

THE NEW TIMES

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"Ye shall know the truth and the truth shall make you free"

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GORTON CONTINUES TO COURT DISASTER

In a recent television programme in Melbourne in which the Prime Minister was closely questioned on the impact of recent financial policy enactments, Mr. Gorton concluded his answers with the observation "I am not much of an economist". Events in recent weeks illustrate that policies of vital importance to the welfare of the Australian community, the impact of which Mr. Gorton seems to be totally ignorant are being used to bring a period of instability unparalleled in post-war history.

Mr. Gorton was also credited recently with a rejoinder when answering a charge of deliberately courting political suicide with "let us then commit political suicide". At the time Mr. Gorton was forcing the Liberal Party to accept legislation which destroyed State control over offshore boundaries. He was threatened with revolt from a considerable number of his backbench members on the basis that the Government was breaking a solemn promise made only twelve months previously that before any such move was contemplated full discussion and co-operation with the States would take place.

Such is the attitude, which typifies Mr. Gorton's approach in his dealings with other people. Recklessness and arrogance are the current adjectives being used to describe his attitude. In the meantime while Mr. Gorton indulges in polemics and dog fights over domestic affairs, the foreign policy of the nation has almost ground to a halt. The mounting financial crisis, which brought about the admission that he was no economist, could very shortly be replaced by a crisis over the Vietnam issue that could prove beyond all doubt that Mr. Gorton is hopeless when it comes to foreign policy also. With a consortium of Communists, Labor Party leaders, clergy and teachers on the left-wing bandwagon making the running on the Moratorium issue, the Prime Minister has said precisely nothing to challenge what is a blatantly Communist directed propaganda exercise of the greatest importance. The worldwide Communist conspiracy is making an all-out effort to bring violence and chaos into the streets of Australian capital cities, stir up students, school children and incite mob violence, and Mr. Gorton says nothing. Up to the time of writing this editorial Mr. Gorton has been silent on the American decision to commit troops to the Cambodia arena in the Vietnam struggle. While other party leaders other than the Country Party have made their positions clear. With Australian troops dependent upon the success of the Americans it would be thought that Mr. Gorton would not hesitate to support the American move, but Mr. Gorton remains silent. *

The hard facts are that Mr. Gorton is incapable of giving the leadership Australia so desperately needs in both home and foreign affairs. He lacks strength, as is evident over our foreign policy indecisiveness, and confidence in his promised word is lacking. As Mr. David Fairbairn remarked, "If we go on in this manner who is going to accept an undertaking from the Gorton Government?"

UNPRECEDENTED CREDIT SQUEEZE

An indication of the manner in which orthodox economic solutions are in the process of destroying what vestige of support may be left outside the hard core of Liberal voters was given by a spokesman from The Treasury Department reported in *The Bulletin*, April 25. "Unprecedented is a word I hesitate to use. Someone is sure to dig up some precedent somewhere. But, yes, I'll say the present credit squeeze is unprecedented". If this is so, and every indication points in that direction, the Australian people are going to be subjected to a period of economic stringency we may not have seen since the depression period of the 'thirties. The recent rise in the overdraft rate and interests on loans has been followed by a rise to 7 percent for Government bonds. This means the Government is intent on maintaining a high

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level of interest payments on all loans. The result must be the heaviest possible impact on the cost structure, which must eventually affect every phase of living. The Melbourne Age has already announced the steepest rise in food price rises in nearly 10 years, and it is only the start. Four hundred essential grocery items have risen by 3 percent since Christmas. According to the same survey such rises are coming in at the rate of 70 per week. The stage is being set for the worst period of industrial unrest for many years to coincide with major programmes of agitation by the Communist apparatus in the country. Unless the Government can be made to see that the same

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*He has since defended the American action, but announced an Australian policy of negativeness in seeking a neutral Cambodia.

CONVULSIONS ON THE NORTH AMERICAN CONTINENT

By *ERIC D. BUTLER*

Mr. Eric Butler has just completed a two months lecturing and fact-finding tour of the U.S.A. and Canada. His diverse activities enabled him not only to meet a wide cross section of the American and Canadian people, but to talk to newspaper editors, politicians, and individuals actively engaged in exposing and opposing the revolutionary activities convulsing the North American continent.

