

5 Ralston st
Katunga
Victoria 3640
20/08/2014.

To Mr. David Murray.
Re- Financial System Inquiry.
Dear Sir.

Since the 2007-2008 Global Financial Crisis, the Global banking system, speculative instruments eg. Derivatives have grown to an estimated \$1.5 quadrillion, 21 times the Worlds' GDP. The so called big four Australian banks' Derivatives exposure has also grown at a alarming rate to \$23 trillion in June 2013. There is absolutely no way that under the current banking system in Australia can another collapse be avoided. There for I am totally opposed to the planned Bail-in (confiscation of Australian depositor's funds). Only a return to Franklin Roosevelt's 1933 Glass-Steagall bill will protect depositor's funds and not ring-fencing legislation as you have proposed will save the savings of Australians.

And only a return to Government controlled national banking as Australia had under Mr. King O'Malley's original Commonwealth bank will bring back stability to Australia's financial system.

Please find enclosed my submission- The Commonwealth Bank, The People's Bank.

Yours truly. Jeffrey R. Davy.

The Commonwealth Bank The People's Bank

In 1891, after the labor movement was crushed in the great shearers and maritime strikes of 1890, it turned to politics. The issue of the General Welfare or Common Good, as it was called in Australia back then, was paramount to the early founders of the Australian Labor Party who desired, what they called “National Federation” of Australian colonies as opposed to the “Imperial Federation under the Crown.”

They, like the Americans, made the adoption of a National Bank, a corner stone for the fight for our sovereignty. They embedded such a bank in the platform of the Labor Electoral League, a forerunner of the ALP in the NSW election in 1891. In that election, 37 Labor members for the first time representing an actual Labor Party, were elected anywhere in the country.

With the adoption of “Imperial Federation” under the Crown in 1901, the struggle to adopt and maintain a national bank was Labor’s outlook, which was captured in an editorial of January, 5th 1907 in *The Brisbane Worker*, one of the papers owned by The Australian Workers Union, under the leadership of its founder and organizer W.G Spence.

“The Money power! It is the greatest power on earth; and it is arrayed against Labor. No other power that is or ever was can be named with it. ... It attacks us through the press--a monster of a thousand lying tongues, a beast surpassing in foulness any conceived by the mythology that invented dragons, werewolves, harpies, ghouls and vampires. It thunders against us from innumerable platforms and pulpits. The mystic machinery of the churches it turns into an engine of wrath for our destruction.

“Yes so far as we are concerned, the head- quarters of the money power is in Britain. But the money power is not a British institution; it is cosmopolitan. It is of no nationality, but all nationalities. It dominates the world. The money power has corrupted the faculties of the human soul and tampered with the sanity of the human intellect...

“And that is why labor men and women should stand religiously to their principals and refuse the baits of compromise and expediency. The labor party represents the only movement able to cope successfully with the money power, the only force not vitiated by it”.

From the time of his arrival in the late 1890’s a man by the name of King O’Malley (1885 – 1953) who had emigrated from America, campaigned ceaselessly for a National Bank. In 1896 he was elected to the South Australian House of Assembly as the member for Encounter Bay. In 1901 O’Malley entered the first House of Representatives as the independent member for Tasmania, advocating, amongst other things, the establishment of a National Banking System. His detailed proposals for one became part of Labor’s “Fighting platform” in its non-negotiable principals at the party’s Brisbane conference in 1908. He then gave his allegiance to the Labor Party.

On September 30, 1909 in a five hour speech on the subject to the Federal parliament, O’Malley emphasized:

