surpluses and are paying \$5 million a month to store the stuff...."

Despite the world's starving, these surpluses were regarded as a threat to other world producers. Six months later, (April 16, 1984) New Zealand's Trade spokesman, Mr. Mike Moore, said of the American surpluses:

".... The surpluses represented a greater threat to New Zealand than foot-and-mouth or nuclear war ... If the American decided to sell all their surpluses abroad the result for New Zealand would be worse than the Great Depression...." (*The Dominion, NZ*)

Another six months - and Australia was expressing the same fears:

"Fears are mounting that the Australian Dairy Industry will be forced into bankruptcy if the European Economic Community dumps 200,000 tonnes of butter on world markets. The EEC was planning to dump butter at prices more than 30 per cent below the agreed minimum of \$1,200 per tonne...." (*The Weekend Australian, 10,11/11/84*)

HOW WILL HISTORY JUDGE?

At about the same time as the above, this cryptic picture appeared:

".... The Europeans dump on the trash heaps every

minute 866 Ibs of apples, 41 of cauliflowers, 1648 Ibs of lemons, 1358 Ibs of oranges, 438 Ibs peaches, 755 Ibs of tomatoes and 46 Ibs of pears" (*The National Farmer, Jan 10-23, 1985*)

-Which lends a new poignancy to the idiomatic phrase "Eat your heart out, you starving poor!"

One wonders what the teachers in a thousand years time will tell their children of the 20th Century? Something like this?

"... This was the most amazing technological period of all time. Every production problem had been conquered. Man no longer walked behind a horse and plough, but sat in a huge, air-conditioned machine, which sowed and harvested thousands of acres in record time. Food production was measured in mountains.

Yet more people were starving than ever before. We believe this was because people did not eat food, but buried it as a sacrifice to their god - the Almighty Dollar. Our archeologists have discovered underground strata of fossilised cheese.

There were remnants of an earlier civilisation apparently, who worshipped the God of Love and Abundance, asking, "... Give us this day our daily bread"

While outside their windows, machines continued remorselessly to bury food in the ground..."

THE DOUGLAS PROPOSALS IN A NUTSHELL

While it is true that the Social Credit concept involves far more than monetary reform, it is also true that the emancipation of individuality inherent in what Douglas called "The Policy of a Philosophy" cannot be achieved without the removal of the monopoly built into the existing financial system.

The following article condenses the monetary side of Social Credit into a preliminary hypothesis, which provides a useful starting point. It is by the late C. Barclay Smith, a leading Social Crediter in the 'thirties, forties and fifties, and a former Editor of *Queensland Country Life*.

"The world crisis is due, chiefly, to one cause: A shortage of purchasing power. Of everything else there is abundance.

The shortage comes about because it is impossible for any industry to pay out sufficient purchasing power to cover the cost of the goods it produces. This is true of all industries.

The use of labour-saving machinery increases this shortage of purchasing power

The only way this chronic shortage can be remedied is by the nation taking over the control and issue of all money, which is the constitutional right of the Crown, but the private banks have usurped this right.

The banks do not, as is popularly supposed, lend deposits. They create credit; 90 per cent of money is bank-created money, created as a debt against the community's assets. In fact, practically ALL the money in the community has its origins in a debt to the banks.

Banks being the only source of money, the community is obliged to borrow for all its needs and to pay interest, a factor, which puts the State, industries and individuals

into increasing indebtedness to the banking system, giving rise to a colossal interest burden.

The Douglas proposals simply involve that the nation should reassert its right to the ownership of money, and that money (bank credit) should be issued to expand and contract with production and consumption. This credit will be issued to the limit of the nation's productive capacity, thus effecting an equation between money and production. What it can produce in real credit - goods and services - will be the limit of its creation of financial credit.

This cannot be done, particularly in a Machine Age, without recognising the principle of consumer credit. The wide and widening disparity between production and purchasing power can only be bridged by consumer credit, and to this end the Douglas proposals involve the payment of a National Dividend to every man, woman and child, and a Price Discount on all purchases made.