When Lester B. Pearson, former Liberal Prime Minister of Canada, now serving the Marxist-created World Bank, insisted on taking the Union Jack out of Canada's flag, he argued that this step was necessary to produce national unity. But this and subsequent steps have produced exactly the opposite: growing friction which now threatens the very future of the Canadian Confederation. Pierre Elliott-Trudeau was Pearson's choice as his successor. It was argued that because of his Scots-French background, Trudeau as Prime Minister would be a unifying force in Canada. Prime Minister Trudeau claimed during the 1968 Canadian elections that his type of Federalism would end the separatist threat in Quebec. The recent Quebec elections have shattered that argument. The Pearson Government established a Bi-Cultural Commission, allegedly to study the problem arising from different racial groups living together in the one nation, and to advocate solutions. One "solution" is an attempt to force French upon English-speaking Canadians, the majority. This has produced friction in a field where previously it hardly existed.

Compounding all this is the current severe credit restriction policy being imposed by the Trudeau Government, "advised" by well-known Keynesians from the notorious London School of Economics. Deflation is the orthodox answer to inflation, even though it produces large numbers of unemployed and business bankruptcies. The Trudeau Government's credit squeeze coincides with serious problems for Western wheat growers who, like Australian wheat growers, have suddenly discovered that they have been encouraged into over-expansion on the basis of "unlimited markets" in Red China and elsewhere. It is not surprising that there is growing talk in Western Canada of "Western Separatism". At least one economic study is being made to ascertain the feasibility of British Columbia, Alberta, Saskatchewan and Manitoba "going it alone".

INFLATION UNLIMITED

In a recent address to the Canadian Club in Toronto, old London schoolboy Louis Rasminsky, Governor of the Central Bank, the Bank of Canada, made it clear who is fashioning Canadian financial and economic policies. He bluntly stated that he was not prepared as yet to relax the present restrictive policies. New top Government financial "adviser", Mr. Sol Simon Reisman, another old London School boy, has also stated that the

present restrictive policies must be pursued, even to the extent of "leaving some blood around the place". But while the "blood" continues to flow, and economic and human casualties mount, inflation still continues. South of the Canadian border, President Nixon, pursuing the same type of financial rules, and "advised" by the same type of "experts", has also been grappling with inflation. During the first year of the Nixon Administration, the cost of money was driven up to the highest level for 100 years. There is little doubt that the American withdrawal from Vietnam is related in part to the destructive anti-inflation programme in the U.S.A. Defence Department sources in Washington stated on April 20 that the U.S.A. has had to cancel "a major naval exercise for lack of money at the time the Soviet Union was planning worldwide ocean manoeuvres with all four Soviet fleets . . ." Cuts in defence spending are part of the anti-inflation programme.

As in Canada, the crippling credit restrictions imposed by the Nixon Administration have not halted inflation, only slightly slowing it down. The American price level rose 6 percent between 1968 and 1969, and was little lower than this when President Nixon and his "advisers" recently decided that the coming November elections demanded some temporary change. Billions of thousands are to be provided for welfare payments of various types. One of the most significant items is the provision of one and a half billion dollars for the busing programme designed to bring about integration through "balance" in the nation's schools. The busing programme is one of the U.S.A.'s major issues at the present time, with mounting public opposition in all parts of the nation. Nixon hopes that he can ride the storm out by publicly professing his sympathy with the demand by parents that they send their children to the nearest local schools, which means in practice segregated schools, while at the same time saying that his officials must comply with the orders of the Courts.

GROWING GUERRILLA WARFARE

The serious economic dislocation in both the U.S.A. and Canada is providing the ideal environment for the development of revolutionary activities of all types. A new manual on *Urban Guerrilla Warfare* has recently been published in Cuba, emphasising amongst other tactics, the hi-jacking of planes, kidnapping of diplomats and more direct confrontation with the police and the

EXPORTS AND FOREIGN POLICY

courts. All this is happening. Violence is growing throughout the whole of North America. On March 18, Rennie Davis, one of those sentenced to jail in the famous Chicago trial resulting from the Chicago riots of 1968, told 500 students at the Columbia University that the 1960s were the time of sit-in, and the 1970s "the time to burn the banks". Canadians who thought, "It can't happen here" have been shaken to see supporters of Mao Tse-tung engaged in violent confrontation with police. This is all part of the pattern of urban guerrilla warfare being shifted from the University campuses into the heart of the big cities. Threats have been made to kidnap American diplomats in Canada. One of the Maoists charged in the Ottawa riots was a member of the editorial department of the Toronto *Globe and Mail*. Those arrested in Ottawa told the police that "blood deaths would be paid in blood" and the police "strung up by their necks" when the revolution came. When brought into court the Maoists told the judge, "We're going to burn you in the gas ovens . . . lackey judge . . . death to the Fascist police . . ." These are the growing fruits of the philosophy of permissiveness and the disintegration of societies whose financial and economic policies force unnatural associations. American technology can put men on the moon—at an enormous cost—but it cannot solve the mounting human and economic problems being created in the swollen big cities. These are becoming little better than concrete jungles in which the quality of life is deteriorating.