“The private Banking System of the Commonwealth is only legalized monopoly for gathering of wealth from the many, and its concentration in the hands of a privileged few. The system established by America’s first Treasurer, Alexander Hamilton, should be adopted instead,” he argued adding *“I am the Hamilton of Australia. He was the greatest*

financial man who ever walked this earth, and his plans have been improved upon. The American experience should determine us to establish a national banking system which cannot be attacked. We are legislating here for the countless multitudes of future generations, who may bless or curse us..... We are in favor of protecting not only the manufacturer but also the man who works for him. We wish to protect the oppressed and down trodden of the earth. However great the natural resources of the nation, however genial it's climate, fertile it soil, ingenious and enterprising it's citizens or free it's institutions, if the money volume is manipulated by private capitalists for selfish ends, it's credit shrinks and prices fall. Its producers and business people must be overwhelmed with bankruptcy, its industries will be paralyzed and destitution and poverty will prevail. If Australia implements a national bank" O'Malley said "a glorious future will open up for it. In the commonwealth, the national banking system will greatly reduce interest rates that useful productions will increase in leaps and bounds. Wealth, instead of accumulation in the hands of a few will be distributed amongst the producers. A large proportion employed on relief works, building up cities, will be expanded in cultivating and beautifying the country. Natural improvements will be made to an extent, and in perfection unexampled in the history of the world. Agriculture, Manufacturers, inventions, science and the arts will flourish in every part of the nation. Those who are now non producers will naturally become producers. Products will be owned by those who perform the labor, because the standard of distribution will be neatly to the rights of humanity."

On October 5, 1911 over opposition from his own party's leadership, including Prime Minister Andrew Fisher and the then Attorney General Billy Hughes, King O'Malley with James Scullin and other members known as the "Torpedo Brigade," decided that at a meeting of the caucus, whoever was called upon by the Prime Minister for new business, would move the adoption of a bank bill by the government. The honor fell on Hon. J.M. Chatner, and Dr. William Maloney, Chairman of the "Torpedo Brigade" seconded the motion.

After vigorous debate, advocates of the bank defeated leaders of the government and forced them to bring down the bill for the bank. A few favored the establishment of a Commonwealth bank facilities. It would give a means for taking over state debts. Since federation the question of the Commonwealth Government taking over state debts had been under consideration. The following men supported King O'Malley in the caucus: W.G. Higgs, J.K. McDougall, G. Can, T. Brown, Dr W. Maloney, J. M. Chanter, W.F. Finlayson, J.M. Fowler, F. Brennan, J. Matthews, F.J. Foster, J.A. Jensen, A.T. Ozane, W. Webster, E. Riley, P. Maloney, J.H. Scullin, W.G. Spence, F.W. Banford, F. Anstey, J.E. Fenton, L. Smith, H. DeLargie, A. Rae, R.K. Ready, A. McDougall, D.J. O'Keefe and S. Barker.

One fact of the campaign for a Commonwealth Bank merits attention. If King O'Malley had continued publicly advocating a National Bank, the private 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, on October 5th 1911, voted for the bank, leaders of the private banks were caught unprepared. It is very doubtful if King O'Malley would have succeeded if he had not been silent.

From Dr L.C. Jauncey's (Harvard University) Australia's Government Bank Book, and quoted in the House of Representatives on October 19, 1927 by Sir Earl Page. *The Bill establishing the Commonwealth Bank was passed in a more limited form than the issue, reserve, exchange and deposit which O'Malley desired.*

The new Commonwealth Bank opened for business on July 15th 1912 and rapidly accomplished several things. It stopped the bank crash on the eve of world war one. It financed at much lower interest rates than prevailed in London, much of Australia's involvement in that war. It provided the capital for infrastructure and other projects including the Transcontinental Railway whose construction O'Malley personally oversaw and directed as Home Minister in Andrew Fisher's cabinet from 1910 -1913.

Sir Denison Samuel King Miller was born near Wollongong on the 8th March 1860 and educated at Deniliquin public school where his father was headmaster. He joined the local branch of the Bank of New South Wales obtaining a transfer to the head office in Sydney in 1882. He became head accountant in 1896, Assistant to the General Manager, John Russell French, in 1900 and Chief Metropolitan inspector in 1909. Strongly recommended by French, he was hand picked by King O'Malley to be the first head of the Commonwealth Bank.

O'Malley was fully aware of the stakes involved and had told Miller, *"You have a chance to make history, Brother Miller, Australian History, which will become World History. Think the matter over deeply and accept the job. Decide to make history. I am sure you're the man to do it"*.

