



Australian Citizens Party

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MEDIA RELEASE

7 June 2023

Take back the Reserve Bank to save Australian families NOW!

Reserve Bank Governor Dr Philip Lowe's 12th interest rate rise in 13 months to 4.10 per cent is crushing the life out of Australian families to pay for the RBA's own sins.

For two decades, Lowe and his predecessor Glenn Stevens artificially lowered interest rates to near zero, deliberately inflating house prices and trapping millions of Australians in unpayable mortgage debts, which caused today's cost-of-living crisis.

Now Lowe is acting like a central banker in the 1930s Great Depression, imposing crushing austerity on his millions of victims among Australian families, sacrificing them to appease the angry inflation gods he provoked.

Pathetically, Treasurer Jim Chalmers tried to distance himself from the rate rise, insisting it was an entirely "independent" decision which is up to the RBA to explain; actually, in his statement Chalmers showed he was more concerned with trying to prove the rate rise was not his fault, than for the families getting crushed.

But here's what all Australian families who have been smashed by these rate rises should be very angry about: Treasurer Jim Chalmers has the power to overrule this rate rise to alleviate the pressure on households, but not only is he not stopping it, *he has willingly agreed to give up his power to do so!*

In April Chalmers enthusiastically embraced the recommendation of the RBA Review to remove the power of the Treasurer to overrule the RBA's monetary policy decisions, promising to legislate it as soon as possible.

If implemented, the RBA would lose all accountability to the Australian people, but come entirely under the effective control of the Bank for International Settlements (BIS) in Basel, Switzerland, known as the "central bank of central banks".

This is a wicked betrayal of Chalmers' great Labor predecessors Ted Theodore and Ben Chifley, who didn't stand by while their fellow Australians suffered terribly in the Great Depression.

Theodore, supported by Chifley and John Curtin, fought furiously to bring the Commonwealth Bank under government control, so instead of crushing people through brutal austerity the government could use the Commonwealth Bank to deploy credit to create jobs and save households.

While Theodore didn't succeed in 1930, Labor continued to fight and in 1945 Chifley enshrined the power of the Treasurer over the government's bank in legislation, thus establishing a principle of democratic control that Robert Menzies continued when he split off the RBA as the central bank in 1959.

Even former Treasurer and Prime Minister Paul Keating, despite having initiated the privatisation of the Commonwealth Bank in the early 1990s, has defended this principle of democratic control, telling ABC on 28 April that Australians must retain control of the RBA:

"This power, reserved to the treasurer under the *Reserve Bank Act*, provides due regard to the parliament and the executive government in its anchored position of primacy in economic policy and management", Keating said. "Political power, its management and employment in office, must, in a working democracy, take precedence over any subordinate bureaucratic structure."

Now is the time for Australians, drawing their inspiration from Theodore, Curtin and Chifley, to demand the government again take control of the RBA to save families from its crushing austerity policy of interest rate hikes.

The government *must* overrule the RBA rate rises and instead direct the RBA to:

- address inflation without suffocating households and the real economy, including through credit guidance for the banks to selectively restrict their lending into wasteful speculation that fuels inflation, and instead encourage lending into investments that boost productivity and improve

- supply chains;
- save the households trapped in so-called mortgage “prison” and unpayable debt by financing the private banks, under strict conditions so the banks don’t profiteer, to restructure mortgages;
- fund a massive expansion of public housing to save desperate families and make house prices affordable again.

The Australian Citizens Party calls on all Australians to join this fight to make the RBA serve the people.

[Click here to sign the Citizens Party’s petition for a post office people’s bank.](#)

Printed from <http://citizensparty.org.au/print/pdf/node/1617>, on 27 Jul 2024 at 10:07 pm