While it is true that pollution is being turned into a political football, and there is evidence that the Marxists see this as an issue to urge the extension of bureaucratic control of the individual, there is no doubt that pollution has become a major problem on the North American continent. As yet, there is no suggestion that the pollution of the public water supplies with sodium fluoride can be halted! The Americans have derived many short-term material benefits through driving the present finance-economic system harder than other nations. But pollution is one of the prices they are paying. It is not my concept of the best way of life to be packed on a Los Angeles freeway with thousands of cars while one can hardly see the sun for smog. The Americans have exhausted their own natural resources at a tremendous rate. Much of this has been, and still is, sheer sabotage. The result is they must seek resources in Canada, this in turn producing friction. But unfortunately the case of Canadian nationalism is carried generally by the Communists and other Leftists. Many Canadians dislike American encroachment, but what answer have they when told that they need "foreign capital" to develop their own resources. Under present financial and economic policies, it is made to appear "inevitable" that Canada must be absorbed completely into the U.S.A., in the same way that it is being argued that the United Kingdom must become part of a "United Europe". But this type of unity merely generates even greater internal friction and provides a fertile breeding ground for the revolutionaries.

Driven by the whip of "export or perish", both Canadian and American businessmen are openly preparing for a tremendous expansion in trade with Red China. President Nixon followed the lead of the Trudeau Administration, and has informed American businessmen that they can export "non-strategic" production to Red China. A spokesman for the Canadian Importers' Association, a man who would probably describe himself as strongly anti-Communist, states that he sees Canada as the "Western showcase" for Red Chinese goods in the near future. Under the Trudeau Government, Canada is moving rapidly away from any international responsibilities involving the halting of Communist strategy by force. "Peace-keeping" is the pious theme first developed by Lester B. Pearson. Washington is moving in the same direction. It is understandable. The American people have grown tired in what has appeared to be a hopeless task of taking over international responsibilities which once the British accepted. However, the U.S.A. still possesses enormous reservoirs of strength, moral and economic, if provided with real leadership and realistic financial policies. A glimpse of this strength was shown in the "Victory March" recently in New York. I notice that the Australian press, like the Canadian press, attempted to "play down" this march, which called for victory in Vietnam. Many press reports claimed that only 15,000 marched. As I write this I have before me a letter from an American friend who marched, stating that at least 50,000 participated. Some observers claim

BOOK NOW FOR 1970 ANNUAL DINNER

The Annual "New Times" Dinner is a very special "family" function, and it is essential that it be kept that way. We must therefore restrict guests to "hard-core" supporters and their families. Seats will as usual be allocated in order of bookings, and we trust that with our new policy we can take all supporters wishing to attend the 1970 Dinner. This year's Dinner is on Friday, September 18. Bookings may be made from now on. Donation is \$5 per person. State if receipt is required. With three special overseas guests last year, unfortunately there was not the usual amount of time for fellowship amongst guests. There will be adequate time allocated this year. Country and interstate guests requiring private hospitality should make their requests as early as possible.

The Annual League of Rights Seminar will be held on Saturday, September 19, the theme being "Centralisation". Readers should plan ahead for these annual highlights of the year's activities. Do not leave booking until the last minute.

Dinner bookings to New Times Ltd., Box 1226L, G.P.O., Melbourne, 3001.

that 100,000 marched. This event was, of course, poorly publicised, unlike the anti-Vietnam protests.