Denison Miller was appointed the first Governor of the Commonwealth Bank on June 1st 1912. The bank's sole capital was 10,000 pounds advanced by the government. By January 1913 the Commonwealth Savings Bank operations extended throughout Australia and general banking business had begun. On March the 12th 1913 at an official ceremony to mark the commencement of building, Lady Denman, wife of the Governor General, named Canberra. And the foundation stone of the nation's capital was laid by Lord Denman, Prime Minister Fisher and Home Affairs Minister King O'Malley. The Bank's resources totaled 9,750,000 pounds by January 1914. On September 13th 1915 the Commonwealth Government imposed income taxes for the first time in the Commonwealth, to pay for war expenditures. During World War I, Denison Miller created a succession of war loans that raised more than 190,000,000 pounds. Miller's seven year term as governor of the bank was renewed in 1919 and the note issue was given to the bank in 1920.

In 1921 during an interview, Sir Denison Miller as Governor of the Commonwealth Bank, was asked if he, through the Commonwealth Bank, had financed Australia during the First World War for 700 million pounds. He replied, *"Such was the case, and I could have financed the country for a further like sum had the war continued"*. Asked if that amount was available for productive purposes in this time of peace he answered *"Yes"*. Sir Denison Miller also said in the Australian press on July 7 1921 *"The whole of the resources of Australia are at the back of this bank, and so strong is the Commonwealth Bank, whatever the Australian people can intelligently conceive in their minds and will loyally support, that can be done. As long as the race that made Australia stands, so too will the Commonwealth Bank"*.

On 6th June 1923, Sir Denison Miller died suddenly.

In 1924 Prime Minister Stanley Melbourne Bruce arrived back from London with orders to do something about the Commonwealth Bank. Its powers were gutted under its new chairman Sir Robert Gibson. In 1929 with the world plunging into the Great Depression, a Labor government under Prime Minister James Scullin, a member of O'Malley's Torpedo Brigade, came to power in October.

Scullin's Treasurer, Ted Theodore, introduces two Bills--the *Central Reserve Bank Bill* to establish a new reserve bank, which would control the paper note issue and the gold reserve and mandate all private banks to keep 10% of their current accounts and 3% of their reserves with it, and the *Commonwealth Bank Act Amending Bill*, to replace the six member big business dominated board with a single governor, such as it had under Sir Denison Miller. Both bills are killed by the Senate.

The Bank's Chairman, Sir Robert Gibson, is asked to issue 18 million pounds in notes for public works to provide work for men whose families are beginning to starve. He adamantly refuses saying, "*Prime Minister and members of the Cabinet. You asked me to inflate the currency. My answer is that I bloody well won't*".

Inflating the currency was a lie: Australia's money supply had dropped from 57 million pounds in 1924 to 42 million pounds in 1929.

In 1927 the Bruce Government on the Advice of Sir Ernest Harvey, Bank of England, separated the general bank from the savings bank. In September, 1927 Dr Earl Page, Commonwealth Treasurer, introduced a Bill in the Commonwealth Parliament to separate the savings bank business from the Commonwealth general bank. On July 19 1930 Sir Otto Niemeyer, second in charge of the Bank of England under Sir Montague Norman, arrived in Australia to place austerity programs on Federal and State governments and to make sure no credit is issued for the public works.

Under enormous pressure, the federal Labor government and State Premiers sign on to Niemeyer's demands by adopting the so-called Premiers Plan, which cuts jobs and relief payments. The same day however, a special conference of unions and the Australian Labor Party passes an emergency resolution calling for a five year moratorium on overseas interest payments, and the cancellation of all war debts owed to the City of London, and the mobilization of the credit, for the community to work for sustenance for the revival of industry.

Author of the resolution is Victorian MP Frank Anstey, another member of O'Malley's Torpedo Brigade and mentor of John Curtin.

On October 25, 1930 John Thomas Lang (1876 -1975) i.e. Jack Lang sweeps to victory as New South Wales Premier, campaigning against "Niemeyerism". One of his chief campaigners is future Prime Minister John Curtin. In 1931 Jack Lang formulates the "Lang Plan" supported by Frank Anstey, which has three main points: A partial moratorium on debts to the British, since much of the debt dated from World War One when Australia had lost 60,000 of her finest young men fighting to defend the British Empire; The lowering of all internal interest rates to 3%; And the adoption of a "Goods Standard" to replace the usurious, London-controlled "Gold Standard."

