

Open letter.

Address provided to PM

25th November 2014

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

Dear Prime Minister

China and India need our supplies.
We do not need their supplies.

China and India need supplies from us, we do not need supplies from them. In the 1960s with a population of only 10 million, Australians made their own supplies of – processed foods – clothing – household goods including carpets – white goods – electronic goods – cars and trucks – trains – aircraft – ships etc. etc. Australian manufacture was competitive at a time of a relatively high value Australian dollar which favoured imports in particular from Japan i.e. A\$1 = 400 Yen. A single wage earning family could afford to pay off a house mortgage, have a car on finance, have a family holiday and enjoy a standard of living and lifestyle second to none. This attracted educated and skilled migrants to Australia.

In the late 1960s to early 1970s I was in the paper converting industry and Bernie, Tasmania was a thriving and prosperous pulp and paper-making City supplying the whole of Australia with high quality paper. We made products from Bernie paper and exported them throughout South East Asia including Singapore (A\$1 = 3.5 Singapore Dollars), Hong Kong (A\$1 = 7 HK Dollars), Thailand (A\$1 = 30 Baht) and Japan (A\$1 = 400 Yen). If you knew the history of Bernie it should not be a surprise to you why Senator Jacqui Lambi is so deeply concerned and committed to the people of Bernie today, in particular its unemployed youth and high incidence of youth suicide.

Our present Taxation System has destroyed manufacture in Australia because workers and the businesses that employ them pay most of the tax in Australia, inflating the cost of labour and the goods and services they produce. With a 2% Spending Tax and a volume/price mix of 23 million Australians we can again make our own supplies. Please see the enclosed graphic of Australia's manufacturing costs with a 2% Spending Tax.

The ownership of Australian land, property, businesses, intellectual property, etc must be owned by Australians not absentee landlords and foreign investors with a controlling interest. Australian Super Funds should finance these investments by Australians. The Government must legislate to make this happen.

You can give back Australia to Australians by coming to understand how a 2% Spending Tax can make this a reality with benefits for all Australians. All you need to do is to have Treasury, ATO, or the ABS, model the 2% Spending Tax Proposal contained in my letter to you of the 13 July 2014.

Please see the attached graph which shows that a 2% Spending Tax paid by everyone on all spending including speculation etc will provide the Federal Government with substantial cash funds for new infrastructure, including new regional cities, to increase Australia's international competitiveness and provide a higher living standard and more fulfilling lifestyle for all Australians.

Yours sincerely

Derek Smith CA