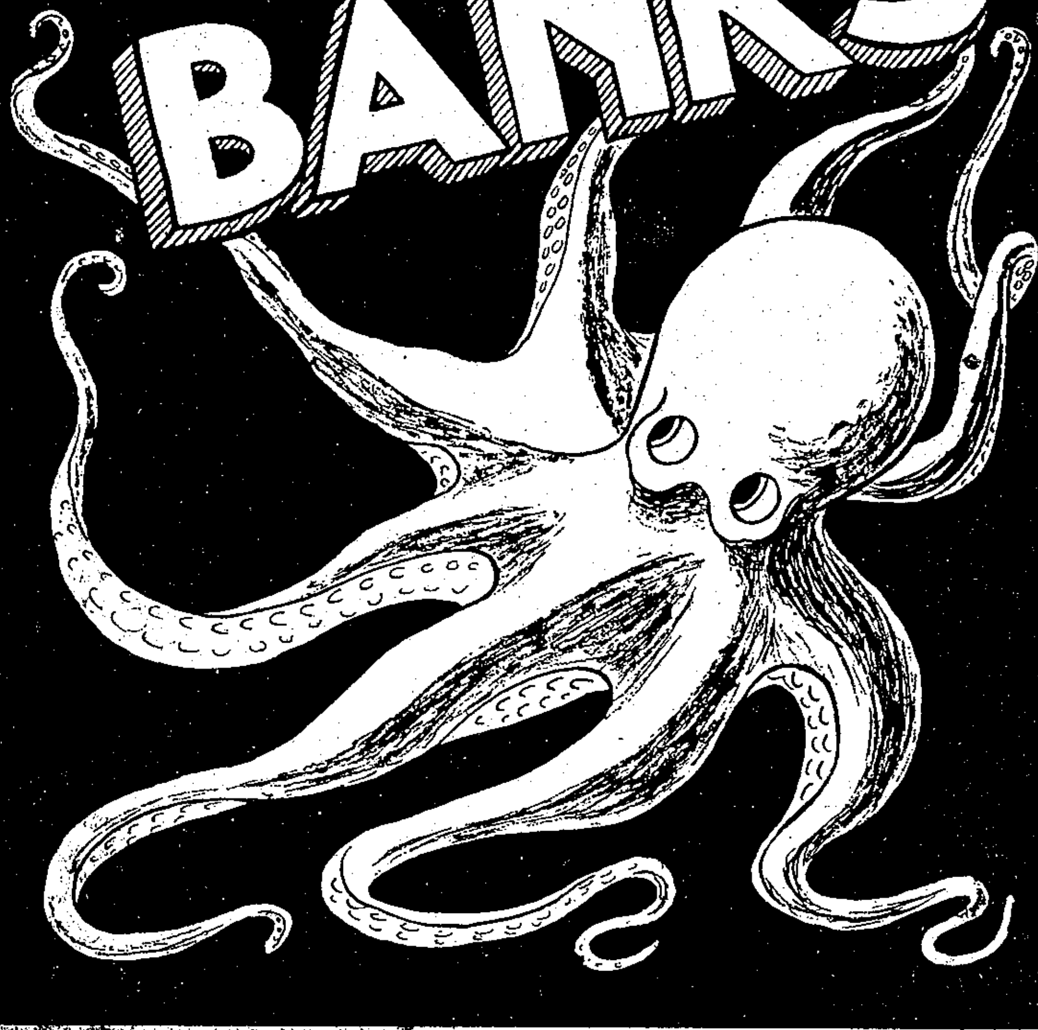
FACTS THE DAILIES DARE NOT PUBLISH

PEOPLE *versus* BANKS



By E. W. CAMPBELL

INTRODUCTION

The Chifley Government's proposal to nationalise the private banks has stirred up a hornet's nest. The reactionary political forces are resorting to "mass action," innumerable meetings, peddling petitions to be signed, organising letters and telegrams of "protest" to Government members, and are even appearing in the Sydney Domain.

The capitalist press and politicians have bulldozed, over the years, almost half of the people into believing their false propaganda, so it is comparatively easy for them to assemble sizeable meetings of the worst victims of capitalist propaganda.

Nevertheless, the other, majority, part of the electorate must be rallied in support of the nationalisation of the banks in order to drive back the reactionary offensive.