Cabinet Minister Frank Anstey supports Lang: "*If I have to make a choice between this government constantly belly crawling to the banking power and John Lang, then give me John Lang*". In a bitter faction fight, Anstey is dumped from cabinet.

His protégé, John Curtin, authors a pamphlet entitled *Australia's Economic Crisis and the 55,000,000 interest bill: How the years of Money Power Extortion have brought*

misery to the Nation. Curtin concluded his pamphlet with a ringing call for a National Bank.

On December 19, 1931 NSW Premier Jack Lang, threatens a debt moratorium against the British. He had implemented an Anti-Eviction Bill to stop the escalating tide of evictions along with a Moratorium Act, to stop bankrupt farmers from being driven off their land. Then, in March 1932, Lang refused to pay the next payment due to the British Bondholders. He would later explain *"We were spending 3 million pounds a year from State Taxation on relief of distress. If we sent 3.5 million pounds overseas to meet interest payments, we would have to stop issuing dole tickets, and put men off public works being maintained for the relief of the unemployed. I had no intention of doing that. So the Bond Holders would have to wait their turn. It was simply a question of whether the bond holders went unpaid."*

During this time Jack Lang built the Sydney Harbor Bridge which provided employment for many unemployed and symbolized the hope of many Australians at the time of the Depression. On March 19th 1932 at the official opening of the Sydney Harbor Bridge, New Guardsman Col. Francis de Groot preempted NSW Premier Jack Lang, by riding forward on his horse and cutting the ribbon with his sword.

On May 13th 1932 the Queen's representative in NSW, the Governor Sir Phillip Game, sacked Jack Lang as Premier. On June 5th 1932 the largest crowd in the history of Australia, estimated between 400,000 and 500,000 of Australia's total population of less than 7 million, turned out in a rally at Sydney's Moore Park to support Lang. New South Wales Premier Jack Lang, like King O'Malley, was a fierce enemy of the "Money Power." He wrote in his 1962 book *The Great Bust*, of how the City of London-centred "Money Power" functioned.

"The City of London for more than two hundred years dominated the financial affairs of the world. It had mastered the technique of the management of money. London was the exchange hub of the world. With the Bank of England, Lloyds of London, the great investment brokers, the underwriters, the insurance combine, and its shipping trusts, it was able to gather together all the intricate strands of the world's most efficient money machine. Most countries paid their tribute in the form of dividends, interest and premiums. The sun indeed never set on the far-flung dependencies of the City of London. "From the time I first came into contact with the system, as Treasurer of the then sovereign State of New South Wales, I had many opportunities to study the machine in actual operation. One could not help but admire its expert handling of the smallest details of a deal. At the same time, it was impossible to ignore the inescapable conclusion that it was leech-like in its methods.

"It was the City of London that had established what was known as the Mercantile System out of the industrial revolution. The Victorian era had been one of great commercial expansion. With that rare genius for political invention, Gladstone, Disraeli and other British statesmen sought a substitute for the old system of Crown Colonies. They found it in the British Empire. The formula was to hand to the colonies the right to govern themselves providing they did not break the financial nexus with the City of London."

Lang then described how this great octopus entirely dominated Australia:

“The City of London provided all the capital required for the development of the colonies. The City controlled the ships, the wool and wheat exchanges, the insurance houses and all the other machinery of trade and commerce... .

“The Old Lady of Threadneedle Street, as they called the Bank of England, presided over the financial dynasty of the Empire. It was supported by the Big Five, the major private banks. If a government in the Dominions or the colonies wanted to raise money, it had to go through approved channels. The financial world was divided into zones of influence. The Houses of Nivison, Rothschild, Barings, Morgan and Grenfell, all had their respective rights. If a government in the colonies wanted to raise money, it could only approach one firm. It had to meet a rigidly controlled scale of under writing fees. It had to accept the conditions and the interest rates dictated by its London agents who were actually agents for the British investors. There was no room for argument. It was a case of taking it or leaving it. It was useless to try another source.

