

Citizens Electoral Council of Australia

Postal Address: PO Box 376, Coburg Vic 3058

Phone: 1800 636 432 Fax: 03 9354 0166

Home Page: www.cecaust.com.au Email: cec@cecaust.com.au



Authorised by R. Barwick, 595 Sydney Road, Coburg, Victoria 3058. Printed by Citizens Media Group Pty Ltd., 595 Sydney Road, Coburg, Victoria 3058.

Independent Political Party

10th of April 2014

Isherwood on WA farm crisis:

Destroy the banks' death grip on farmers with Glass-Steagall, a national bank, parity pricing

Citizens Electoral Council leader Craig Isherwood today declared that the only way to save the family farmers in WA's wheat belt is to bust up the banking system that is systematically annihilating them.

Isherwood was responding to *ABC Landline's* 6 April report on farm foreclosures in WA, which revealed the high interest rates of 13-17 per cent that banks were imposing on the debt-laden farmers. *Landline* reported the case of Peter Repacholi's 102-year-old family farm at Kondinin, which CBA-subsi-dary BankWest has foreclosed on after last June whacking up the interest rate on its \$3.5 million debt from 8.5 per cent to 13.62 per cent.

This is one of around 300 current cases of the banks cutting off credit to farmers in the wheat belt; it is the latest crisis period in a long-term assault on family farms, that has seen the number of family farmers in the WA wheat belt alone collapse from 20,000 to just 4,400 in 25 years, reducing once-vibrant local townships to virtual ghost towns.

"The banks are intentionally driving family farmers from their land," Isherwood charged.

"They are acting like loan sharks, justifying their usury by reappraising the farmers as high risk.

"The truth is," he said, "it is the banks which pose the high risk—to all Australians. Australia has the world's single most concentrated banking system, centred in the Big Four and Macquarie, which are lending like mad into the black hole of the property bubble that is warping the entire Australian economy.

"The banks are so addicted to the multi-trillion dollar derivatives betting they do on mortgages, they are starving the rest of the economy of credit. [Click here to read "Memo: The Great Australian Mortgage Bubble" (PDF)] <http://cecaust.com.au/pubs/pdfs/Mortgage-Bubble-Memo-Web.pdf>

"This is not just a crisis for farmers, it is a crisis for all Australians, because it is destroying our national food security. The corporate agribusinesses that take over their land do not provide food security: only family farmers are committed to producing food every year, to being good stewards of the land so they can pass it on to the next generation, and to supporting their local communities."

Isherwood said the only way to save Australia's family farmers is through a Glass-Steagall banking separation, national banking and parity pricing.

Glass-Steagall

A Glass-Steagall banking separation is the only way to break the concentrated power of the Big Four banks, and Macquarie Bank: split the banking conglomerates into retail banks which take and lend deposits, completely separated from all forms of risky investment banking, stockbroking and insurance. This will cut off the derivatives gamblers from the deposits that have fuelled their frenzy of speculation, freeing up those deposits for normal lending, including to family farms and businesses.

National bank

It is in the national interest for credit to be available for the priority areas of economy, especially food production. A national bank, owned and run by the government, can direct credit where private banks won't. For instance, a national bank could easily refinance the \$70 billion of total Australian farm debt (\$14 billion in WA), with long-term, low-interest credit. Australia's original national bank, the 1911-1959 Commonwealth Bank, financed much of the early development in the wheat belt, including the construction of the roads around Merredin so soldier-settlers after WWI could transport their wheat. The CEC has drafted legislation for a new national bank called the Commonwealth National Credit Bank.

Parity pricing

The long-term solution for family farmers is a parity-pricing scheme that ensures the return to producers covers their costs of production. The U.S. instituted a parity-pricing scheme in 1941, to both guarantee food security in WWII, and to boost national income. The architect of the scheme, Carl Wilken, proved that every dollar earned on farms generated \$7 in national income—the highest multiple of any sector. Parity pricing worked so brilliantly that farm borrowing dropped dramatically, because the farmers were able to finance their crops and production from farm income. This is known as the Golden Era for U.S. agriculture. It was the Wall Street banks which pressured Congress to end the scheme in 1952. [Click here to read a 4-page pdf file recounting the U.S. parity-pricing scheme.] http://cecaust.com.au/aas/AASVol16No09_Almanac_No06_email.pdf

Isherwood concluded, "The farm crisis, not just in WA but nation-wide, is rightfully provoking more and more people to call for a different banking system. Glass-Steagall, national banking, and parity pricing are the essential elements of that system.

"The CEC is leading the fight for these solutions—join us."

GET YOUR FREE COPY

Call toll-free 1800 636 432 for a free copy of the CEC's new pamphlet, **Glass-Steagall NOW!**, which exposes the danger of a banking collapse in Australia due to derivatives gambling, and a free copy of a speech by U.S. farm leader Frank Andres explaining the need for parity pricing.



Citizens Electoral Council of Australia

Postal Address: PO Box 376, Coburg Vic 3058

Phone: 1800 636 432 Fax: 03 9354 0166

Home Page: www.cecaust.com.au Email: cec@cecaust.com.au



Authorised by R. Barwick, 595 Sydney Road, Coburg, Victoria 3058. Printed by Citizens Media Group Pty Ltd., 595 Sydney Road, Coburg, Victoria 3058.