Reaction raised the slogan of "freedom" being at stake and pointed to the enormous power in the hands of those who control the financial system. The Government was out to acquire a monopoly that would enable it to dominate the life of every citizen, they shouted. This power has hitherto resided in the hands of a small clique of private bankers who have never hesitated to use it for their own mercenary ends, their own enrichment.

Against their decision there is no appeal, they cannot be criticised in the big daily newspapers, for the banking magnates are entrenched in the directorates of the capitalist press, just as they are on those of the big industrial monopolies.

Monopolised banking and industry is the basis for fascism, imperialism and war, that is why the German monopolists are on trial for war crimes. It is the private bankers who are foremost among potential fascists.

Nationalisation of banking is intended as a measure to combat depression. It is indeed a very useful one, but we Communists assert that it is not enough. To end the threat of depression once and for all, nationalisation of basic industries is also required. This permits a planned economy.

The countries of Eastern Europe where the banks, key industries and big estates have been nationalised, anticipate no "depression" but an increasing prosperity based on a planned economy in the coming years.

It is in Britain, America, Australia, France, etc., where there is insufficient nationalisation to permit a planned economy, or none at all, as in America, that old man depression is reaching for the throat of the people.

This lesson must not be lost on the Australian people, the workers, farmers and middle class, who must support the nationalisation of the banks, and unite their forces in the struggle against the monopolists, for economic security and international peace.

L. L. SHARKEY,
President, Australian Communist Party.

THE MONEY BARONS' GRIP

NATIONALISATION of the private trading bank monopoly will help break the grip of the Money Barons on the economic life of Australia. It will take away from the handful of rich men who control the banks the power they now have to dictate financial policy to the nation and will vest this power in the hands of the elected representatives of the Australian people.

Nationalisation of the private trading bank monopoly is needed to give the democratically elected Government greater power to cope with future economic crises. In the great depression of 1929 the private banks refused to co-operate with the Government of the day, refused to make credits available for public works to alleviate unemployment, and thus worsened the effects of the depression on the Australian people.

Nationalisation of banking is essential to Australian economic and political independence at a time when the all-conquering American dollar is invading the banking fields of England, France, Italy, Greece, Turkey, China and other countries.

Nationalisation of banking will benefit all sections of the Australian community except the mere handful of wealthy parasites who live on the proceeds of bank usury.

Australian workers will benefit because nationalisation of the banks will give the Government full control of the nation's credit resources and provide it with a powerful weapon to combat future unemployment arising from a new economic crisis.

Australian farmers will benefit because nationalisation of the banks will place sufficient financial resources at the disposal of the elected Government to enable it to carry out rural debt readjustment, to scale down interest bills and make new loans to farmers at cheap rates of interest.

Australian small business men will benefit because nationalisation will remove banking from the control of the big monopolists who also dominate industry and commerce. Under nationalisation advances can be made strictly according to merit and will not be determined by whether or not the potential borrower happens also to be a potential competitor with one or another of the big monopolists who are closely linked with the private trading banks.

THE BANKING RING.

In their crusade against nationalisation the big bankers have suddenly discovered the evils of monopoly. Nationalisation, they claim, will establish a monopoly in banking which is most undesirable because of its harmful effect on the community. Monopoly, they tell us, ruins initiative, curtails freedom and destroys individual liberty. The conclusion to be drawn from this is that the Broken Hill Proprietary Co., which has an absolute monopoly of steel production in Australia and the Colonial Sugar Refining Co., which has a virtual monopoly of sugar production, to say nothing of the tobacco, brewing and glass monopolies, have been sapping our initiative, restricting our freedom and trampling our liberty underfoot for years, and all without a single word of protest from the big bankers who have overnight become so virtuous in their championship of free competition.

Of course the big bankers are not really opposed to monopoly as such but are opposed only to monopoly being transferred from private to public ownership. Nationalisation will not establish a monopoly in banking, as alleged, but will merely transfer an existing monopoly to the nation. Instead of a handful of wealthy bank directors, nominally responsible to 70,000 shareholders who constitute less than one in a hundred of the Australian people, controlling the banks, the Commonwealth Parliament, elected by and responsible to the Australian people will exercise control.

