



ON TARGET

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The price of Freedom is eternal vigilance –

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THOUGHT FOR THE WEEK: *"Money is not a thing created by God, nor is it produced or obtainable by the taxpayer from Nature, but is a pure artifact, a numerical expression of 'credit' or belief, created and controlled by a very restricted group of men. The conditions under which this medium, indispensable to taxpayers and all other debtors, may be obtained from those who bring it into existence inescapably determine whether or not, in the aggregate, demands for money such as taxes, can be met in full without injustice and without merely transferring the debt elsewhere."*

– *"The Just Tax"* by Geoffrey Dobbs 1964

THE LIB-NAT DEATH WISH by Jeremy Lee:

The GST 'bad-news' is becoming a flood. A phone call from a building subcontractor in Victoria, who had just returned from another interminable seminar, said that the ATO representative confirmed an expectation that 25% to 35% of small businesses would fold up. I can't document this, but a host of similar stories from many parts of Australia keep the phone ringing. A medium-size printer who is considering closing his doors; an engineer in Queensland who says his position will be impossible; etc., etc.

Suddenly, the reality behind the Government's glossy, PR-sanitised "simplified-new-tax-system" is hitting Australians between the eyes – and they don't like it. The biggest advertising campaign cannot, in the end, mask reality. Ask the major Australian Trading Banks, with their half-million-dollar daily advertising budget.

AMERICAN EXPERT ASTOUNDED: A recent *Australian Financial Review* article recorded:

"The Chief Economic Adviser to Republican front-runner for the US Presidency, George W. Bush, is astonished by Australia's Tax system.

"Why is there no tax revolt in Australia?" he asks.

"Mr. Larry Lindsay finds it difficult to understand that Australia's rate of tax is 48.5%, and will remain so even after all the tax reform proposals and the GST are in place.

"Mr. Lindsay believes that Australia has a punitive approach to small business proprietors.

"In the US a couple with two children would pay no Federal income tax on income up to \$53,668. The highest tax rate payable for middle class families would be 25%.

"The Government is not an equal partner in your risks or in your failures – why should it be an equal partner in your success?" (No date, but March or April)

THE COST OF THIS SIMPLE TAX: What will the average cost to business be? The National Tax and Accountants Association estimates \$7,000 for each business. The Victorian Employers' Chamber and Commerce and Industry, which ran a survey, reckoned a small business with less than 20 employees would spend \$3,500 plus 80 working hours, while medium-sized firms would spend \$9,000 plus 100 working hours.

It is NOT a simple tax! It will require extensive review of existing systems, changes to enable the extraction of information for the quarterly Business Activity Statements, significant upgrading of existing computer hardware and software. Training for staff, correction of mistakes, discussions between producers and customers, bigger burdens for already-overstressed advisers and accountants. The accountancy firm Arthur Andersen has estimated the cost of getting ready for the GST could be as high as \$24 billion – twice the cost of becoming GST-compliant!

Accountants are being advised to reduce the numbers of their clients, as they will be so busy they won't have time to deal with those whose records are not 'system-perfect'. Many rural businesses will simply be unable to obtain the advice and help they need.

THE DEVIL IS IN THE DETAIL: What is being put into place is a monstrosity which even Lenin or Stalin would have admired. If the Grand Plan is not routed by angry Australians, the Government will have arrived at a position where, firstly, employers collect and deliver all Pay-As-You-Earn tax from employees; secondly, Australian businesses will collect all the GST and Withholding Tax for the Australian Tax Office; thirdly, all businesses will have to self-assess and pay their own taxes, with the threat of huge fines and audits to keep them in line; fourthly, the population will be put in a situation where they have to police each other, checking ABN numbers and keeping back part of the purchase-price under penalty if they don't get it right. Every instance of compulsory withholding of payment under the legislation will, in effect, be a 'dob-in' to the ATO of another company.

If allowed to prevail it will pit one part of Australia against its neighbour, friend against friend, even family against family. You won't even be able to pay your money to the ATO, but to your nearest Post Office. Freed from personal involvement in actually collecting the money, the Australian Taxation Office will be in a position to devise new regulations, and punish those who miss complying,

TIMING: We are now less than 12 weeks away from GST 'D-Day'. The pathetic Liberal-National Coalition will need every diversionary issue to steer public discussion away from the GST. But reality cannot be postponed indefinitely. With interest rates on the rise across the world, and stock-markets rising and falling erratically, the economic environment is not going to favour a smooth introduction to the GST. We reported last week the fact that Kerry Packer was liquidating assets fast. On March 21st, Max Walsh wrote in *The Bulletin*:

"..... The state of the stockmarkets, in particular Wall Street, is the biggest single threat to global economic health. Central bankers, who have defined their responsibility as solely concerned with consumer price inflation, have joined everyone else on the sidelines..... the bottom line is that at no

time in recorded history has there been such a disparity between stock prices and the earnings that those prices are supposed to capture."