Independent Political Party

3rd of April 2014

CEC on energy security:

“Nationalise our oil & gas, raw materials!”

The following release was first issued on 22 July 2008. The CEC is reissuing it today, because Australia's energy security is under assault from multinational oil companies and predatory speculators. The oil oligopoly is systemically shutting down Australia's fuel refineries, to leave the nation at the mercy of imports. Predatory speculators in London and Amsterdam are keeping the price of oil artificially inflated. This reissued release explains that the only way Australia will preserve its energy security is by nationalising the oil and gas industries.

The speculation-driven skyrocketing price of petroleum is savaging all Australian citizens, and destroying our agricultural and trucking industries, among many others. This crisis is orchestrated, not only through the Amsterdam spot market, where hundreds of “paper barrels” of oil are bought and sold for every actual barrel produced, but also here at home, through the collusion of both Coalition and ALP governments with the British Imperial energy/raw materials cartel over the past two decades or more. Our continent and surrounding waters contain some of the world's greatest deposits of oil and gas, literally oceans of it, while hundreds if not thousands of on-and offshore oil wells have been drilled and just capped, in order to create an artificial shortage.

Therefore, to protect the Common Good of this country, both in the present international hyperinflationary crisis, and to secure Australia's future, the Citizens Electoral Council calls for the nationalisation of all our oil & gas deposits, together with our raw materials in general. We must establish an Australian National Resources Company (ANRC), to control, protect and develop our almost-unimaginable wealth in energy and raw materials, which is presently being looted by Rio Tinto, BHP Billiton, Shell, BP, etc.. The September 2008 issue of the Citizens Electoral Council's *New Citizen* newspaper will contain our full proposal for the ANRC. Here, we merely highlight crucial aspects respecting the so-called “oil crisis”.

Oil can be, and is now being produced in this country for \$5 per barrel. Here it is from the horse's mouth, in a briefing given by Mike Yeager, Chief Executive of BHP Billiton's Petroleum Sector on 7 May 2008: “We're right now sitting at \$5 [production price per barrel] ... That's how we're able to, to contribute these extraordinary returns and extraordinary margins to our corporation—something we're very, very pleased with.”

Allowing for refining and distribution costs etc., and retail margin, a \$5 per barrel production cost would translate into an approximate petrol/diesel cost of **25 cents per litre**, before tax. As for excise taxes, their purpose is nominally to fund road maintenance; in reality, they are not only poured into General Revenue (and not mainly used for road maintenance), but are highly regressive, and therefore should be scrapped. Road maintenance, like other major infrastructure, should be funded out of a Capital Budget, as distinct from the Government's annual Operating Budget.

While the Coalition/ALP governments provide hundreds of millions or billions in taxpayers funds to British or British-controlled companies to develop oil and gas fields, those

governments demand almost nothing in return. Yeager: “In the deepwater Gulf of Mexico and in Western Australia, we pay very, very small royalties. We keep the majority of the barrels ourselves... So, we keep all the upside. If these barrels were in Algeria or some other place of the world, then you'd be sharing that upside with the Government.”

Numerous experts, such as Marita Bradshaw, Senior Petroleum Adviser to Geoscience Australia, and Belinda Robinson, Chief Executive of the Australian Petroleum Production & Exploration Association (APPEA), have repeatedly stated that Australia's natural gas deposits are so huge that Australia could soon be the second or third largest producer of liquefied natural gas (LNG) in the world, “another Qatar”.

Putting aside that oil is often found along with natural gas, the *AusGeo News* observed in March 2005, regarding petroleum, “The continent and its marine jurisdiction are vastly underexplored; only 8000 wells have been drilled and many offshore basins have never been tested.” Surveying the state of Australia's oil industry, *The Australian* reported on 14 April 2007, “In terms of offshore frontier basins [i.e. prospective oil fields] Australia has the largest spread and largest variety of any country in the world. There is little doubt that Australia has barely scratched the surface in terms of petroleum exploration.”

This crisis has been orchestrated, both by lack of government policy to develop oil and gas, and because hundreds or even thousands of oil wells which have been drilled, *have been “cased and suspended”*, as reported by dozens of individuals active in the industry and even partially by the government itself, as in Geoscience Australia's 2006 report, “Oil and Gas Resources of Australia 2004”, among other sources.

Consider: *In 1985, Australia produced 96% of all its crude oil needs through domestic production.* Then, consider the following two reports, which document the devastating effects of this Australian government collusion with the British cartels in the ensuing years:

The U.S. Department of Energy's Energy Information Administration (EIA) reported that Australia's “net oil imports in 2000 averaged only 65,000 bbl/d, or 7 percent of total consumption”, then hit 39% of total consumption by 2006 (362,200 bbl/d of 925,000 bbl/d), but “*The Australian government expects petroleum import dependency to increase to around 80% in 2010.*” (emphasis added)

APPEA Chief Executive Belinda Robinson on 24 June 2008 reported that Australia actually had had a small net surplus of petroleum in 2000, but that went to “a deficit of about \$13.7 billion in 2007”. Furthermore, she said, “Assuming no increase in refining capacity in Australia [which is entirely controlled by the oil cartel—ed.], *that could blow out to \$28 billion by 2017...*” (emphasis added)

As Australians, we must decide: Will we continue as a typical, ever more immiserated British colony looted for its raw materials resources, or shall we become, at long last, a sovereign nation state securing the Common Good for all of its citizens?