



A WEEKLY COMMENTARY

ON TARGET



- NEWS HIGHLIGHTS
- BACKGROUND INFORMATION
- COMMONWEALTH AFFAIRS

The price of Freedom is eternal vigilance –

Print Post Publication Number 381667 00258

Vol.39, No.22

June 13th, 2003

THOUGHT FOR THE WEEK: *"Why is the Lower, or mass-elected Chamber trying to eliminate the other traditional Powers of the Constitution which limit its power to impose its will on the people? Nobody is afraid that the Monarchy, or the ... Senate or State Councils in Australia, are aggressive Powers which might establish a tyranny or a dictatorship. On the contrary, they are jeered at as feeble anachronisms, which should be swept away, since they still interfere to a slight extent with the right of the elected Government to exercise absolute power over the people. This is the claim that is being made: that the act of election confers the right of absolute dictatorship, limited only in time by the statutory need to have another election, which, as has occurred again and again... can easily be swept away under cover of an 'emergency' by an elected Government which is sufficiently obsessed by its sacred right to govern."*

– Geoffrey Dobbs in *"Responsible Government in a Free Society"*, 1969

EGOS AMOK by Jeremy Lee

We haven't had anything so puerile since the spat between Natasha Stott-Dispoja and Meg Lees titillated the headline writers for days on end last year. Now it's Howard and Costello, Crean and Beazley – as though the personal vanities of these politicians were more important than the health, safety and prosperity of the nation.

"He who would be greatest among ye, let him be your servant," we were told 2000 years ago. There's not much evidence that anyone heeds such ideas these days.

Prime Minister John Howard has decided to stay on indefinitely. He has performed his duties entirely to his own satisfaction. He is at the top of the dunghill at the moment, while Labor grovels at the bottom. If he mistakes the dunghill for a mountain of universal approval, he should remember that the only direction from his current position is down.

The idea that the world – or Australia – owes Peter Costello the top job and international status is far-fetched. For a statesman, personal ambition and aspiration should lag a long way behind the interests of those he is supposed to serve. It has been truly said that the best leader is the most reluctant, having no illusions about his own self-importance.

IN THIS ISSUE: • *Thought for the Week* • *Egos Amok* • *Foreign Debt Still Climbing* • *The Growing Tax Scandal* • *Where Are Those Weapons Of Mass Destruction?* • *The 'Road-Map' – To Where?* • *WA Pastoralists And Graziers Worried About Rain Tax?*

"ON TARGET"

June 13th, 2003

Page 1 (85)

Some of the reporting has been bizarre. One is almost too embarrassed to read it. Take, for instance, the following, under the heading A QUIVER IN THE CORRIDORS (*Australian*, 4/6/03):

"Some onlookers detected a quiver in his lips and, for the briefest of moments, feared the Treasurer was about to break down and cry. In ministerial offices round the parliament, staffers yelled, 'My God, he's going to resign.'"

"They were wrong.

"But yesterday's astonishing and emotion-charged performance, in which the Treasurer mourned the Prime Minister's decision to stay in the job, instantly changed the dynamic of the Howard Government. At 12.45pm Costello strode into a jam-packed press conference wearing a thunderous look.

"All over Parliament House televisions were switched to the international channel airing the Treasurer's reaction to the PM's announcement"

Bear in mind that if the Prime Minister had to leave office tomorrow, there can be no assumption that Mr. Costello would succeed him. The prime ministership is not a hereditary title – not yet, anyway.

And Howard? Paul Kelly, in another article, same issue, asked some pertinent questions:

".... Howard, like Hawke, just loves being PM. It prompts the question: does he love it too much? Has Howard traded off a better Coalition win at the 2004 election by jeopardizing the long-term leadership transition? Has Howard from his euphoric peak misjudged how fast fortunes can change and how subsequent mistakes will cast him as a leader who stayed too long?"

What can we expect? There seems little doubt that Beazley will replace a kicking, incompetent Crean. Beazley is labeled a two-time loser. But people forget that victory was within his sights at the last election until the arrival of the *Tampa* affair gave Howard the straw he was looking for.

Short of a major terrorist incident in Australia, or another war somewhere or other, the near future will force the Coalition government to face the mountain of domestic issues it has sidelined for so long.

It is a confident bet that the growing leakage away from the major parties will continue.

FOREIGN DEBT STILL CLIMBING: The latest figures show Australia's net foreign debt has topped \$362 billion – despite the increased value of the Australian dollar as investors have fled the Greenback – a cool \$18,000 for each Australian man, woman and child, or \$72,000 for the average family of four. And, we're running record current account deficits. In addition, we have sold billions of dollars worth of Australian assets and real estate..

The overseas debt was \$180 billion when the Howard Government came to power.

THE GROWING TAX SCANDAL: We pointed out in a recent *On Target* that the latest Federal Budget raised the total of direct and indirect taxation to approximately \$10,000 per head of population, or \$40,000 for the average family of four.

On top of this, the States raise their own taxes. The latest Queensland budget adds an extra \$5.6

billion to the Federal tax take, or just under \$1,500 per head. But Queensland is not the highest taxing State. New South Wales, Victoria, West Australia, South Australia and the ACT all tax their citizens higher than Queensland. Only Tasmania and the Northern Territory have lower *per capita* taxes.

The *per capita* average State tax across Australia is \$1,892. So between them Federal and State direct and indirect taxes now levy \$11,890 for each man, woman and child, or about \$47,000 for each four Australians.