Always remember that money is a costless creation, and provided it is issued and cancelled scientifically in the manner proposed by Major C.H. Douglas, there can be no repetition of the evils of inflation or deflation.

Under these proposals a proper system of National Accountancy would be put into operation, whereby financial Credit (money) will balance with Real Credit (goods and services).

The Douglas proposals would create a bountiful prosperity within a few months of their legislative adoption. Taxation would rapidly become a thing of the

past - an unpleasant memory. The death-knell of interest and usury would be sounded.

The burden of national and industrial indebtedness would be removed. Human poverty and the dark fears of economic insecurity will give place to a new era of abundance, with security, leisure and cultural opportunity for all.

THE OLD ORDER CHANGETH

In light of the accompanying article on the founding of the Commonwealth Bank - written at the height of the Depression in 1934 - it is worth asking what the Labor Party's attitude was to the Bank it had founded. A Federal election was to be held on September 15 of that year.

In April 1934 the Labor Party, under the leadership of Mr. Scullin, updated its Platform Manifesto. Among its aims was the following:

"That the Commonwealth Bank shall be the nation's bank, and not a bankers' bank. Its management shall be freed from vested interests, and placed in the same position as was originally the case when originally established by the Fisher Government The Commonwealth Bank will be developed by vigorous competition with the private banks into a nation-wide trading bank, with branches in all suitable centres.... As the power to *expand* or contract credit means controlling the lifeblood of all industries such power must be exercised by the nation only. The stabilisation of currency, credit and prices is essential. A searching inquiry will be immediately instituted into the operations and ramifications of private banking and the monetary system, and early attention will be given to the question of framing a comprehensive scheme of national insurance."

Campaigning for election in the Federal seat of Fremantle (currently held by Labor leader Kim Beazley) was the soon-to-be wartime leader, John Curtin. He issued his own election pamphlet, which read:

"Restrictions imposed upon the Commonwealth Bank in 1924 by the Bruce-Page Government will be removed, and the bank freed to enter into vigorous competition with the private banks to secure for the people the profits and privileges of banking which are now practically monopolised by private banking companies.... The main purpose of securing national control of banking and credit is to utilise the credit of the nation for the benefit of the people. Why should Governments pay heavy interest charges to private banks for the right to operate on credits, which belong to the whole community? Bank advances to Governments or private individuals are secured by public or private assets. Banks merely liquefy these assets and charge high interest rates as though it was the bank's own money or credit, which they were advancing.... The year 1930-31 was the most disastrous year financially in the history of the world. In Australia and elsewhere the financial position of Governments and private enterprise was so acute that a general collapse was only narrowly averted. In that year private banks called up overdrafts,

raised the rate of interest, and enjoyed substantial profits by taking heavy toll of Governments and industry. At the same time they used the financial difficulties of Governments in order to dictate Government policy...."

Just over half a century later - 1986 -- the only reference to the Commonwealth Bank in the Australian Labor Party's Platform, Resolutions and Rules was the following:

... We totally reject conservative proposals of privatisation of public enterprises and services which would lead to ... © weakening the sense of national and public identity associated with bodies such as the ABC, Qantas and the Commonwealth Bank."

Sic transit gloria! 1986 was the year Prime Minister Hawke and Treasurer Keating were in full sway. Foreign banks had already been admitted to Australia for the first time, despite pre-election promises by Paul Keating. It was only to be a short time before Keating trampled underfoot forever the Labor Party's aspirations regarding the resurrection of the Commonwealth Bank when he moved for complete privatisation. The 'peoples' bank' is no more. What little knowledge there may be in Labor ranks about the history of the Bank has been marginalised and silenced. The full scope of globalist-capitalism was unleashed in Australia by a Labor Party that provided a dream-run for its successor - the Howard coalition. The use of National Credit is *verboten*. The 'commissars of capital' have decreed it.

What this means for tomorrows Australians does not bear thinking about.