“The City had its own underground communication system. It was left to the underwriters to divide up the spoil. They simply produced the clearing house. In addition there were the big mortgage companies, who had invested in colonial estates, handled colonial primary produce and advanced money to colonial settlers. They were closely allied to the banks. They specialized in mortgages. As they invariably reserved the right to handle all the produce as well, they perfected a form of tied business that left no loopholes for the client. Usually the banks and the mortgage companies had interlocking directorates, who specialized in colonial business. So, in Australia, the grazers, the farmers, as well as most of the import houses, the principal mining companies as well as the banks, insurance companies and shipping, all led directly back to the City of London.

“That had been the complete picture when Australia entered the First World War. All our railways, our power plants, our school buildings and even our police courts and goals had been built with money supplied by the City of London. We were a debtor nation. The bondholders never permitted us to forget it.”

In 1936 the Royal Commission on Banking, though appointed by the Lyon Government, finds that not only should the Commonwealth Bank have expanded credit in the late 1920's and early 1930's instead of restricting it, but that, in the case of conflict between the bank and the Government, “The views of the government should prevail”. Future Prime Minister Ben Chifley is a member of the Commission.

September 20th 1937, John Curtin gives his policy speech in Fremantle. He refers to the findings of the 1936 Royal Commission saying, *“These findings emphasize the degree in which the Royal Commission on Banking realizes that banking is more than mere finance, that it is in fact a great social function which should be controlled in the permanent interest of the people”*.

To deal with unemployment and to make that industrial and economic preparedness which is the essence of national defense and security, three related monetary measures are necessary:

- 1 National control of credit to ensure its adequacy to maintain and increase employment;
- 2 National control of interest rates, in order to keep to a minimum the monetary and capital cost on production and industry;

- 3 National direction of investment with the object of assisting in the promotion of balanced economic development.

"The Commonwealth Bank is the logical instrument to function for the community in effecting monetary re-adjustment and economic reconstruction. The Labor Government will legislate so that the Commonwealth Bank would be able to completely control:

- A) Credit of the nation;
- B) Rates of interest;
- C) Direction of general investment;
- D) Currency relations with external markets.

The Labor Party points to the planks of its platform and insists that the Bank must have its original charter restored.

In 1939 on the eve of World War II, veteran campaigner King O'Malley raises his voice once again for a National Bank, in his pamphlet, "Big Battle":

"Oh! Would that I possessed the power to arouse the Australian people to the imperative importance of revitalizing the Commonwealth Bank! In financial crisis they have suffered, but their minds seemed to be possessed with the fatalism of the Turks. But I say it is not the will of God which produces panics, but a want of an intelligent banking system. Banking is the fundamental function. The banks should be co-workers with the producers and traders. The Commonwealth Bank should possess the capacity to continue exercising the banking functions and thereby sustaining normal values during the fiercest commercial crisis. A system possessing potential financial power such a capacity in connection with the talent for production, trade and commerce possessed by the people of Australia and the boundless wealth of its natural resources may make Melbourne instead of London the principal exchange city of the world, and Australia instead of England the creator nation of the world".

December 27, 1941 Prime Minister John Curtin assumes control over the deployment of credit, and Australia begins the greatest surge in production in its history, becoming self-sufficient in machine tools and even supplying Allied Forces abroad.

January 1945, Treasurer Ben Chifley tables legislation to make the wartime control of banking which directed credit to the benefit of the national interest, permanent. Chifley tells parliament, *"The intention of this legislation is to ensure that the banking system of this country shall work in the interests of the people as a whole. It has been planned in such a way as to ensure that final authority over the monetary policy of the country shall rest with the government, which is responsible to the parliament, and to the people. No longer shall we leave control of the monetary system of this country in the hands of people with no special training, whose interest are personal and material and associated with 'Big Business'."*

The bill becomes law, but is bitterly opposed by the private banks. In 1947 the High Court overturns whole sections of Chifley's banking bill. Prime Minister Chifley, as he now is, passes a new bill providing for the Commonwealth Bank to take over all private banks. Chifley tells parliament that the purpose of the bill is to develop the immense resources of Australia: *"Essentially the task of the new (Banking) organization will provide a financial mechanism appropriate to the needs of our rapidly growing economy. Australia is destined to see great developments in the coming years and this process,*

which is already underway, must be promoted by every means possible. The basic services of transport, communications, water supply, power, housing, health and education must be enlarged to meet the needs of a larger economy, a banking system created to serve the welfare of the community”.

