



## LETTERS

### Half-baked Stalinism

The debate between Peter Robson and Peter Baldwin (*ALR* 128, May) was most interesting, but it concerns me that the two Peters along with the rest of the Left have not given deregulation a reasoned assessment. With some elements of the Left there is still a sort of half-baked stalinism; a desire to boss everybody around.

Do we want to follow the doctrinal absurdity of supporting or opposing economic regulation as such? Each regulation should be examined to see who gains and who loses, and on that basis supported or opposed.

It is becoming clearer that many of the excesses of the 1980s involved state government intervention in the economy—especially in WA, but also in Victoria and Queensland. Many of the destructive activities of Bond, Skase and Connell were, in fact, based on state government intervention as much as federal deregulation.

In any case, how far did we deregulate? Certainly, no government, state or federal, took microeconomic deregulation seriously. It would be useful if, as Peter Robson suggests, the federal government did set up a wool scouring operation. They would discover how many state and federal regulations and how much legislation affects new industries. They would also discover that many of the regulations contradict each other or are simply unnecessary.

More basic than any other microeconomic factor, however, is the taxation system. In many ways the tax

system is the strongest guiding hand the government has on the economy. Nobody seems to want to think this through.

1. Exempting all homes regardless of value from capital gains tax, land tax, and tax on imputed income, led to a massive tax induced boom in fancy domestic real estate. Why build a business, employ people, and pay all the taxes involved when the government is clearly signalling via the tax system that it wants you to speculate in domestic real estate?

2. Keating introduced a mild capital gains tax on investment real estate and other assets, but the reintroduction of negative gearing tended to outweigh that in investors' eyes. Hence the boom in real estate in general.

3. There are companies operating at a loss which are still paying substantial amounts of payroll tax. This tax is, in effect, a message from the government to employers to employ fewer people.

4. Depreciation allowances on plant and equipment in Australia are extremely niggardly compared to overseas rival economies. So much of Australian industry operates with ancient equipment.

5. The one tax in Australia which falls unambiguously on wealth is land tax. It is also the only tax any government is seriously considering cutting. We should be demanding that it be increased.

In the 1980s the government removed some regulations but maintained the tax laws which sent the economy down some pretty unproductive paths. If we do not recognise this we will simply do it again, in one form or another.

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### Half-baked Zionism?

Sol Encel's potted history of the Kurds (*ALR* 128) leaves readers mystified about what he calls the failure of progressive people "to pay attention to the Kurds". He neglects to mention the fact that the radical Iraqi regime of Abdul Karim Qasim, which overthrew the British puppet government

in 1958, was opposed and undermined by Mulla Mustafa Barzani, the Kurdish leader at the time—largely because Barzani was himself a feudal landlord and Qasim had embarked on a program of land redistribution (very necessary from any 'progressive' perception of Iraq's problems).

Qasim was far too close to the Iraqi Communist Party for the comfort of the CIA and the Zionists and naturally he had to be destabilised—the Kurds and Barzani were most useful in this exercise, only to be dumped unceremoniously in 1975. The CIA supported the Ba'ath Party because its ideology was violently anti-communist, and when Qasim was overthrown in 1963 a massacre of Iraqi CP members was carried out by the Ba'ath aided by CIA/Mossad intelligence in the form of names and addresses.

Barzani was, of course, delighted. His lengthy leadership of the Kurdish struggle continued in tandem with CIA/Mossad aid. Qasim himself had attempted to forge a better deal for the Kurds but was faced with unremitting hostility from the feudalist Barzani. This in itself indicates why the Kurds suffered a number of political splits, with leftwing Kurdish groups emerging to oppose Barzani. This also explains the 'failure' of progressive Arabs and anti-Ba'athists to embrace 'the Kurds' in the past.

This information is freely available. I am therefore appalled that *ALR* would publish such a selective history of the Kurdish role in Iraqi politics which basically amounts to disinformation and mystification. The Left should instead be receiving analyses which might help in decisions as to which Kurdish political tendency deserves support from 'progressive' people.

If you have well-known Australian Israeli lobbyists like Encel writing for *ALR* you might at least seek alternative information from non-Zionists to balance your 'histories'. Encel succeeds in making progressive Arabs and others look negligent in their "inexplicable" failure to support the Kurds—by writing Qasim out of his history. This is not fair!

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