If the people don't like the policy of the future Public Bank they have the power to change it by democratically changing the Government, but if they don't like the policy of the private banking ring—and many thousands didn't in the depression—they have no remedy because they can't sack the bank directors.

The bankers' argument that several private banks competing with one another is preferable to one public bank not subjected to any competition is refuted by the history of the banking system in Australia. If nine private banks are preferable to one public bank, then, to be logical, it must be conceded that 18 banks are preferable to nine and that 36 banks are preferable to 18 and that Australia came closest to the bankers ideal of a competitive banking system in the last century, when there were more than 50 banks operating in competition with one another in Australia. Yet it has been through this very process of competition that the number of banks has been reduced from more than 50 to nine. Before the Government announced its nationalisation decision the Queensland National Bank had merged with the National Bank of Australasia and two of the big British owned banks—the Union Bank and the Bank of Australasia—were in the process of amalgamation. This would have reduced the number of private trading banks to seven, which shows that the whole process of evolution is towards a dominant monopoly of one or two big banks. This fact is clearly recognised by the Bankers' Magazine, London, which, commenting on the proposed merger of the Union Bank and the Bank of Australasia, said :

"Most of the banks operating in Australia and New Zealand are of considerable size but the union of two of the largest makes us wonder whether we are not merely seeing the first step in the process of further amalgamations and whether the smaller banks will not feel impelled to throw in their lot with one or another of their massive competitors."

The propaganda claim that the existence of more than one private bank operating alongside the Commonwealth Bank gives the public complete freedom of choice is so much bunkum. Actually there is no real competition among the private banks. The author of **Australia's Government Bank,** Leslie C. Jauncey, says that in Australia "the banks with their branches are so closely associated that in reality they are almost a unit."

Another authority on Australian banking, A. L. G. Mackay, in **The Australian Banking and Credit System,** says, "the Australian Associated Banks are one of the most closely organised rings in the world." Even the Royal Commission was forced to acknowledge that competition among the private banks was limited. The Royal Commission's report said :

"It is commonly said that the trading banks do not compete with one another. It would be more correct to say that the trading banks do not indulge in unrestrained or cut-throat competition with one another. Reference has been made in evidence to a 'gentlemen's agreement' between the banks not to compete. Some banks acknowledge the existence of some understanding of this kind but view its obligations differently. Other banks do not recognise any such understanding. It is usual for all banks to publish and quote the same rates for deposits but they will in some circumstances compete for deposits. Rates on advances are not usually published by the banks . . . There are generally, however, ruling rates for advances which are similar for all trading banks and apply to most advances . . . There is no evidence to suggest that there is any organisation or association of the trading banks for the purpose of eliminating competition with one another. There is competition between them of the kind to be expected from semi-monopolistic institutions. Each bank refrains from unlimited competition because it fears to spoil the market and to provoke similar competition from the other banks which might be ruinous."

WHO OWNS THE BANKS?

The private banks claim that they are thoroughly democratic institutions because their ownership is spread over 70,000 shareholders. But this figure, far from substantiating the banks' claim, proves the very opposite. It shows that only one person in every hundred of the Australian population has any share in the control of the banks which play such a dominant role in the economic life of the nation. Actually the proportion of Australian people who have any share in the control of the banks is nearer one in two hundred because 25,000 or more than one-third of the shareholders in the nine private trading banks live outside Australia.

In an attempt to bolster their claim to be broad democratic institutions the banks boast that the average nominal shareholding of their 70,000 shareholders is only about £500. This is done to create the impression that the little men of Australia and not the big men really control the financial institutions. It's a snide trick worthy of bankers who are well known for their adroitness at juggling figures.

It is perfectly true that the big majority of bank shareholders are small shareholders whose holdings are less than £500 each. But it is not true that these small investors control the banks. Control is concentrated in the hands of the big shareholders whose individual holdings exceed £5000.

In 1935/36 there were 46,034 shareholders in the six private banks with head offices in Australia. Of these 40,260 were small shareholders whose individual holdings did not exceed £1000. These small shareholders constituted 87.46 per cent. of the total shareholders but controlled only 38.89 per cent. of the total capital.

There were 5,774 big shareholders whose individual holdings exceeded £1000. They constituted only 12.54 per cent. of the total shareholders but controlled 61.11 per cent. of the total capital.