No more striking example has been provided of the dangerous foreign policy of the Nixon Administration, than that concerning Rhodesia. I regret to say that I feel that Prime Minister Ian Smith of Rhodesia was "taken for a ride" when he agreed to a deal concerning the two CIA agents found guilty of betraying Rhodesian security. Prime Minister Smith said that the guilty men were allowed to leave Rhodesia without serving their prison sentences, and that he had permitted this in the national interest. In Washington the view is that Rogers, Secretary of State, subsequently declined to keep promises made to the Rhodesians. The American Consulate was closed, and in the meantime the U.S.A. Justice Department has brought the first suit against a U.S.A. corporation for alleged violation of sanctions against Rhodesia. The firm has been bringing in Rhodesian chrome. The U.S.A. used to obtain its chrome ore from Rhodesia at \$32 per ton. Now it obtains 45 percent of its chrome ore from the Soviet Union—at \$60 a ton! What the Rhodesians have got to understand is that the policy makers in Washington are more interested in "peaceful co-existence", and growing exports to the Communist world, than they are in better relations with them. They and the South Africans will be regarded as expendable if present policies are pursued. Neither Salisbury nor Pretoria can expect any sympathy from either Ottawa or Washington.

SALVATION STILL POSSIBLE

I do not believe that the growing convulsions and decay on the North American continent cannot be reversed. The potential strength and health exists and there are many encouraging developments. The Social Credit seeds of the 'thirties are starting to shoot and to develop vigorously again in Canada. Financial policy is coming under increasing attack from conservative anti-Communist groups in the U.S.A. But there is not unlimited time left. All the available evidence indicates that what happens over the coming years of the 1970s will be decisive concerning not only the fate of Civilisation on the North American continent, but that of civilisation everywhere. One thing is certain, however: No reversal of present policies of disaster is possible without a reversal of present financial policies of centralism and inflation. This is the basic instrument through which the philosophy of centralised power is manifesting itself.

WESTERN AUSTRALIAN SUPPORTERS TAKE NOTE

The Annual Dinner of the W.A. State Council takes place on June 20, at The Postal Institute Rooms, 1st Floor, Zimple's Arcade, St. George's Terrace, Perth. Time: 6.30 p.m. Cost: \$5 single. Contact Ray White on 714176, or 746625 for bookings or information.

WORLD GOVERNMENT EQUALS WORLD TYRANNY

Professor Arnold Toynbee, the British historian, was the man back in the 'thirties who gave a much-quoted address in which he said that he and his fellow opponents of national sovereignty had to be careful. "We are denying with our lips what we are doing with our hands", he said. The Professor is not so reticent today. In an article in *The Observer*, London, and republished in other papers around the world, Toynbee states that "Mankind has no chance of being able to cope successfully with its new life and death problems if it does not tackle these as a single united and organised community". The mind of the common sense man can only reel at the very thought of the conflicting tribes of Africa, the Chinese, New Guinea natives, to mention but a few groups, operating in any meaningful sense in "a single united and organised community". Europeans and Negroes are finding it difficult to live together in the United States. Every attempt to force them to become more "united" results in the exact opposite.

Toynbee the historian has pointed out that there have been over twenty major Civilisations. There must have been some common cause for all these Civilisations collapsing. We know enough about the collapse of the Roman Civilisation, to know that the basic cause was excessive centralisation, heavy taxation and monetary inflation. There is no evidence that any past Civilisation collapsed because it was not big enough. As C. H. Douglas observed, there are principles governing human associations in the same way that there are principles governing bridge building. One of the basic principles governing human associations is that the bigger and more highly centralised the group becomes, the less control the individual can exercise over power-lusters using the group for their own purposes. In the very nature of reality, the World Government advocated by Toynbee must be a World Tyranny.

UNITY THROUGH DIVERSITY

Nowhere in his article does Toynbee suggest how the thousands of millions of the many diverse people of the world would control his World Government. How much real control do individuals have over their Governments even in the older democracies like the United Kingdom, Australia and Canada? All the evidence clearly indicates that the British people are increasingly opposed to joining the European Common Market. But Toynbee says that the British must join the Common Market. His major argument is that "Technology is increasing the scale of all important human operations, and, as far as we can see ahead into the future, this increase in scale seems likely to continue at an ever-accelerating rate." The inference is that technology is a reality, inevitably moving towards bigness, divorced from human will. This is pure determinism and surrender to materialism. As Aldous Huxley, a much more realistic thinker than Toynbee, has pointed out, the development of tech-
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PETROLEUM AND CAPITAL OUTFLOWS

By IAN G. SYKES*

The following article is extracted from the journal "Progress" and is an abridged version of a talk given by Mr. Sykes to a Henry George League forum. The information it reveals illustrates the disastrous financial returns to the Australian people which result from a credit policy which relies upon the importation of finance capital to exploit our real wealth, when such capital could be supplied by an enlightened credit policy against our natural resources. As Mr. Sykes points out, Alberta in Canada finances all State expenditure from oil and gas revenues. Australian States will not be able to do similarly for the obvious reasons referred to by Mr. Sykes.