HELP WANTED

Our Melbourne head office needs volunteers for the one-evening-a-week task of folding and enveloping newsletters. Apart from the simple work, this is a convivial get-together. For those looking for a way to make a contribution, ring Terry on 9650 9749.

RETURN OF M.A.I.

The following article by Peter Cook was published on mstrand@citizen.org, authorised by Margrete Strand Rangnes, MAI Project Coordinator, Public Citizen Global Trade Watch, 215 Pennsylvania Ave. SE, Washington DC, 20003 US.

The European Union yesterday called for a new round of world trade talks to include a multilateral accord on foreign investment, similar to the one torpedoed by protest groups last year. The proposal put forward by Acting Trade Commissioner Sir Leon Brittan calls for new rules governing worldwide investment that would 'avoid the mistakes that led to the failure of the investment negotiations in the OECD'.

Talks in the Paris-based Organisation for Economic Co-operation and Development were ditched in April 1998, following protests by labour, environment and cultural groups, who argued the Multilateral Accord on Investment was a lopsided charter in favour of multinational companies. Some Third World countries called it "neo-colonialist", objecting to its guarantee of fair treatment to foreign companies, including compensation if operations were nationalised or discriminated against by local laws.

The original intent was actually to help poor countries attract a greater share of world foreign direct investment, estimated in 1992 - when the MAI was initiated - at \$US350 billion. A senior EU official said yesterday that this was still needed and that the MAI had been criticised unjustly.

The return of MAI is only one item in the European Commission's 29-page priority list for the Millennium Round of trade talks, to be kicked off at a World Trade Organisation summit in Seattle in late November. The Europeans say they want the talks to include liberalisation and new rules on agriculture and services, industrial tariffs, competition policy, customs facilitation, and trade and the environment.

They also say there should be a three-year deadline to finish the talks. The last Uruguay Round went on for seven years, chiefly because of disagreements over agriculture. Sir Leon, who is about to quit the trade portfolio in Brussels after 10 years, said it was important to reassure those who were nervous about trade liberalisation, including developing countries who see the West's insistence on strict labour and environmental standards as directed against them. The EU document calls for labour and green issues to be at the heart of the talks and says negotiation, not trade sanctions, is the answer.

It also offers support for a proposal by former WTO director-general Renato Ruggiero that rich, industrialised economies abolish tariffs on all exports from the poorest countries.

Sir Leon, whose trade post is tipped to go to German deputy foreign minister Gunther Verheugen when a new Commission is named in the next few days, said Europeans

could be confident about the outcome of world trade talks because the EU maintained only very limited trade barriers. That, naturally enough, is not how others, including the United States and Canada, see it. They say Brussels is enthusiastic because it is already obliged to make concessions on agriculture and services under commitments made in the Uruguay Round and wants to bargain something in return. Canada's efficient farmers would benefit if Europe's barriers came down. But any comprehensive negotiation would also focus on Canadian supply management schemes that fix prices for dairy products, milk and eggs. In the line of fire, as well, would be Canadian auto-tariffs, textile quotas, government procurement rules and cultural policies. _

NATIONAL WEEKEND

This year's National Weekend is returning to a venue, which has a long history with the League and the Social Credit movement - The Victoria Hotel, Little Collins St. Melbourne.

We are heading into the new millennium with all the changes involved. We are urged to accept change for change's sake in the assumption that all change is good. There is no mention of the obvious dangers inherent in centralised power and the monopoly of Finance.

Our theme this year is:

THE NEW MILLENNIUM - CHOOSING DIRECTIONS!

The Programme:

Friday, October 1 :

The 53rd New Times Dinner. \$35 per head; payment with booking essential. Full buffet dinner. Vegetarian meals by arrangement.

Saturday October 2nd.

This year the seminar will run from 9 am to 6 pm, with time for an informal social evening to discuss a range of initiatives in the battle.

For those requiring accommodation and cheap fares, we are able to assist through one of our supporters. Early notification of requirements is essential.

A detailed brochure with full programme will be available shortly.

All bookings - with payment - to GPO Box 1052J,
Melbourne, 3001