At opposite ends of the pole there were 527 very big shareholders with average holdings of £12,130 each and 34,068 very small shareholders with average holdings of £178. The very big shareholders constituted only 1.14 per cent. of the total shareholders but controlled 23.30 per cent. of the capital while the very small shareholders who constituted 74.01 per cent. of the total shareholders controlled only 22.18 per cent. of the total capital.

Ownership of the Australian banking system, besides being concentrated in a few private hands, is at present only two-thirds Australian, which not only leaves the whole system open to pressure from outside influences but makes it particularly susceptible to overseas economic shocks.

Three of the nine Australian trading banks—the Bank of Australasia, the Union Bank and the English, Scottish and Australian

Bank—have their head offices in London and the control of their policy lies with the directors there. These three overseas banks in 1935/36 controlled about one-third of the total banking capital employed in Australia—£13½ million, compared with £27½ million controlled by the six Australian banks. Even the six banks with head offices in Australia are not completely free from outside influences. About one-third of their shareholders who control about one-fifth of their capital live outside Australia.

During the war Britain was compelled to dispose of more than half her total foreign investments to American capitalists. This process is still going on and Wall Street is continuing to take over former British investments.

With the developing dollar crisis it is not improbable that the three British banks now operating in Australia might pass into American hands. Wall Street influence in British banking circles is already strong. The Hong Kong and Shanghai Banking Corporation, the biggest single unit of British capital in the Far East, already had a Morgan partner on its Board before the war. Another Morgan partner sat on the Board of the Mercantile Bank of India. Lord Catto, present Governor of the Bank of England, was chairman of directors of Morgan, Grenfell and Co., the London branch of the great American House of Morgan.

Nationalisation of banking will remove the financial system from private monopolist hands, free it from foreign influences and convert it into a thoroughly Australian system.

THE GREAT BANK CRASH

The private trading banks boast that they have 1,500,000 depositors whose total deposits amount to £650,000,000. This boast, instead of supporting the bankers' case only strengthens the case for nationalisation because the great bank crash of 1893 proves that depositors have no security whatever under the system of privately owned banks. Nationalisation, by transferring the £650,000,000 deposits to a Commonwealth Bank, backed by all the resources of the nation, will give the depositors real security.

In the bank crash of the 1890's twelve trading banks closed their doors, 100 land banks failed, 500 land syndicates collapsed and 48 building societies defaulted. The twelve banks alone had total liabilities of £104,000,000, of which £80,000,000 represented the deposits of the public. Commenting on these facts during the debate on the banking bill in 1945 the Minister for Information, Mr. A. Calwell, said:

"A reign of terror prevailed in Victoria at that time. Thousands of toilers were ruined and multitudes impoverished. Soup kitchens were opened to feed the workless. Many people became mentally deranged as the result of losing all their savings . . ."

The 1890's bank crash came hard on the heels of a boom similar to that occurring to-day. The report of the Royal Commission on banking says, "during the period 1886 to 1890 boom conditions prevailed in the eastern states of Australia. These were brought about principally by the lavish expenditure of money borrowed from British leaders, either by the governments in the form of loans or by private institutions such as land and finance companies, building societies and some of the trading banks in the form of deposits . . ."

The private trading banks made handsome profits in this boom period. The Royal Commission report says: "for many years the Commercial Banking Company of Sydney Ltd. paid 25 per cent.; the Commercial Bank of Tasmania 20 per cent.; the Bank of New South Wales and the Western Australian Bank each 17½ per cent.; and the Bank of Australasia and the Union Bank 14 per cent. By 1892 some of the banks had reduced their rates but the average for that year was still 12½ per cent. . . ."

The going was too good to last. The failure of Barings Bank in London reversed the stream of British investment and precipitated a bank crash in Australia. In December, 1890, the Premier Building Association in Melbourne crashed, followed by more than 40 building and financial associations in Sydney and Melbourne in the next two years. By the beginning of 1893 some of the trading banks begun to show obvious signs of weakness. First bank to close was the Federal Bank of Australia Ltd. which failed on January 28, 1893. In April the Commercial Bank of Australia suspended payment to be followed in the next six weeks by eleven other trading banks.