By extending tax-free operation to major oil companies between 1963 and 1968, Australia lost \$700m capital to overseas firms; by dropping lease relinquishments, and extending too low royalties (without rents being considered) another \$500m capital has been given to overseas owners; by subsidising gas production on Victorian fields another \$700m capital gift was potentially being made to overseas owners, and by subsidising crude oil another \$600m may be lost to Australia also only on known offshore oil and gas reserves excluding offshore Papua and offshore North-West shelf. **These capital gifts or tax paid profits to overseas owners, total \$2,500m and equal 55% of the total paid up capital of all companies listed on all Stock Exchanges in Australia.**

In addition, loss of State and Commonwealth revenues, and higher prices to consumers potentially totals \$6,000m from the above subsidies, which will cause higher local taxation and price rises.

The above figures do not include the loss of capital and overseas reserves through sales of Gippsland oil at \$US1.55 per barrel, which is about the land price of oil purchased by Japan, the largest crude buying country. Nor do the losses of foreign exchange include the fair value of gas, namely 5c to 6c per 1,000 cubic feet, as assessed on the basis of the public. United States Federal Power Commission.

OWNERSHIP DETERIORATION

In visual terms the deterioration of Australia's position is evidenced by the facts that—

- First. Australians now own very little of the great new enterprises being established in Australia, e.g., 6% Weipa Aluminium; 2½% Gladstone Aluminium refinery; 14% Barrow Island oil; Utah coal (Old.) nil at this point.

- Secondly, the trend is for historically the lowest local ownership ever. Even the greatest Australian company for the first time shows signs that it can no longer see its way clear to manage all its affairs. In the last few years it gave a 2½% over-ride to an American on its oil leases (acquired in 1960) sold 50% equity in them to Esso

(U.S.A.), and also extended operating control to Esso (from May, 1964).

- Thirdly, existing local companies are continually being taken over by overseas interests, while shares in other companies are being bought in record numbers by overseas owners. For example, approaching 20% of B.H.P. is now overseas owned, neglecting correction for overseas equity in companies, which hold B.H.P. shares.

- Fourthly, most underwriting, growth, and food products are under control of overseas owners who are also acquiring land, pastoral leases and other assets.

- Fifthly, Australia is now very rapidly going into debts with overseas governments and having to offer higher interest rates to acquire loans. For example, the recent 200m. D.M. loan, to Australia carried 6½% interest in Germany, while recent Government loans in Australia carry about 5% interest.

- Sixthly, the quality of assets remaining in Australian hands is deteriorating. Fixed interest paper in Hire Purchase companies is rapidly rising; money on deposit with firms like General Motors Acceptance Corporation seems to be offered by local brokers, together with debentures of less than full security. For example, the recent Esso debentures are not secured by the oil fields because Esso's ownership of these seems to be passed to the U.S.A. The Australian public, with the full support of Treasury and National Development, is being fed the idea that paper in "Mining and Oil prospects" is almost as good as having investment in companies which actually have real ore reserves and oil fields. At the same time the Government is busily financing unnecessary duplications in iron, and so on, through the Resources Development Bank - - jeopardising export revenues and squandering short local capital.

- Seventhly, the Government is virtually unable to refuse demands by overseas companies for more and more concessions; it is unable to extract proper taxation from many overseas owned companies, and it is reacting in unreal ways to try to give the impression it is stemming the tide of overseas sell-out when really the Government is raising debts overseas and selling out local assets at more than five million dollars each working day. That is more than \$2.00 per family in Australia per working day that we are spending via the Government more than we are earning each day.

- Eighthly, sectors of the public economy, once owned and controlled locally, are falling for overseas ownership and being closed down. **For example, Victoria's own black**

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coal mines closed after natural gas was found, and pricing of gas for consumers is now controlled by an Esso-Victorian Government Gas contract, whereas even in the U.S.A. their Public Power Commission would have determined the gas price for Esso.