The private banks immediately launch an all out assault on the Law in the High Court, employing Sydney K.C. (Kings Council) Garfield Barwick, in August 1948. The High Court finds in favor of the private banks, overturning Chifley's legislation and in 1949 The Privy Council of London also finds in favor of the private banks. The banks launch a campaign to drive Chifley from office.

The *Brisbane Mail* of July 31, 1949 writes, “*The decision of the Privy Council against the nationalization of banking in Australia has touched off an all out campaign by the banks and bank officers to sink Chifley at the federal elections towards the end of this year*”. The campaign was successful and Robert Menzies comes to power.

Sir Robert Gordon Menzies (1894 –1978) was the youngest-ever Kings Councilor in Victoria and was awarded the highest honorary British Office ever held by an Australian as Warden of the Cinque Ports. He first became Prime Minister in April 1939 upon the death of J.A Lyons. The opposition rejected his proposal for an all party wartime administration in September 1939 after making his pledge to support Britain “to the last man and the last shilling” following the outbreak of war on September the 3rd 1939.

In the years 1940 and 1941 Menzies had stripped Australia of virtually all of its trained manpower, by sending the 6th, 7th and 9th Infantry Divisions to North Africa and the Middle East. After party dissension in August 1941 he was compelled to resign.

As early as 1934 B.H.P. managing director Essington Lewis began to warn about the danger of an impending war, and the need to build up Australia's defences following a trip he had taken to Japan. Lewis returned convinced of both the danger that Japan presented, and the urgency for Australia to build its own ships, but more importantly, its own air force and aircraft production capacity. His warnings were ignored, so in 1936, B.H.P and five partner companies formed the Commonwealth Aircraft Corporation and built a factory at Fishermen's Bend in Melbourne, and began the production of 40 Wirraway aero planes. When war broke out three years later, they represented Australia's only aircraft production capability and a base from which to produce aircraft, thanks to Essington Lewis' foresight.

Lewis and John Curtin went on to become the two most significant Australian figures in War World Two. When General Douglas Macarthur arrived in Australia on March 17, 1942, he was given a status report on March 20 on the defences available to Australia. There was less than one American division, virtually no planes, and most of Australia's experienced troops were still abroad. After getting the report and having seen the devastation in Darwin, Macarthur could only say, “God have mercy on us”. In his biography, Macarthur would later say of the condition of Australia left by Menzies, “It was the greatest shock of the whole war”.

From David Allen Rivera “Final Warning”, The History of the New World Order
“American and British Intelligence have documented evidence that the House of Rothschild, and other International Bankers, have financed both sides of every war, since the American Revolution. Financier Haym Salomon, who supported the patriots during the American Revolution, then later made loans to James Madison, Thomas Jefferson, and James Monroe, was a Rothschild agent. During the Napoleonic Wars, one branch of

the family funded Napoleon, while another financed Great Britain, Germany, and other nations. Their boldest maneuver came prior to the Civil War.

The Rothschild's operate out of an area in the heart of London, England, the financial district, which is known as 'The City' or the 'Square Mile.' All major British banks have their main offices there, along with branch offices for 385 foreign banks, including 70 from the United States. It is there that you will find the Bank of England, the Stock Exchange, Lloyd's of London, the Baltic Exchange (shipping contracts), Fleet Street (home of publishing and newspaper interests), the London Commodity Exchange (to trade coffee, rubber, sugar and wool), and the London Metal Exchange. It is virtually the financial hub of the world.

Positioned on the north bank of the Thames River, covering an area of 677 acres or one square mile (known as the "wealthiest square mile on earth"), it has enjoyed special rights and privileges that enabled them to achieve a certain level of independence since 1191. In 1215, its citizens received a Charter from King John, granting them the right to annually elect a mayor (known as the Lord Mayor), a tradition that continues today.

