

Senate Economics References Committee

Structure and distributive effects of the Australian Taxation System

Submission No. 31

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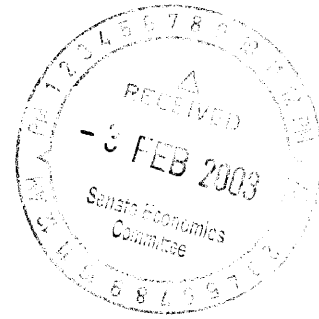
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The Secretary,
Senate Economics Reference Committee,
Room S.G 64
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A submission to the senate enquiry into Australia's taxation system.

Ask anyone, "What is keeping them from financially security?" The answer will mainly be taxation and government charges. So I would like to put the case for "no taxation".

First I will answer the question why with over production of goods, services, knowledge, technology, people and inherited wealth of including sun, rain and soil, two income families are the norm to keep ahead of debt.

The answer is the outdated "economics of scarcity" still dictates "policy".

Australia along with all Western nations has parted with the control of its currency and creation of credit, and so, continually tampering with the thieving taxation system, will not alter the fact that we are trying to sell too many goods and services without expanding debt free credit (money) to the would be consumers.

Remove taxation and replace it with debt free credit.

First of all ascertain Australia's real wealth. Taking into account, as well as the obvious mineral, primary and secondary industry products, the value of human "asset".

All our capital assets are powerless, and without meaning, if the human element is not taken in to consideration. All that is devised by man, for the satisfaction of man and without him would have no existence.

All of these plus the wisdom we inherited ^{from} ~~form~~ our hard working pioneers represent the assets of a civilised nation and should be added to Australia's real wealth.

Therefore the Government of Australia should issue debt free credit on this basis of true wealth to be used for capital works, pensions, hospitals, education, environment, military, highways, railways etc.

This will enable the nation, as a whole, to have access to the wealth, which its resources have made possible.

How can this be done?

A Government owned Commonwealth Bank would create debt free credit to its "National Credit A/C" or whatever name it wishes to call it.

Cheques will be made out against the account for Capital works, health, education, environment, pensions, consumer subsidies etc. As the cheques come back to the bank, the amounts would be deducted from the National Credit A/C and the cheque destroyed or whatever banks do with used cheques. The only cost would be the normal business cost of running an office.

This could be done over and over while real wealth exists. For example if an unforeseen calamity happened and contaminated the country our wealth would be considerably reduced and so the debt free credit would have to be reduced until the country was healed.

This would not affect the role of the Private Banks.

Also the government could transact many of its duties needed through Private Banks to put the system into operation. Bankers are expert statisticians and bookkeepers and would be invaluable in capacity of advisers to the government.

For a new system to work it must allow additional money becoming available to consumers at the retail counter. For example a pair of shoes at \$40 could be sold to consumer at \$30. The National Credit A/C would pay the \$10. Thus the consumer is sharing in the nations wealth, which he is part of and is entitled to.

A few words are needed to be added here regarding "a favourable balance of trade" which is when our exports exceed our imports.

With the practise of government debt free finance a favourable balance of trade would actually become an ~~unforgivable~~ ^{unfavourable} balance of trade.

There is a vital difference between a complimentary exchange of "surplus goods" and the fiendish competition for foreign markets at all costs.

It does seem apparent that foreign trade in the present way does lead inevitably to war.

If any observer will study impartially the fundamental reason for wars so cleverly concealed by appeals to patriotism, excused by the belligerent

nature of man, and trimmed off with flags and trumpets, he will find its basically economic.

On the other hand, the complimentary exchange of surplus goods for the mutual benefit of nations would remove the deadly incentive of war, and establish a sane balance of trade.

As technology and machines take over the need for labour, more national wealth is being created and so discounts, subsidies and shorter working hours need to be adjusted periodically with the rise and fall of the real wealth of Australia.

Hoping my submission, on the need for the removal of all taxation, ~~to~~ be taken seriously before this wonderful country drowns in a sea of debt.

I am yours faithfully

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