- Ninthly, local companies are having to issue more and more shares directly to overseas owners. For example, H. C. Sleight (Golden Fleece) is about 35% owned by Caltex (U.S.A.), while Ampol issued all its special "C" shares to Caltex. (Boral has recently amalgamated its refinery with TOTAL, on a basis where TOTAL holds 50% of the venture. Also millions of Boral shares were owned by Caltex-U.S.A.)

- Tenthly, the Treasurer puts increased emphasis on the false low level, which Government statistics put overseas earnings in relation to investment when he knows full well that many new overseas investments have yet to bear fruit.

NATIONAL PICTURE

The Australian Government and Opposition are, in fact, like lazy farmers who are selling all the good fields on their farm, mortgaging the rest, missing out on the new cash crops and failing to supervise even those things left under their control, and then telling their employees that increases (7% per year) in consumption is because of rising productivity. It is perhaps more explained by using up the proceeds from the assets sold and the revenue available from the rising debts—all of which have serious long-term implications.

A case can be made that this worsening picture is arising not because Australia is devoid of either natural resources or educated people, but because the Government is not bothering to deal properly with the real world of large, very informed, business corporations. The Government seems to be extending special taxation concessions, monopoly privileges, and favouritism through unilateral deals, made without public explanation into overseas companies.

PRIVILEGES AND MONOPOLY

Naturally, if the Government extends lowered taxation privileges to overseas companies and groups by allowing them to earn little income in Australia by export undercharging and service and import overcharging, then, all other things being equal, those groups will eventually generate enough capital to purchase any equally efficient local company, or any other asset. Also if any Government inadvertently contracts with overseas groups such as to extend enormous subsidies, or monopoly privileges, then roughly 55% of the subsidy, or higher prices charged locally becomes capital at the expense of Australia. This capital may be remitted to any overseas country, or used to acquire more assets in Australia. Where it is remitted one effect is to force Australia into debts with overseas countries. Another effect is to increase the risk of a national credit squeeze, which slows economic growth. Credit squeezes become inevitable once foreign exchange reserves fall to low levels. It is clear now that mere cessation of capital inflow (i.e., sale of local assets, plus in-

creases in Australia's indebtedness overseas) for one year would cause a position far more serious than 1961, and may later precipitate devaluation. It is no good proposing that the Australian currency has "come of age", as the Treasurer did last year in the hope that the dreadful symptoms of maladministration of international finances will just go away.

The U.S.A. and Australia both borrowed from Europe to establish railways, but the U.S.A. retained majority ownership in its petroleum, mines, automotive and other industrial sectors, the earnings from which were used to invest overseas. In Australia's case a minority of negligible local ownership is evident generally in large new petroleum, coal, iron and other new projects. Furthermore, decreasing local ownership is now clearly seen, overall, in the established sectors, too.

Canada has already lost control of most of its companies and Australia is following this.

OFFSHORE LEGISLATION

Australia let oil companies have offshore acreage before legislating on this. England did not allow companies to have offshore leases until legislation was finalised. Its offshore work paralleled Australia's in time.

Australia granted areas, some over 100,000 square miles, without firm work commitments, without capital entry fees and leased virtually all acreage. Offshore England, 100 square miles was the maximum single block, 60% of all blocks were held by England, work programmes had to be firm and substantial competition was ensured, and rents were 400 to 900 times those per square miles applying in Australia, and royalty was higher than Australia's. England has offshore gas; Australia has vast low cost oilfields plus gas. U.S.A. offshore royalty is often 16-2/3% with leases very much smaller than Australia's.

Australian leases could have stood 16-2/3% royalty. Thus \$600 million is lost to Australia just on offshore oil and gas known now (i.e. 6-2/3% on \$8,000 million revenue at well head).

The net loss to Australia in lease purchase premiums from Gippsland alone is conservatively worth \$400m. to Australia using a value of only \$1,000 per acre. Esso via its affiliate Humble last year bid \$430 million U.S. for offshore U.S.A. leases owned by the Government in the Santa Barbara Channel, 760 square miles were involved. Gippsland oil and gas fields are more prolific than any known in that area.

GAS CONTRACT PRICE

Esso found gas in 1965. A long-term contract was at about 30c per 1000 cubic feet with the Victorian Government.

Had Australia followed the careful public gas pricing formulae developed by the United States Federal Power Commission to stop monopolisation of consumers, then the Victorian price would have been about 5c or 6c per 1000 cubic feet.

