



Australian Citizens Party

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MEDIA RELEASE

Wednesday, 10 January, 2024

Fight to stop Treasurer Chalmers from surrendering power to economic stranglers!

The number one political question for 2024 is why is Treasurer Jim Chalmers *voluntarily* giving up his power over interest rates to a Reserve Bank governor who dismisses the cries of pain of millions of households smashed by 13 interest rate rises in two years as “political noise”?

That question is answered in the Australian Citizens Party’s new publication “[The genesis of austerity](#)”, a nine-part series by *Australian Alert Service* editor Elisa Barwick now available as a single PDF pamphlet on the ACP’s website.

The ACP has published the series in time to help concerned Australians make a submission to the current Senate inquiry into the bill which removes the Treasurer’s veto power over RBA interest rate changes.

Essentially, “The genesis of austerity” explains how the policy of deliberately crushing the living standards of the people to save the banks and financial system, which RBA Governor Michele Bullock is callously imposing on Australians today, became economic and political dogma.

Elisa Barwick documents how in the 1920s the City of London banking elite, working through the UK Treasury and the Bank of England (BoE), worked up programs of fiscal, monetary and industrial austerity—belt-tightening by governments and people—and imposed them on war-torn Europe.

These policies were not effective (and never are) in actually reducing inflation, but they fuelled the rise of fascism.

Highlights of the series include:

- The desperation of the City of London and its allies to sabotage a revival of the policy of governments using national banks to invest in physical economic development, which had spread worldwide after Abraham Lincoln’s victory in the American Civil War;
- The BoE-led creation of “neo” liberal rules of inflation-fighting, budget-balancing, debt service prioritisation, and suppressing national credit-creation for public investment, at international financial conferences in the 1920s;
- The introduction of supposedly non-political expert economists to insist that there is no alternative to austerity;



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- The horrific results of austerity pilot projects in Austria and Italy;
- The formation of the Bank for International Settlements (BIS), the world centre of the bankers' dictatorship to this day (to which Chalmers is essentially surrendering); and
- The Mont Pelerin Society's drive to enshrine the new economic "rules of the game" worldwide after World War II.

As a mainstay of economic rationalism, austerity is propagandised as being necessary to repair state finances and provide for the future, but its imposition is so intimately aligned with dictatorial enforcement methods, up to and including fascism and Nazism, that austerity should be called "economic fascism".

The final two articles are on Australia's "Old Labor" firebrands, who fought against squeezing the population to sustain a bloated financial aristocracy—the "Money Power", whom they denounced as "bloodsuckers".

Australia's strong tradition of national banking is the basis for defeating the regime of permanent austerity today.

The national bank that King O'Malley, John Curtin, and Ben Chifley fought to establish and use to invest in infrastructure and industries to raise (rather than crush) living standards, was the Commonwealth Bank, known as the "People's Bank"; privatised in 1996, all that remains of the Commonwealth Bank as a national bank is the RBA, which Robert Menzies split off as the dedicated central bank in 1959.

Crucially, however, what also remains is the Treasurer's veto power over the bank, which Curtin and Chifley enshrined in law in 1945, precisely so the elected Treasurer of the day could stop the unelected bank governor from crushing Australians through brutal austerity with interest rate rises.

Chifley had explicitly argued against interest rate rises when he was on the 1936 banking royal commission: "I disagree with the contention often made that the raising of interest rates is a suitable or effective method of checking undesirable expansion [i.e. inflation]", he wrote in his dissenting comments. "In my opinion, this end can better be achieved by restricting the volume of advances [loans]." (In other words, restrict the volume of bank lending into the areas causing inflation; don't



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crush the households already in debt. But this is one of the very powers Chalmers wants to toss out.)

Contrast Chifley's care for the people to RBA Governor Michele Bullock's attitude about the cries of pain from the 13 interest rate rises in two years she has helped to inflict on Australian households: "Despite that *noise*", Bullock told a central bankers' powwow in Hong Kong on 28 November, "*households and businesses in Australia are actually in a pretty good position.*" (Emphasis added.)

This is the technocratic megalomania Curtin and Chifley legislated for the Treasurer to guard against, yet the Albanese government and Treasurer Jim Chalmers intend to give away this power.

Ask yourself: What politician would voluntarily give up power, as Jim Chalmers is doing?

None!

So why is Chalmers doing it?

Because he's giving up the power to bankers!

Don't let him! It's not *his* power to give away—it's *the people's* power.

Arm yourself with the historical knowledge in the Austerity series, and make a submission to the Senate inquiry as soon as possible to demand Parliament not hand over its democratic power to unelected central bankers.

[Click here](#) to download "The genesis of austerity".

How to make a submission

Submissions to the Senate Economics Legislation Committee's inquiry into the Treasury Laws Amendment (Reserve Bank Reforms) Bill 2023 [Provisions] close on 2 February—prioritise making a submission ASAP.

Submissions are simply letters to the Committee, and can be as long or as short as you like. Simply identify yourself and make the point that you strongly oppose removing the Treasurer's veto power



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over the RBA in Section 11 of the RBA Act 1959.

Click here for the inquiry website for address, email and upload details:

Submissions can be uploaded to the [Senate inquiry website](#).