

Government Senator enters the lion's den: Infrastructure bank now!



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Lead Editorial

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Almost a quarter of Australia's workforce is unemployed or underemployed. Now officially in "recession" after 29 years of so-called "uninterrupted economic growth", we actually face a depression, or worse. A new global financial crisis which commenced with the US "repo" crisis in September 2019 is threatening to erupt into a cascading financial breakdown.

Against this backdrop, on 11 June government Liberal Party Senator Gerard Rennick raised in parliament what has long been the most bitterly fought issue in Australian political history, which the "Money Power"—the private banking monopoly that Commonwealth Bank founder King O'Malley called "the greatest power on Earth"—hates and fears above all: a national bank.

Noting that he has been inundated by constituents demanding the economy be revived, and slamming Australia's reliance on foreign investment which comes from foreign central bank-printed money pumped out to save a dying system, Rennick posed an urgent intervention to stave off economic disaster by establishing a national infrastructure bank:



Senator Gerard Rennick

"The Reserve Bank must fund an infrastructure bank that will underwrite nation-building projects. An infrastructure bank is where monetary policy meets fiscal policy, and it is the link that governments need to grow our economy. If there has been a fundamental flaw in the Western governments' response to the GFC, it has been in propping up inefficient companies and banks instead of building productive infrastructure like China, whose economy has grown strongly because of its commitment to nationbuilding infrastructure. Let's not forget: 50 years ago China was coming out of the Cultural Revolution. Yet today it has managed to pull a billion people out of poverty because its central bank, and not foreign banks, funded the development of infrastructure."

Rennick's clarion call for public banking to fund nation-building projects illustrates that Australia's recent immobility—"no wind blows in favour of a ship without direction", as he put it—can be shifted.

Channelling the spirit of war-time Labor Prime Minister John Curtin, Rennick demonstrated this is a truly bipartisan agenda: "a country cannot protect its sovereignty or manage its economy if it doesn't control its currency or its critical infrastructure". Curtin had observed in a 1937 Fremantle Town Hall speech, that if a government "deliberately excluded itself from all participation in the making or changing of monetary policy it cannot govern except in a secondary degree". Curtin called for urgent action to deal with the unemployment crisis, including national control of credit and interest rates, and national direction of investment for economic development. The banking establishment has sabotaged every attempt to do this but Australians have never given up and have continued to push the concept in different forms, such as when the Gorton government established the Australian Industry Development Corporation in 1975, through to today's Clean Energy Finance Corporation and government rural lender, the Regional Investment Corporation.

A number of leading MPs and parties are pushing national banking, from Bob Katter and his party, to One Nation and the Greens. The state of Victoria has made a push to revive industry, agriculture and

high-tech development, joining with China's Belt and Road Initiative in doing so, and is copping it from the "thousand lying tongues" of the press as a result. China is the main exponent today of public development banks (explicitly modelled on the same American precedent that King O'Malley followed — p. 3); any nation unchaining itself from the modern Money Power centred in the City of London/Wall Street's "informal financial empire", or worse, encouraging others to do the same, will assuredly come under fire. Today the Money Power not only prohibits national control of credit but is going full bore in the other direction—giving control of both monetary and fiscal policy to private banks! (p. 9) And beware where this is heading, because provoking war—whether a global conflict or in the streets—is always the imperial back-up plan.

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