Some ten million, million cubic feet of gas are known to exist offshore Victoria; Australia has vast untapped

gas inland, also. The hidden gas subsidy of 24c per 1000 cubic feet is worth, potentially, \$2,400 million, of which 30% after all taxes belongs to Esso and American royalty holders and overseas shareholders in B.H.P. This means some \$720 million is given to overseas owners over and above a fair return. That secret subsidy alone gives enough capital to overseas owners to equal the paid up capital of 150 average sized companies of the 1000 companies listed on Stock Exchanges in Australia.

RENTALS

Alberta in Canada finances all State Expenditure from oil and gas revenues.

This submission has (except for the Royalty argument) looked at direct Government secret subsidies given for oil and gas prices and forced sales contracts, and the effects of actual charges in stated policy by the Government from its own original position. However, the starting point of Australian ideas on oil leasing were always exceedingly generous, quite apart from government exploration subsidies, low royalty, large areas and low taxes and commitments, and no entry payment.

If Esso-B.H.P. was charged the same rental as in the U.K., then the Victorian offshore areas, instead of yielding the Government some \$1,260 per year, would yield public revenue of \$500,000 to \$11 million per year. This is because in the U.K. rents are 400 times (min.) to 9,000 times (max.) those in Australia. (That is, Aust. 20c per square mile, U.K. £12/10/- to £290 per square kilometre.)

This, on Esso-B.H.P.'s Victorian areas alone (63,000 square miles of the three million square miles of sediments of Australia), represents a loss of, say \$50 million for 12 years (1960 to 1971).

Presently, American lease rentals offshore are \$2.00, \$10.00 or \$25.00 per acre per year; again there is hardly anything there as good as Gippsland. On Esso-B.H.P.'s 40 million acres the State could well be losing say, \$80 million a year.

THE NEW ZEALAND PERVERSION OF SOCIAL CREDIT

The following report was received from Mr. Eric Butler after a recent lecturing and fact-finding tour of New Zealand:

A close observer of New Zealand politics observed to me in Christchurch that he felt that it would be necessary for the New Zealand Party calling itself Social Credit, to experience yet one more electoral disaster, at the elections which should take place in 1972, before its supporters recognise the futility of their activities. He suggested that surely after twenty years of barren effort to advance Social Credit through party politics, the appropriate lesson would be learned. But it is amazing how some people will complain how their fellows never learn from experience about the realities of finance, while they themselves refuse to learn from experience about the reality of politics. Events have consistently demonstrated that the author of Social Credit, C. H. Douglas, was right

when he warned that tying Social Credit to party politics would be disastrous. Social Credit is the policy of a philosophy, and that philosophy is not going to be advanced by entering the corrupting contest for political power, by encouraging the individual to believe that all he has to do is put a mark on a piece of paper every few years. Social Credit only becomes a reality to the extent that individuals associate in continuing constructive action to obtain from their institutions the results they are convinced are practical.

I well recall how when Mr. Robert Thompson, then leader of the Canadian "Social Credit" Party at Ottawa, visited New Zealand in 1963, he expressed the opinion that New Zealand could be the country to lead the world in implementing Social Credit. I mention this, not to criticise Mr. Thompson, but to provide an example of how many have failed to grasp the reality, which Douglas saw so clearly. Mr. Thompson is today a member of the Canadian Progressive Party at Ottawa, where I respectfully suggest he is having just as much influence as he did when leading a "Social Credit" Party. I wish one could say the same about Mr. Ernest Manning, former leader of the "Social Credit" Government of the Province of Alberta, now a bank director. But this is perhaps not so surprising when one considers the leader of the New Zealand "Social Credit" Party, Mr. Veron Cracknell, expressing himself satisfied with the activities of the International Monetary Fund! Mr. Cracknell had one term in the New Zealand Parliament, being removed at the November elections when the vote for his Party seriously declined. While one can sympathise with those in the "Social Credit" Party who blame Mr. Cracknell for their electoral misfortunes, they merely demonstrate just how little they understand concerning Social Credit when they express the view that a change of leadership will improve their electoral prospects. I learn that the next annual conference of the "Social Credit" party will see a major effort to remove Mr. Cracknell. This will obviously be an extremely bitter affair. There are members of the Party with a much better understanding of Social Credit than Mr. Cracknell, but in the nature of things a new leader can do little to overcome basic problems.