And they still have to pay their household rates, telephone charges and electricity on top, before beginning to earn a dollar for themselves.

Of course, we're all expected to believe that Governments know much better than we do how best to spend our money. They cast their eyes enviously on what little we have left in our pockets. But the overall result of this welfare monopoly is a dislocated and disempowered community, many of whom have lost the art of doing things for themselves, making decisions, exercising choice and responsibility, becoming more and more susceptible to political bribes and manipulation.

So more taxes are advocated to hold commissions and inquiries into the stressed behaviour of an ever-growing section of the community – suicides, drug-taking, marriage break-ups, child and spouse abuse, crime, road-rage, etc.

The mechanism for collecting taxes – you know, the one Peter Costello has simplified – is a bureaucratic tyranny in its own right. The Editorial in *The Australian Financial Review* (5/6/03) – one of its best – included these points:

"If Treasurer Peter Costello is looking for a challenge to put his leadership claims beyond doubt, he need look no further than the 10,000 pages of tax legislation. The various tax acts are an affront to the rights of business and society, virtually impossible for many people to comply with because of their complexity, and an invitation to civil disobedience. They have tripled in size since the Howard government took office, pledging to cut red tape and simplify the tax system. the effort of implementing and complying with the resulting legislative monster has reduced companies and tax practitioners to a kind of hostage syndrome where they lack the will to escape their oppressor. In these circumstances, it may seem sadistic to urge Mr. Costello, who has just had his dream of becoming prime minister pushed into the distance, to again take up the cudgels of tax reform. But it is doing him a kindness, pointing to a golden opportunity for the PM-in-waiting to show true leadership in a field in which cynicism reigns because it's all been downhill since the first generation of tax acts was consolidated into the Income Tax Assessment Act 1936"

One wonders, however, whether complexity and confusion in the tax system is not quite deliberate, providing as it does a means of intimidation and control. If not, who would those like Mr. Costello who originally sought public input into ideas for simplifying the taxation system reject ideas such as the debit tax or the two-percent tax?

And why doesn't a desperate Labor Party really pick up the issue of taxation?

WHERE ARE THOSE WEAPONS OF MASS DESTRUCTION? British Prime Minister Tony Blair and Australian Foreign Minister Alexander ('Eiderdown') Downer must be getting irritated with the oft-repeated question "where are the WMDs?"

After all, that's what we went to war about, wasn't it? Now it's all over, we should just get on with life and not rake through past sins and omissions.

Both Blair and Downer have emphatically told their critics to "wait and see". They are quire confident, they say, they the WMDs are still waiting to be found – it's only a matter of time.

What do they know that the rest of us don't? Have they got it secretly hidden, to throw like dust in the faces of their critics at the right political moment? Or do they think the issue will sink into the memory hole as new global sensations and crises take over the screens and papers of the world?

But there are an awful lot of people who are determined on an answer - or a confession.

THE 'ROAD-MAP' - TO WHERE? Bush's 'road map' for peace in the Israel-Palestinian conflict includes the dismantling of a number of illegal settlements in Palestinian territories, and the establishment of a Palestinian State by 2005

Anyone who has watched with horror the atrocities committed by both sides must hope and pray for its success. But the signs are not good. There have been too many betrayals in the past, both by Israel and the US.

Is it to be believed that Sharon is really contemplating the forced removal of hundreds of illegal settlements, which would involve a limited civil war?

The Australian (4/6/03) reported on some of the slogans now appearing in public places in Israel. One said NO TO A PALESTINIAN STATE. NO TO NEGOTIATIONS WITH TERRORISTS. YES TO THE BIBLICAL LAND OF ISRAEL. Another read UPROOTING THE SETTLEMENTS IS TEARING ISRAEL APART.

Biblical Israel stretched from the Nile to the Euphrates in Iraq. The most militant Zionists believe all this territory is rightfully Israel's. On such intransigence world wars are created.

Is the US prepared to stop funding and arming Israel until a just solution has been reached?

WA PASTORALISTS AND GRAZIERS WORRIED ABOUT RAIN TAX: According to Peter Trott, journalist for *The West Australian* newspaper, 17/5/03, the WA State Government has been accused of secretly planning a "rainfall tax" and other charges which will hit horticulture and force up the price of fruit and vegetables.

The Pastoralists and Graziers Association property rights spokesman, Craig Underwood, said he understood there were plans for a set of charges to be imposed on July 1st - including bills for farmers for water collected in their own farm dams.

Mr. Underwood called on the WA Environment Minister, Judy Edwards, to suspend all water user-pays and licence fee proposals, until her agency complied with Federal water reform requirements. He believed proposed new State taxes and controls on water were a bigger threat to rural communities than their loss of the timber industry, and is quoted as saying: "The new water charges will hit small vegetable, fruit and dairy farmers hardest because they will be expected to pay the same excessive new charges of their water as the wine-growing and mining industries."

"They will," he said, "be unable to pass on these charges and the impact on their viability, and ultimately on the price of staple fruit and vegetables to city consumers, will be colossal."

Producers were promised exemption for private dam supplies: Water-dependent producers who were initially promised exemption for private dam supplies were now understood to be in line for a new "rainfall tax for water collected on their own property.

Scott River Growers Group committee spokesman, Dave Wren, said many growers were concerned that the *Water and Rivers Commission* had excluded them from the consultative process.