Both E. C. Knuth, in his book *Empire of the City*, and Des Griffin, in his book *Descent into Slavery*, stated their belief that 'The City' is actually a sovereign state (much like the Vatican), and that since the establishment of the privately owned Bank of England in 1694, 'The City' has actually become the last word in the country's national affairs, with Prime Minister, Cabinet, and Parliament becoming only a front for the real power.

According to Knuth, when the Queen enters 'The City,' she is subservient to the Lord Mayor (under him, is a committee of 12-14 men, known as 'The Crown'), because this privately-owned corporation is not subject to the Queen, or the Parliament.

There seems to be little doubt that the Rothschild's continue to influence the world economy, and it is known that they are squarely behind the movement to unite all the western European nations into a single political entity, which is just another step towards one-world government."

On September 10th 1984 the then-treasurer Paul Keating and the Federal Government invited the Foreign Banks to establish their business in Australia. Sunday *Herald Sun* July 14th 2002 "Ray hits Keating Bank sell-off" Christine Jackman. *"The Hawke-Keating Labor Government rushed through the sale of the Commonwealth Bank with no proper briefing of Cabinet. Labor power broker Robert Ray and several other senior Labor figures have admitted misgivings about the sale in private interviews for a PhD Thesis by Shadow Trade Minister Stephen Martin. And, in a possible indication of Telstra future under Labor, some admitted it was impossible to stop the full sale of the Commonwealth Bank once part of it was sold."*

"The thing about the Commonwealth Bank was once you sold a third of it, you had bugged the lot", former speaker Leo McLeay told Mr. Martin. "Once you sell a percentage of a public utility, you lose control". At the time, the Government justified the partial sell off of the Commonwealth Bank as a means of funding a rescue takeover of the State Bank of Victoria which was on the verge of collapse in 1990, but Senator Ray said the Victorian crisis "was just used as a lever to flog off the (Bank)". "Cabinet made the decision without any briefing papers being given out in advance, just told 'this is the decision we had to make'. He said "The Commonwealth Bank was sold for one reason only, to make money to put into the Budget"; Shadow Treasurer Bob McMullan admitted he had since questioned his own support for the sale. "I was pretty reluctant but I thought

it was necessary” Senator McMullen said. “In hind sight, I’m not so sure”. The Martin thesis was completed in July 2000 for a Doctorate in economics from the University of Wollongong and has just been released from a University embargo. On the 25th August, 1986 in the *West Australian* newspaper, General Manager of the Commonwealth Development Bank, Mr. John Fletcher, warned that Australia’s money system was being sabotaged. *“Foreign exchange dealers and multi-national banks are using dirty tactics deliberately to run down the Australian dollar. The multi-national bankers should never be underestimated in the lengths they will go to, and the dirty tactics they will employ in pursuing their profit objectives.”*

When the Labor Party sold the Commonwealth Bank, they not only sold the Bank but they also sold Australia’s sovereignty and put our children and grandchildren’s destiny directly into the hands of the Money Power, the very same power that King O’Malley, Denison Miller, James Scullin, Frank Anstey, John Fitzgerald, William Spence, John Curtin, Ben Chifley, Jack Lang and his brother-in-law Henry Lawson, had fought so hard against, to free Australia from. Today the Money Power is also centered in the United States of America. They are:

- 1 Rothschild Banks of London and Berlin
- 2 Lazard Brothers Banks of Paris
- 3 Israel Moses Seif Banks of Italy
- 4 Warburg Bank of Hamburg and Amsterdam
- 5 Kuhn, Loeb Bank of New York
- 6 Chase Manhattan Bank of New York
- 7 Goldman, Sachs Bank of New York

These Banks are the private corporation known as the Federal Reserve Bank of America. Abraham Lincoln –

“The money power preys upon the nation in times of peace, and conspires against it in times of adversity. It is more despotic than monarchy, more insolent than autocracy, more selfish than bureaucracy. It denounces, as public enemies, all who question its methods or throw light upon its crimes.