From its beginning the "Social Credit" Party in New Zealand attracted many who were primarily concerned with getting on a political bandwagon which might take them into power. Large numbers of supporters are little more than Socialist money-reformers (Hitler was also a Socialist money reformer!), while a few are Communists convinced that the Soviet Union has introduced Social Credit! I have no doubt, as some disillusioned members of the party now state, that there has been considerable infiltration of the organisation, concerned with subverting any potential for constructive action.

It is true that New Zealand did offer, and still does, an opportunity for a major advancement of Social Credit. Perverting the potential threat to their centralised power became a major project with certain groups. But that

potential still exists, if it can be correctly developed. Social Credit truths have been kept alive by small groups and individuals throughout New Zealand. In Auckland, for example, the Voters' Policy Association, under the guidance of veteran Social Crediter Fred Allen, has over the years consistently engaged in both education and action. The evidence of Social Credit influence is to be seen in the work of one northern ratepayers' association. The formal launching of the League of Rights by a group based at present in Tauranga, and the initial response, suggests that the time has come for a new initiative in New Zealand, based upon fundamental Social Credit principles. Readers interested in the development of a New Zealand League of Rights can contact Mr. Sidney Wood, Omokaroa, R.D.2, Tauranga.

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Treasury officials, who so blithely impose a credit squeeze upon the country while leaving the Government to bear the burden of the inevitable reaction from the electorate, can also be made to implement credit policies, which finance lower costs and increase purchasing power, then they deserve severe political censure. The unfortunate truth is however that there is little or no chance that an alternative government would implement better policies. The issue still remains for enlightened Australians to force a breakthrough by insisting that their present representatives deliver more realistic results.

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nology makes it easier for decentralisation. And there is the fundamental question of what purpose technology is to serve.

It is beyond argument that used realistically to serve what individuals want, present technology is far in excess of what is required. The farmers of the world are producing huge food gluts. But Toynbee is weak on basic economic and financial realities. And so we have him making the incredible stupid statement that if Britain does not join the Common Market, she will starve in the world of tomorrow! However, we can thank Toynbee for being frank about the real purpose of getting the United Kingdom into the Common Market. This is only a necessary step towards the ultimate objective, World Government. Toynbee writes, "The British should join a Europe which should join the rest of the world. A United Europe is one of the stations the British and other Europeans must reach in order to travel beyond it to mankind's common destination". He stresses that there must be no halting half-way by bringing the present nations into a few Common Markets, because these super-States would then wage nuclear war! A World State would, of course, naturally require a World Police Force, as advocated by groups like The World Federalists, at present increasingly active.

True unity in a society is only possible when individuals are able to gain real benefits through their associations.

And the reality of man's nature is a fundamental truth, which cannot be ignored. Real unity is only possible through diversity, not through excessive centralisation. Just as individuals with diverse interests and abilities can associate successfully, so can groups of individuals called nations have true unity through proper associations. But not while they are dominated by financial and economic policies, which drive them into unnecessary economic conflict, and which foster centralisation which man subconsciously rejects. The path to true world unity was being pioneered through the British Empire, which was demonstrating that sovereign nations could be united without centralised compulsion. If the British can win their long rear-guard battle to keep out of the European Common Market, they will have won one of the decisive battles of the war against threatened World Tyranny.

REV. FR. PATRICK GEARON, B.A., D.D.

The death of Fr. Gearon last month brought to a close the career of a devoted disciple of the Christian faith who never ceased until his dying breath to fight against Communism as a manifestation of the evil of anti-Christ.

Fr. Gearon was a prolific writer and recognised as an outstanding theologian in the Roman Catholic Church. He was a fully integrated Christian gentleman, loved by many within and outside his own church.

In the 'thirties Fr. Gearon wrote "Communism Why Not" which went to several editions and caused tremendous interest within and without the Church. His fearless denunciation of the forces behind Communism made him a controversial figure within the Church. In recent years his book, "The Wheat and the Cockle" published in England has made a wide impact throughout the English-speaking world. It is recognised as one of the most salient contributions answering the liberal permissiveness in society and the break down in authority within the church. In the last year of his life Fr. Gearon re-wrote and up-dated "Communism Why Not". Arrangements have been made for publication and it is hoped an announcement can be made as to when supplies are available in the not too distant future.

MR. DAVID BYERS

We regret to announce the passing of an old and faithful supporter in Western Australia, Mr. David Byers. Mr. Byers was active to the end in supporting the cause of Social Credit and the action groups within the League of Rights. He will be badly missed. Our sympathy is extended to the members of his family.