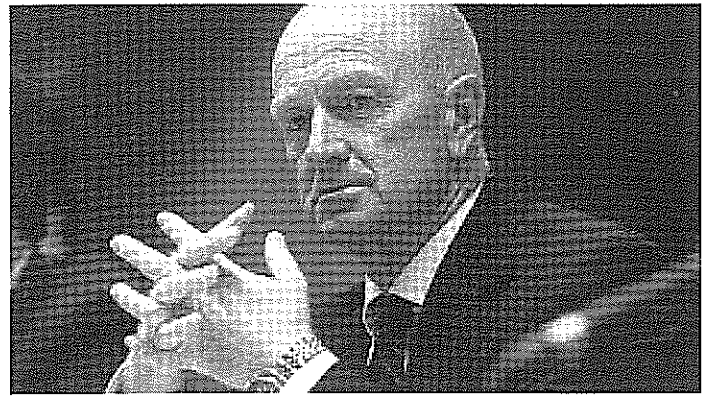


MR. STEVENS, WHO ARE YOU WORKING FOR?

By David Brooks



On 22 November, 2010 'The Australian' wrote an article about Mr Stevens' push to restrict land sales. This is outrageous! The governor of our Reserve Bank of Australia is a public servant and should be working in the general public's interests and not the banks.

What happens in Australia is a matter very thoroughly edited by government, by the corporate press, and the media. This censorship is generally the result of cooperation between the various parties. Page 5 of The Australian of 22 November 2010 is an exception. Whilst many berate the press for their controlled output, there is the occasional glimpse of how the press became known as the Fourth Estate. Using the "Freedom of Information Act" The Australian was able to discover a matter which should be of some importance to the public. And certainly should not have been held out of public view by either the Labor government or the Governor of the Reserve Bank.

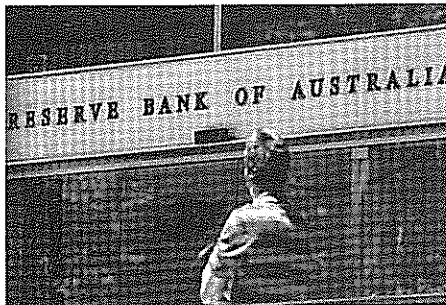
The headline, of the article in question, does not tell the story. It gives the casual reader a false impression. But what are headlines for? "RBA intervenes to avert housing slump." Wowee! Someone is working on our side! You must be kidding!

Are High Prices Good?

Reading the article in depth one soon realises that Mr Stevens (RBA governor) has had major input to the restriction of land sales in an effort to avoid "a housing slump." Very noble! But since when have high prices been a boon to anyone? If the price of

margarine or butter or potatoes rose by sixty or seventy percent in the past five years or so there would be hell on earth. So why do such a great number of people believe that high "house" prices are a "Good" thing? There are some 178,000 persons seeking a home in this country. Try telling them, that the higher the price, the wealthier they are. So who is it who gains from such concern by the governor of the Reserve Bank of Australia?

Who Gains?



It certainly is not the people seeking to purchase or rent a house. It certainly isn't the building profession, who are continually seeking land upon which to build their product. Perhaps its current householders? But they have to pay as much, if not more, for a new house as they will get for the old one. Hardly a gain of sufficient size to attract the governor of the RBA. So who is the Reserve Bank protecting? The biggest money interest in this is the banks. They own most mortgages (the Commonwealth Bank owns 900,000 mortgages). So are we seeing an American style protection of the banks, a Bernanke look alike called Stevens?

Land is important, not only to the wealthy people but also to the not so wealthy, poor, people. We get our food

from the land we get our minerals from the land and we use it to build our houses and factories and schools. So when an influential Reserve Bank governor starts to play with that which affects so many lives it is only right that we question him. Not only as to his motivation, has The Australian article pointed well to that. But also as to thinking. What sort of person puts the livelihood of so many at risk for what? Mr Stevens' personal wealth would exceed that of a vast majority of Australians. Is it that the greed so openly flaunted by the banks reaches even into the Reserve Bank of Australia? Mr Stevens' stance is untenable and so is that of the government that supports him. The price of land is the great barrier to the economic well being of a great many Australians. To have the price of land raised by an extremely rich group of banking interests simply "protecting" the unethical investments of shareholders must be the pits in human interest concerns. We love our fellow man so long as we can collect his rent.

Why Does it matter?

It may be just the dirt beneath our feet... But when the price runs to thousands of dollars per square centimetre, it represents a load of cash. And that money may be wielded and manipulated in any sphere, including the political one. The people to gain from Mr Stevens' stance are comparatively few, but very wealthy. The vast majority of Australians will lose to those Mr Stevens favours. It is time he left.