The Commercial Banking Company of Sydney made no provision to meet losses because a revaluation of its assets made immediately after suspension disclosed a hidden surplus of £225,000 part of which was used to meet the expenses of reconstruction and part added to inner reserves. Piling up secret reserves is apparently a habit which the Commercial Banking Company of Sydney has not outlived. In his 1947 report to shareholders the chairman of the bank, Mr. E. R. Knox, said, "Throughout the bank's history its directors have conceived their first duty to be protection of their depositors and have followed the practice of prudent men in building up the bank's financial strength to enable it to withstand any possible crisis. **In consequence, its resources are greater than the market price would indicate . . ."**

A scathing indictment of the competitive private banking system is contained in the Royal Commission's report. Discussing the causes of the 1890's bank crash the Royal Commission said, "One of the most important factors was undoubtedly the incompetent direction and management of the smaller financial institutions whose weakness brought about the crisis. But the directors and managers of some of the trading banks were not free from responsibility. These banks competed for both deposits and advances and, in addition, provided finance for some of the smaller institutions. As the crisis developed, other banks which may have been more wisely managed were unable to stand the strain and were forced to suspend."

What happened to the deposits of the public in the great bank crash? The Minister for Information, Mr. A. Calwell, said in Parliament that "these were seized and transferred into interminable securities carrying interest at low rates." Mr. Calwell said that some of the banks which failed in the 'nineties "have never repaid what they owe to the depositors' or their heirs and successors.

"Most of the banks that reconstructed did so by confiscating the deposits of the unfortunate public of Victoria and issuing preference shares for them. The English, Scottish and Australian Bank issued 4½ per cent. preference shares. A few years later the bank, because it was working under a British charter, persuaded the British Parliament to pass an Act to reduce the interest rate from 4½ per cent. to 3 per cent.; and although it is 52 years since the bank crashed in Victoria, none of the £2,000,000 that remained owing to depositors of that bank in Victoria and other States has ever been repaid by the directors of the English, Scottish and Australian Bank."

The report of the Royal Commission on banking substantiates Mr. Calwell's claim that depositors of the private banks which crashed in 1893 were regimented by the bank directors who dictated to them that they would have to convert their deposits into low interest rate bank stock.

The Royal Commission report says, "depositors were given an option to convert part of their deposits into preference shares and in others were compelled to do so. Deposit receipts were issued for the balance. These were payable by annual or half-yearly instalments, the first in most instances about five years after the date of reconstruction." This meant that most depositors had to wait five years before they could handle a penny of the money they had foolishly entrusted to the "safe" keeping of the private trading banks.

THE BANKS IN THE DEPRESSION.

The Bankers' propaganda against nationalisation contains the false claim that the Royal Commission completely absolved the private banks from all blame for the big depression of 1929-33. Large advertisements published by the Bank of New South Wales quote this extract from the Royal Commission's report:

> "There is no justification for the view that the trading banks, in order to enlarge their profits, deliberately expanded credit to produce a boom and then contracted so as to produce a depression."

But the Bank does not publish the following extract from the same Royal Commission Report:—

> "Along with other parts of the system, the trading banks must bear some responsibility for the extent of the depression. In the more prosperous times preceding the depression, they went with the tide and expanded credit. There was then no central bank to guide their policy, but, even in its absence, the banks might have taken concerted action which would have helped to dull the boom, and thereby have lessened the extent of the depression.
>
> "At the outset of the depression, the trading banks . . . were forced . . . to adopt a policy of contraction which intensified the depression."

Misleading propaganda by the banks that the Labor Government intends through nationalisation to establish a dictatorship is designed to cover up the fact that the big bankers themselves dictated to the Government and the people in the depression years.

The first evidence of the bankers' dictatorship was provided in the late nineteen-twenties when the Big Four British bankers visited Australia to map out a financial policy for Australian Governments that would secure the interests of big British investors. The Big Four were followed in July, 1930, by Sir Otto Niemeyer, of the privately owned Bank of England. Sir Otto dictated what even the Commonwealth Year Book was constrained to call a "severe deflationary policy." In effect Sir Otto told Australian Governments that their obligations to British bondholders would have to be met in full and that Australia could "stew in her own juice."

The "severe deflationary policy" dictated by Sir Otto Niemeyer found favor with Australian bankers and industrialists

and with the Board of the Commonwealth Bank which was then dominated by Big Business interests.

