

**For Immediate Release.**

**4 May, 2008**

**“Emissions Trading – A Weapon of Mass Taxation.”**

The Carbon Sense Coalition today described the proposed Carbon Emissions Trading Scheme (ETS) as “A Weapon of Mass Taxation”.

In a submission to the Garnaut Enquiry, the chairman of “Carbon Sense”, Mr Viv Forbes, claimed that the scheme would have no effect whatsoever on world climate but every Australian would feel the oppressive cost and dislocations caused by it.

“Staggering estimates of the costs of forcing industry to purchase permits to emit CO<sub>2</sub> are just starting to emerge: Germany (100 billion euros), Australia (up to \$22 billion), New Zealand (\$4.5 billion). The amazing fact is that even though consumers in many countries will bear oppressive costs, there may be no reduction whatsoever in CO<sub>2</sub> emissions, and no beneficial effects on the world climate.

*(The Chairman of the Australian Taxation Institute, Mr Michael Dirkis, recently estimated that the direct tax cost of an Emissions Trading Scheme could be \$22 billion or 40% of company tax receipts.)*

“The immediate tax revenues collected from the forced sale of the emission permits will just be the start of the ETS tax pain. This tax will feed immediately into the prices for electricity, transport, food, cement and metal products. It will be like spreading the costs of petrol excise taxes into everything we buy.

“But to administer the whole complicated scheme, with tentacles into every business in the land, will require a stifling bureaucratic overhead of administrators, consultants, regulators, statisticians, tax collectors, auditors, inspectors, enforcers and prosecutors. At a time when real industry is suffering from a shortage of labour and services, all of these people and resources will be sucked into an ETS black hole. This bureaucratic burden is yet another hidden tax.

“Then to cope with the vast increase in green/red tape, the business world will build a matching unproductive empire of corporate bureaucrats charged with complying with all the new laws, statistics, reports, taxes, regulations and audits.

“All these morbid results will be followed by the growth of a parasitic class of traders, speculators and bankers already gearing up to profit from the creation of paper carbon credits – another addition to the hidden ETS tax burden paid for by consumers, taxpayers or shareholders.

“Then there is the insidious effect on the supply and cost of food.

“The Ethanol Obsession is already diverting grains and other foods to produce motor fuel. This stupid policy of subsidising or mandating the use of ethanol and biofuels will gobble up rapidly increasing quantities of corn, wheat, oils and sugar. Farmers all over the world are diverting land from food production and destroying forest land to produce motor fuel.

“An even more ominous threat to future food supplies is the growing plague of sterile carbon-credit plantations which are already smothering food farm land and native pastures at an alarming rate. Every farming community is watching with increasing alarm as families leave, food production ceases, farm houses are abandoned and the

land is covered by a monoculture of unproductive artificial plantations. Once the ETS becomes operational, this destructive process will multiply. Some hungry future generation will have the job of eradicating this crop of woody weeds for a new race of pioneering farmers.

“Even more insidious is the fact that schemes like carbon sequestration and carbon credit plantations will rob the atmosphere of the life-producing carbon dioxide. For 100 years, the green revolution has produced more food from the same land, partly because of the free carbon dioxide added to the atmosphere by burning carbon fuels. If the world managed to be so stupid to limit or stop man’s emissions of this plant food, he would surely starve all plants (and himself) – the ultimate tax blunder.

“When people notice all food products becoming scarce and expensive, they should remember the real villains – Al Gore with his baseless hysteria about carbon dioxide in the atmosphere and the Garnaut/Rudd emissions trading racket.

“Moreover, if Australia decided to become part of a world ETS, the net result will be a huge transfer of carbon credit money into dubious schemes in the third world, so Australians will never see any benefits or jobs from the spending of their own carbon tax money.

“Another inevitable result of a carbon ETS will be to force-feed inefficient, costly and environmentally destructive methods of generating electricity such as wind and solar. This will sop up capital to build these invasive facilities, and push up the cost of electricity from such expensive, intermittent, scattered and unreliable power sources. At the same time, low cost reliable concentrated power from coal will see its share of the electricity market decline - more collateral damage from the ET Weapon of Mass Taxation.

“Finally, shareholders and employees will suffer as plants and facilities made unprofitable by the cost of emissions permits or carbon taxes are prematurely scrapped or mothballed.

“It is amazing that our government seems prepared to turn this ET Weapon of Mass Taxation onto the Australian people without any proof that reduction in man’s emissions of CO<sub>2</sub> will bring any benefits, and without telling the Australian people what the scheme will cost.

As an American report on emissions reductions concluded recently: “A severe global emissions-reduction policy through emissions trading could turn out to be the costliest public policy mistake in human history with costs vastly exceeding the benefits”.

“Two things must be done before saddling Australians with such costs.

“Firstly, set up a Royal Commission of Enquiry into the science of whether CO<sub>2</sub> is a driver of world temperature.

“And secondly, prepare an independent cost-benefits analysis, prepared to the standard defined by ASIC for a prospectus required by law for any corporation proposing to raise such huge amounts of money from taxpayers, consumers and shareholders.”

For full details of the submission by the Carbon Sense Coalition to the Garnaut Enquiry see:

<http://carbon-sense.com/wp-content/uploads/2008/04/emissions-trading-a-weapon-of-mass-taxation1.pdf>

Authorised by:

Viv Forbes, BScApp, FAusIMM, FSIA

*Chairman*

*The Carbon Sense Coalition*

*MS 23*

*Rosewood Qld*

*0754 640 533*

[www.carbon-sense.com](http://www.carbon-sense.com)

info@carbon-sense.com