Today N.M Rothschild & Sons Ltd of New Court is:

Key Bullion broker in the English Commonwealth. Owner and Operator of the Royal Mint Refinery. Gold agent to the Bank of England. And sets the price of gold bullion twice a day.

Rothschild’s’ have been among the principal dynamos powering the modern stress cycle. They are the arch demons of our Zeitgeist that is half the reason they are legend. The other half lies in their ability to transcend the very same Zeitgeist they have been spreading.

“Portrait of a Dynasty” Frederick Morton.

***Peter Kershaw** ---“The Founding Fathers of this great land had no difficulty whatsoever understanding the agenda of bankers, and they frequently referred to them and their kind as, quote, ‘ friends of paper money.’ They hated the bank of England, in particular, and felt that even were we successful in winning our independence from England and King George, we could never truly be a nation of freemen, unless we had an honest money system. Though ignorance, but moreover, because of apathy, a small, but wealthy, clique of power brokers have robbed us of our Rights and Liberties, we are

being raped of our wealth. We are paying the price for near-comatose levels of complacency by our citizens, and god only knows what might become of our children, should we not work diligently to shake this country from its slumber! Many a nation has lost its freedom at the end of a gun barrel, but here in America, we just decided to hand it over voluntarily. Worse yet, we paid for the tyranny and usurpation out of our own pockets with "voluntary" tax contributions and the use of a debt-laden fiat currency!"

Australia's net foreign debt from 2007 Australian Bureau of Statistics year book. At the 30th of June 2006 was \$493.8 billion, up \$61.9 billion on 30th of June 2005. The increase during 2005 – 2006 resulted from a \$118.1 billion increase in net foreign debt liabilities. Total foreign debt liabilities are \$833.451 billion. Today in 2010 Foreign Debt is \$1.2 Trillion and growing.



KING O'MALLEY, (1858-1953), Founder of the Commonwealth Bank. On September 30, 1909 in a five hour speech on the subject to the Federal parliament, O'Malley emphasized:

"The private Banking System of the Commonwealth is only legalized monopoly for gathering of wealth from the many, and its concentration in the hands of a privileged few. The system established by America's first Treasurer, Alexander Hamilton, should be adopted instead," he argued adding "I am the Hamilton of Australia. He was the greatest financial man who ever walked this earth, and his plans have been improved upon. The American experience should determine us to

establish a national banking system which cannot be attacked. We are legislating here for the countless multitudes of future generations, who may bless or curse us..."

In 1939 King O'Malley had vigorously entered the: Save the Commonwealth Bank Campaign", by publishing a booklet, *"Big Battle"*. He wrote, *"I trust that all good and patriotic Australians will swear by the altar of their gods, the tombs of their Ancestors and the cradles of their children, that they will never vote for Parliamentary candidates whose secret mission is to destroy The Commonwealth Bank... and whose brains, if extracted, dried and placed in the quill of a cocksparrow and blown into the eye of a bee, would not even make him blink."*

Insurance salesman and politician, was by his own account born on 4 July 1858 at Stamford Farm, Quebec, Canada, but more probably at Valley Falls, Kansas, United States of America, son of Irish migrant William O'Malley and his wife Ellen, née King. By O'Malley's own account again,

his father was killed in the Civil War and King was sent to live with an uncle and aunt in New York. His uncle owned a small bank where O'Malley started work at 14 after a very sketchy education. Banking fascinated him throughout his life.

O'Malley's interest in politics had been growing and in January 1896 he announced his candidature for the House of Assembly. To be eligible for election a candidate had to be a British citizen; this posed some difficulty, for O'Malley had been proclaiming that he was an American. He overcame this restriction by declaring that he had been born in Canada but brought up in the U.S.A. Although most of his views were in line with those of the United Labor Party, he was returned as an Independent in April 1896 as one of two members for Encounter Bay.

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O'Malley, a picturesque and flamboyant figure, he told many colourful stories. At the same time he was far-seeing, forceful and stubborn. By the exercising of these qualities he succeeded in the two great aims of his political career. The foremost being the founding of the Commonwealth Bank, the other was his desire to secure land for a Federal Capital