From the time of its foundation in 1911 up to 1924 the Commonwealth Bank was administered by a Governor appointed by Parliament. Under this form of administration the Bank had performed valuable national service for more than 12 years. During the first world war it floated £350,000,000 in loans at a cost of only 5-7 per cent. Profiteering private banks had been charging up to £3 per cent. for similar services. The Commonwealth Bank saved the Government more than £6,000,000 in bank charges on this item alone. In addition the Commonwealth Bank helped save Australian primary producers from ruin by financing wheat, wool and butter pools to the extent of £436,000,000. It also found £2,000,000 for the Government to buy ships to start the Commonwealth Line. Up to 1924 the Commonwealth Bank financed fruit and jam pools with £1,500,000, found £4,000,000 to finance home building and paid to the Commonwealth Government £3,000,000 profit on the note issue. It had also lent £9,000,000 at low interest to local government bodies and shown a profit of £4,500,000 on its general activities.

The Commonwealth Bank had clearly shown that if ever it entered into serious competition with the private trading banks the days of the latter would soon be numbered. To guard against this eventuality and completely subordinate the Commonwealth Bank to big business control, the Bruce-Page Government, in 1924, altered the Bank's constitution. Control was taken out of the hands of the Governor and vested in a Board composed of leading representatives of big business.

The upshot of the Bruce-Page legislation was that the Commonwealth Bank was converted into a Bankers' Bank. The Government had no mandate from the electors for this and the question was not submitted to the people by referendum.

The Commonwealth Bank as a Bankers' Bank co-operated with the private banks during the depression to dictate policy to the elected Governments and to foist the Niemeyer Plan onto the Australian people. The Neimeyer Plan became embodied in the Premiers' Plan adopted by a meeting of State Premiers in Melbourne in June, 1931. The Premier of N.S.W., Mr. J. T. Lang, was chairman of the conference and the first Premier to sign the Plan.

Main points in the Premiers' Plan were:

- A 20 per cent cut in all adjustable Government expenditure, including all emoluments, wages, salaries and pensions, whether fixed by statute or otherwise.

● The securing of additional revenue by increased State and Federal taxation.

● Conversion of internal debts on the basis of a 22½ per cent. reduction of interest.

In addition to wage and salary cuts carried out by the Government in the public service, the Arbitration Courts imposed a general reduction of wages of more than 20 per cent. The Federal Arbitration Court gave the lead in wage slashing in January, 1930, six months after Sir Otto Niemeyer's visit, when it cut railwaymen's wages by 10 per cent. in addition to the automatic downward adjustment to falling prices. The 10 per cent. reduction in real wages was quickly extended to all workers. War pensioners had their pensions cut by 20 per cent. and old age and invalid pensioners suffered a reduction of 12½ per cent. The new taxes were deliberately designed to miss industry and hit the people who could least afford to pay. This is revealed in the Commonwealth Year Book (1931, page 763), which says, "the only possible substantial contribution must be by taxes on consumption so designed to add as little as possible to the costs of industry." The Year Book also reveals that the reduction of interest had a twofold aim, to safeguard the capital of the investor and to sugar coat the bitter pill of wage and pension cuts.

The Year Book states, "Income from interest, particularly from Government bonds and bank interest, has hitherto suffered little loss. A reduction in interest will ensure that it will contribute equitably to the common effort to restore solvency. Unless the contribution is made it is not to be expected that the wage-earner and pensioner will acquiesce in the very real hardships imposed on them by this plan."

When the Scullin Government applied to the Commonwealth Bank for funds to alleviate unemployment the chairman, Sir Robert Gibson, replied :

> **"Subject to adequate and equitable reductions in all wages, salaries, and allowances, pensions, social benefits of all kinds, interest, and other factors which affect the cost of living, the Commonwealth Bank Board will actively co-operate with the trading banks and the governments of Australia in sustaining industry and restoring employment.**
>
> **"This is the objective which it is desirable to aim for and necessitates practical co-operation and effort in its attainment."**

This proves that the big bankers who to-day rant against the alleged dangers of dictatorship in the Government's nationalisation proposals functioned in the depression as the most ruthless dictators. Not only were they responsible for worsening the effects of the depression but they dictated that the people should carry the burden. Bank nationalisation will end the dictatorship of the private banks and restore to the democratically elected representatives of the people power to control financial policy in the national interests.

