

Julia, Economic Policy and Taxation

The Letters Editor,

My disagreement with Julia is fundamental. Julia believes that the nation's economy is best run with herself as the chief bureaucrat dictating policy.

The market system automatically and impartially allocates all resources and services into the hands of those making the best economic use of them. The market is the entire population. Every cent spent is an economic vote. The nation's economic and social affairs are best run by the market.

Individuals' spending and or investment decisions can make small businesses big and big businesses small.

The only reason a state needs a monopoly of coercion is to protect individuals from internal and external thugs. The serious danger of the state's monopoly is that they themselves through the bureaucracy, (which includes all politicians), can become serious internal thugs.

The only way the population can protect themselves from these potential criminals is by strict budget control, and insistence upon annual budgets being balanced. Deficits should be regarded as incompetence and unlawful.

All taxation reduces the impartial decisions of the market to make the best possible use of resources and services. Therefore proposals like the ETS tax, which will do absolutely nothing to the climate, will impose massive costs to all Australian industry and population. It should be abandoned.

Also the proposition to impose resource rent taxes upon industry, is a massive impediment to Australian explorers and miners, and more so to the population. Capital acknowledges no national boundaries. It will migrate to friendlier shores, thus lowering living standards here.

Ronald Kitching

North Rockhampton. QLD 4701. Australia.