

Open letter.

Address provided to PM  
11<sup>th</sup> November 2014

Tony Abbott, Prime Minister  
Parliament Office. PO Box 6022  
House of Representatives.  
Parliament House, Canberra ACT 2600

Dear Prime Minister

Are you an economic moron giving away Australia and  
Australians' values, living standard and lifestyle?

Focus

Think

Analyse

Does it make sense to you to -

1. enter into a free trade agreement with a nation which does not share our democratic and human values and which economically controls nearly 50% of the world population.
2. agree to Australia getting rock bottom prices for its products, with little net cash return and little tax contribution to fund the Australian Government and the protection of Australians' values, living standard and lifestyle.
3. agree to Australia paying for this undemocratic nation's products, at our tax inflated high prices less a % for them to get our business, so that Australia continues to export its jobs and cash, making us further jobs and cash poor and sending millions of us into poverty.
4. allow this undemocratic nation to use the cash we give it in (3) to buy Australian land, property, businesses, infrastructure, intellectual property, workforce etc to gain ownership and control of Australia which gives away Australians' values, living standard and lifestyle.

If this makes sense to you then I suggest you are an economic moron giving away Australia and Australians' values, living standard and lifestyle.

What should make sense to you is that –

- our present taxation system is the cause of our poverty of jobs and cash, and
- you must urgently have financially modelled the 2% Spending Tax Presentation contained in my letter to you of the 13 July 2014. You will then come to understand how you can secure Australia and Australians' values, living standard and lifestyle.

Please give up being a 'Neville Chamberlain'. You will not go down well in history.

Yours sincerely

Derek Smith CA

Comments by Derek Smith CA 5 October 2014

**Top 25 Export Economies – 2014 Relative manufacturing costs at \$US = 100 (\$A1.00 to \$US0.95)**

**Australia has the highest manufacturing costs in the World due to Government reliance on TAX on LABOUR - wages, benefits, superannuation contributions and payrolls, the business that employ Australian Labour and the products and service they produce.**

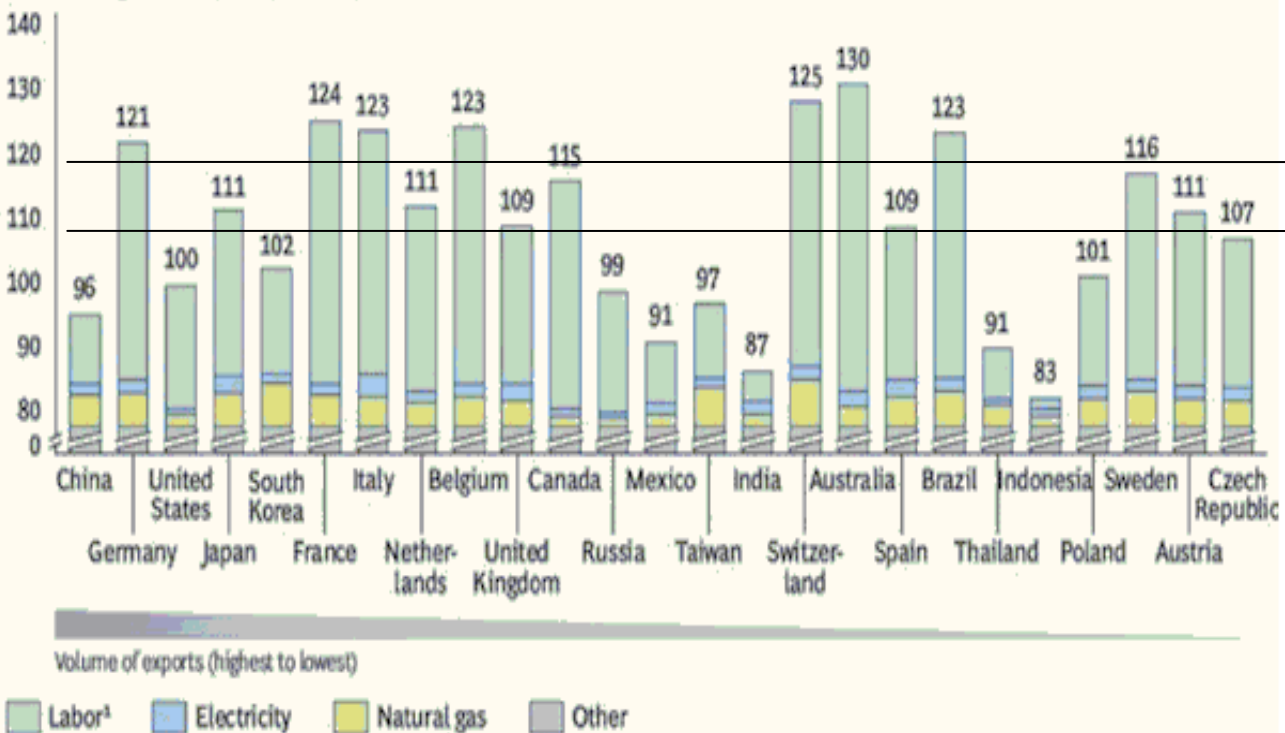
**2% Spending Tax reduces this COST to be below Germany the 2<sup>nd</sup> largest Exporter by volume.**

**2% Spending Tax at \$A1.00 to \$US0.75 reduces Australia's COST below Japan, UK, Spain & Austria.**

**Australia can rebuild its manufacturing industry and create jobs in manufacture of – cars & trucks – food processing – aircraft maintenance and safety – shipbuilding – IT – etc. and in value adding to the vast mineral and energy resources of Australia.**

**EXHIBIT 1 | Comparing the Top 25 Export Economies**

Manufacturing cost index, 2014 (U.S. = 100)



2% Tax at \$A to \$US0.95

2% Tax at \$A to \$US0.75

Sources: U.S. Economic Census; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; International Labour Organization; Euromonitor International; Economist Intelligence Unit; BCG analysis.  
 Note: The index covers four direct costs only. No difference is assumed for other costs, such as raw-material inputs and machine and tool depreciation. Cost structure is calculated as a weighted average across all industries.  
<sup>1</sup>Adjusted for productivity.

**2% Spending Tax funds Federal Government including by TAXING those NOT presently TAXED  
- foreign companies, Internet imports, speculation in currencies, derivatives etc, gambling etc.**

**Federal Budget = more debt. Alternative 2% Spending Tax = cash in hand liberating Australia from debt, and jobs for all Australians to pay off debt.**