THE BANKS AND FASCISM

Menzies demagogic charge that the Labor Government, by nationalising the private banks, was following in Hitler's footsteps sounds strange on the lips of the man who on his return from a visit to Germany in 1938 said he had

> "been impressed with German industrial efficiency and with the attitude of responsibility of the big industrial enterprises to the welfare of their employees and their children" and who told Mr. Mahoney, M.H.R., that he had a "great admiration for the Nazi organisation of Germany" and that there was "a case for Germany against Czechoslovakia" and that "we must not destroy Hitlerism or talk about shooting Hitler."

There is not an atom of truth in the claim that Hitler nationalised the private banks. Hitler, the bloodiest tyrant in history, was actually enthroned in the banking chambers of one of the biggest private bankers in Germany. This is revealed by Fritz Thyssen, one of the big German industrialists, who backed Hitler's rise to power. In his book, **I Paid Hitler,** Thyssen reveals that "Von Papen arranged an interview with Hitler and the Cologne banker, von Schroeder, cousin of the well-known London banker, Baron Schroeder. The interview took place at Cologne in Herr von Schroeder's banking house."

Thyssen added, "It is a well-known fact that Von Papen was successful in his intrigues. On January 28, 1933, General von Schleicher resigned his Chancellorship and on January 30 President von Hindenburg appointed Adolph Hitler to that office."

Three big private bankers played a leading role in the Supreme Economic Council, the shadow cabinet which ruled Germany through the Nazi Party. The three private bankers who helped shape Hitler's policy of aggression were Herr F. C. von Schroeder, Herr A. von Finck and Herr F. Reinhardt.

Far from having nationalised the private banks the fascist regime in Germany helped strengthen the private banking monopoly. Under Hitler's dictatorship the process of big banks swallowing up their smaller competitors was speeded up. The huge Dresdener Bank acquired the Bleichroeder Bank and the banking business of Arnhold Bros., while the big Deutsche Bank seized the property of the Mendelssohn Bank.

Private bankers in Britain and America also financed Hitler and a London director of one of the big Australian banks was a member of the notorious Anglo-German Fellowship which was organised by Nazi Ambassador von Ribbontrop to promote pro-Hitler propaganda in Britain.

Early in 1939 soon after Hitler's rape of Austria, Czechoslovakia, and Spain, Mr. Montagu Norman, Governor of the then privately owned Bank of England, said:

> "We will have to give Germany a loan of £50 millions. We may never be paid back, but it will be a less loss than the fall of Nazism."

In the summer of 1939, right on the eve of war, British bankers, with Prime Minister Chamberlain's approval, offered Hitler a loan of from £500 million to £1000 million. Wall Street bankers also financed Hitler. The banking houses of Morgan, Rockefeller, Dillon Read and Co. and the American branch of the Schroeder Bank supplied millions of dollars to finance Nazi rearmament.

The following private banks had representatives on the notorious Anglo-German Fellowship. The Bank of England, Midland Bank, Lloyds Bank, National Bank of Scotland, J. Henry Schroeder (London), the British Linen Bank, Ralli Bros., Coutts Bank, the National Bank of Egypt, and the National Bank of Australasia.

The National Bank of Australasia was represented on the Anglo-German Fellowship by Lord Hutchison of Montrose, a member of the bank's London Board of Advice. The National Bank constitutes the financial hub of the powerful Collins House group of enterprises which includes Australia's biggest industrial monopoly, the B.H.P. Australian directors of the National Bank are H. G. Darling, also a director of the B.H.P. and Australian Iron and Steel; H. D. Giddy, closely connected with the Murdoch press monopoly; Hon. Sir Frank Clarke, a director of the big pastoral company, Goldsborough Mort; D. York Syme, associated with the Melbourne Age, B.H.P. and Melbourne Steamships; T. C. Alston, a director of Paterson, Laing and Bruce and Australian Consolidated Industries, the big glass monopoly; and Sir Clive Macpherson. Not one of these directors has publicly denounced or repudiated the pro-Hitler activities of Lord Hutchison on the Anglo-German Fellowship. Lord Hutchison was still a member of the London Board of Advice of the National Bank in 1946.