There is a so far muted, but growing anger against the modest interest-rate increases. *The Chronicle* (Toowoomba, April 7th, 2000) gave one small example:

"An angry AgForce vice-president has slammed the Reserve Bank of Australia's decision to increase interest rates and claims the rural sector will be the hardest hit. In a statement Mr. Woods said the rural industry was 'caught in the crossfire between the Reserve Bank and concern over exchange rates'. A further jump has been predicted before the GST is introduced in July. It would be the fourth since November ... "

The anger in Australia is palpable, but not quite explosive. The full fury will probably break AFTER the tax officially starts. It will be directed fairly and squarely at the Coalition Government. It is often said the memory of voters is notoriously short. But with the GST jogging the memory every moment of every day, Liberals and Nationals would be foolish to think the electorate will somehow forgive them before the next election. The Coalition is digging its own grave – just as surely as the Liberals in Canada, who introduced that country's GST subsequently found out.

Will Australia ever get rid of the GST, once in? The experience in other countries says 'no', but things are never that certain. There is a growing "coalition of voters" with more muscle than a few years ago. They have more technology at their disposal. Australia's version of the GST is even more draconian than that in Canada and New Zealand. Anything could happen.

In other words, the 'will-to-power' of dictatorial politicians, and faceless bureaucrats is going to be tested over the next year or so as never before. In the meantime, it is the urgent duty of all of us to put on public record as best we can the fact that we are personally opposed to the GST, and that it is being forced in without our consent or agreement.

We suspect Prime Minister Howard and Treasurer Costello are beginning to see the position. The complacent smirk seems to have left Costello's face. He will be left standing in the ashes of past platitudes about Australia being "the strongest economy in the world" before long. As the dollar drops, the foreign debt continues to grow, interest rates rise, and the GST produces mayhem, Costello needs to be reminded of every propaganda statement he has made in the last four years! And he needs to be reminded that the IMF – on whose Board he sits – is behind this unwanted tax.

POLITICIANS 'BOUGHT MEN': If you're wondering how seemingly-intelligent party members in Parliament pretend that everything is rosy in Australia's economy, the reason which a growing number understand, is that politicians are simply obeying their financial benefactors. Take next week's Liberal Party Federal Convention. *The Australian Financial Review* (April 7th, 2000) reported:

"Telstra, Foxtel, the Pharmacy Guild and the Distilled Spirits Industry Council are major Contributors underwriting the cost of the Liberal Party' Federal Convention in Melbourne next week.

"The Prime Minister, Mr. John Howard, is kicking off the business observers' program at the convention with a breakfast sponsored by Telstra.

"The Distilled Spirits Industry Council is sponsoring a small business lunch, Foxtel is underwriting a communications lunch, while the Pharmacy Guild is sponsoring a health and aged-care lunch on the first day of the convention.

"The business observers who are paying \$5,000 each to attend the convention which begins on Thursday, are also given generous access to government ministers. The convention will be attended by 80 business observers from Australia's biggest corporations as well as industry associations and lobbyists. The business observers' program and some of the discussion panels by party delegates are closed to the public and the media "

\$5,000 multiplied by 80 equals \$400,000 – the sum that 80 'observers' from the largely foreign-owned corporate world will pay to attend the Liberal Party Federal Convention. They will probably lay on splendid lunches. But they are not philanthropists! They are hard-nosed, shrewd businessmen, who are investing to make sure the Liberals play it their way in future government decisions. The future of the Australian people will be a small consideration.

JUST THE TICKET!: *The Bulletin* (March 28th, 2000) started a feature article with these words:

"The NSW Independent Commission Against Corruption is considering whether to launch an investigation into the tendering process that led to a decision by SOCOG (i.e. the Sydney Olympic Games Organising Committee – Ed.) to accept the tender for printing tickets for this year's Sydney Olympic Games from an American company "

We wonder at what luncheon that decision was made? The contract, worth \$3 million, went to Weldon, Williams and Lick, an Arkansas-based printing firm. The same company printed the tickets for the 1994 World Soccer Cup and the 1996 Olympics. There are literally hundreds of Australian printing firms which could have handled the job, but, apparently, they are not in the luncheon business! Weldon, Williams and Lick? An apt-sounding name, at any rate.

AFRICA COLLAPSING by Tom Fielder:

Reports are coming through the 'alternative media' that Africa is collapsing and Johannesburg is a typical example of what is happening. Once called *The City of Gold* because it was the business capital of South Africa, it is now a deserted and trashed city. Squatters have occupied parks and empty buildings and crime is rampant. The business community has fled to a well-guarded suburb.

The once luxurious Ponte City building (with the world's largest Coca Cola sign) is abandoned, curtains can be seen flying from the broken windows. Even the once bustling Stock Exchange has moved out of town.

South Africa can now 'boast' of the highest crime rates. It can now claim a record-breaking 24,875 murders in 1998. This is nearly the same as in the entire US, though South Africa has only one-sixth of the population.

Reports coming through on the situation in Zimbabwe (former Rhodesia) are just as grim. It would seem the remaining white population is going to be forced out by Marxist Robert Mugabe. Is this a scenario that white Australians may yet experience if they do not take a united stand against the powerful evil forces working against them today?

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