



Australian Citizens Party

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MEDIA RELEASE

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No excuse for long-term unemployment crisis—national bank now!

While the government feigns concern about the economic impact of the pandemic response, and subjective knock-on effects like mental health, it is sitting on its hands as Australia faces a grave unemployment crisis. On 11 August, Treasury Secretary Dr Steven Kennedy gave a confidential assessment, to groups advocating “workplace reform” to aid the coronavirus recovery, that high unemployment will last four to five years. According to *The Australian* on 14 August, “Dr Kennedy labelled youth unemployment as the ‘defining feature’ of the COVID-19 economic shock.” So, what are they doing about it?

Early on in the pandemic the government made noises about shifting economic policy away from the neoliberal doctrines of free trade and globalisation, to encourage more local manufacturing, but its actions have been pathetic and its rhetoric has reverted back to neoliberalism. What Australia needs right now, especially the young people struggling with the unemployment crisis, is the inspiration of a vision of national economic development in which they can participate. There are many projects and investments Australia could initiate that would transform the economy and create millions of jobs in the process. Australia could make this happen by establishing a national development bank, for which Bob Katter MP intends to introduce legislation in Parliament very soon.

Bash China, or match China?

Although Treasury is calling the shots on economic policy, there is growing support in Parliament for a decisive policy shift. Unfortunately, it’s going nowhere, as it is only getting attention because the politicians involved are turning it into a China-bashing exercise, which suits the current Anglo-American strategic agenda that shapes Australian foreign policy. WA Liberal MP Andrew Hastie is distributing material from the extremist British neoconservative Henry Jackson Society demanding economic “decoupling” from China, so we no longer do business together. Hastie is the first to squeal about Chinese “interference”, but he doesn’t have a problem with fronting blatant British interference that will have the effect of smashing his state’s iron ore sector as its existence depends on Chinese imports.

Queensland LNP MP George Christensen is chairing the Joint Standing Committee on Trade and Investment Growth’s inquiry into Diversifying Trade and Investment, but he has also turned it into a China-bashing exercise. His personal website promoting the inquiry asserts outright falsehoods, such as its claim that the Chinese Communist Party is the biggest foreign investor in Australia, which is so wrong it’s laughable—[the USA owns more than 10 times as much of Australia than China does](#). His website also quotes extremist US Air Force General (retired) Robert Spalding, who, like the British Henry Jackson Society, is only interested in starting a conflict with China, and doesn’t care a fig about the Australian economy or the damage it will sustain and is already sustaining from Australia following this agenda. Christensen’s inquiry attracted many submissions from individuals and organisations pushing for conflict with China, such as the Henry Jackson Society, which it has published, but it also received many submissions advocating a more positive approach to diversifying trade and investment by establishing a national bank to invest in Australian industry and infrastructure—most of these, curiously, it hasn’t published.

At least the Inquiry did publish the [Citizens Party’s submission](#), which advocates growing our economy out of its dependence on China rather than smashing the industries that benefit from the China trade, and matching China by adopting the policies that have made it a success, especially its use of state investment banks to back its industries. Actually, it would mean re-adopting that policy, because we used to do it here—China learned it from countries like us. Germany’s KfW bank is another example of a very successful public investment bank. Dr Peter Brain of the National Institute of Economic and Industry Research explained [in a 28 May interview with the Citizens Party’s Citizens Insight YouTube program](#) how national development banks have been so successful in places like China and Europe.

Copy US National Infrastructure Bank

The good news is that support is growing in Australia and around the world for national development banks. In the United States, the National Infrastructure Bank Coalition has just hosted a webinar as part of the Democratic Party’s National Convention that is currently under way. In the webinar

economists, Democratic politicians and labour leaders spelt out how the bill currently before the US Congress, the [National Infrastructure Bank Act of 2020](#), would work to create a national infrastructure bank that can invest US\$4 trillion in desperately needed infrastructure. Retired union organiser Bob Lynn, from the Plumbers and Pipefitters Union in Ohio, emphasised that China spends 8 per cent of its GDP on infrastructure while the USA only spends 2.5 per cent. “This is not acceptable when it comes to being able to invest in ourselves and to be able to be the country we deserve and need to be”, he said.

Click here to watch [Webinar—Campaign for a National Infrastructure Bank—Democratic National Convention](#), which presents many perspectives of the benefits of a national development bank.

Australia should aspire to do the same here. For example, a national development bank could fund great infrastructure projects like the Bradfield Scheme in north Queensland, to divert floodwaters into inland Australia. This project has become somewhat of a political consensus in Queensland, with Premier Annastacia Palaszczuk revealing in the 17 August *Courier-Mail* that her government is doing scoping studies to announce its own version of the project for the upcoming Queensland election, meaning all four main parties in that election—Labor, LNP, One Nation, and Katter’s Australian Party—all support some form of the project. There are many other major projects around Australia that it could similarly fund. The government should change its procurement policy to preference domestic suppliers and industries, so that these projects don’t just create huge numbers of jobs directly but even more indirectly through expanded production of steel (using our own iron ore), cement, machinery and other inputs. Reviving industries in this way will bring Australia’s industrial centres back to life, and shift employment into productive jobs that create wealth for the nation, away from service economy jobs that just move Australia’s ever-diminishing real wealth around.

If you want a national development bank that can turn Australia’s dark days into a prosperous future, [join the Citizens Party today!](#)

Click here to sign the petition: [For national survival, Australia needs a national bank—now!](#)