Just as the private bankers of the world spent millions in subsidising Hitler's war on democracy in the past, Australian bankers are to-day prepared to spend millions to defeat the Government's democratic nationalisation proposals. Strong evidence that the bankers and their supporters are prepared to resort to undemocratic, violent methods is contained in the published statements of Mr. Heffer, General Manager of the Bank of N.S.W., and Mr. Menzies. Menzies was reported on the front page of the Sydney Morning Herald to have said that a letter received by a bank official from Federal Minister Pollard, "would justify assault and battery by the man who received it." The advocacy of violent assault on parliamentarians is one of the hall marks of fascism.

The Minister for Information, Mr. Calwell, alleged in Parliament that there were New Guard implications in a statement by the Bank of N.S.W. general manager, Mr. T. B. Heffer. The statement quoted by Mr. Calwell from Mr. Heffer's circular against bank nationalisation, said, "Do not rely on legal action to block the proposal." Mr. Calwell asked "What's the sinister implication of that? They want to use illegal means against bank nationalisation. But the Government will see that the private banks carry on all their activities inside the law. It won't pay to do anything illegal. There are all the implications in that statement by Mr. Heffer, of New Guardism, and everything else."

LENIN ON THE BANKS.

Since the big bankers in their propaganda against nationalisation of the banks have featured what Lenin is alleged to have said about bank nationalisation in 1917 it is necessary to record what the leader of the Russian people really did say on this subject. One banker's pamphlet claims that Lenin advocated bank nationalisation so that the small man could be tied hand and foot. On the contrary Lenin said that bank nationalisation would bring enormous advantages for the mass of peasants and small industrialists.

The most comprehensive and authoritative statement by Lenin on nationalisation of the banks under capitalism is contained in an article, The Threatening Catastrophe and How to Fight Against It, written in September, 1917. In advocating bank nationalisation as one of the most important measures to combat economic crises Lenin wrote :

"The banks, as we know, are the principal nerve centres of the whole capitalist economic system. To talk about 'regulating economic life' and at the same time to evade the question of the nationalisation of the banks is either to betray the most profound ignorance or to deceive the 'common people' by florid words and grandiloquent promises with the deliberate intention of not fulfilling these promises.

* * *

"The nationalisation of the banks, which would not deprive a single 'owner' of a single farthing, presents absolutely no technical or cultural difficulties whatsoever, and is being delayed **exclusively** because of the vile greed of an insignificant handful of rich men. If the nationalisation of the banks is so often confused with the confiscation of private property, it is the bourgeois press, whose interest it is to deceive the public, that is responsible for the dissemination of this confusion of ideas.

"The ownership of the capital wielded by and concentrated in the banks is certified by printed and written certificates called shares, bonds, bills, receipts, etc. Not a single one of these certicates would disappear or be altered if the banks were nationalised, i.e., if all the banks were amalgamated into a single state bank. Whoever owned fifteen rubles on a savings account would continue to be the owner of fifteen rubles after the nationalisation of the banks; and whoever had fifteen million rubles would continue after the nationalisation of the banks to have fifteen million rubles in the form of shares, bonds, bills, commercial certificates and the like.

* * *

"The advantages from the nationalisation of the banks to the whole people, and especially—not to the workers (for the workers have little to do with banks) but—to the mass of peasants and small industrialists, would be enormous. The saving in labor would be gigantic, and, assuming that the state would retain the former number of bank employees, nationalisation would signify a highly important step towards making the use of the banks universal, towards increasing the number of their branches, the accessibility of their operations, etc., etc. The accessibility and the easy terms of credits, precisely for the **small** owners, for the peasantry, would increase immensely.

* * *

"For the first time the state would be in a position first to **survey** all the chief monetary operations, which would be unconcealed, then to **control** them, then to **regulate** economic life, and finally to obtain millions and billions for large state transactions without paying the capitalist gentlemen sky-high 'commissions' for their 'services.' That is the reason—and the only reason—why all the capitalists, all the bourgeois professors, the whole bourgeoisie, and all those who serve them, foam at the mouth and are prepared to fight the nationalisation of the banks and invent a thousand excuses to prevent the adoption of this most easy and essential measure.

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