

the Government's new sales tax rules are in effect from the spirit of the GST than the present regime.

The need for farmers to register will double the number of businesses faced with the burden of complying with wholesale sales tax - from the present 70,000 to about 140,000, assuming the Government's best-case scenario.

These new registrations will reduce the scope for tax evasion by using the same principle that motivates the GST. In a further blow to the Government's political sales pitch, a leading tax expert questioned Mr Dawkins' claim that up to 54,000 of the 70,000 businesses registered under the present system would choose to opt out of sales tax under the new rules.

A senior partner with the accounting firm Arthur Andersen, Mr Paul Warton, said

in the black economy to register with the tax office to claim refunds on tax already paid on their inputs.

The requirement for farmers to register under the new system was contained in the fine-print of Mr Dawkins' sales tax announcement last week.

On the third page of his press release, Mr Dawkins said farmers would be given the option of registering with the tax office "and merely quoting a sales tax registration number when purchasing goods tax-free".

He said farmers and other primary producers "will not be required to lodge returns in respect of any of their exempt transactions".

Mr Warton said there were very few of the 54,000 companies targeted by the sales tax changes that would choose to opt out of the system.

By JAMES MORRISON

M.V. Krait, the fishing vessel used in a daring raid on Japanese shipping in Singapore Harbour nearly 50 years ago and handed over to the people of Australia in 1964, may be stolen property.

The ownership of the Krait (pronounced Krite), now an official war relic floating in Sydney Harbour at the Australian Maritime Museum, has been lost in the shadowy world of secret intelligence.

According to Lynette Ramsay Silver, who with historian Major Tom Hall has written *Krait: The Fishing Boat that Went to War*, launched in Sydney yesterday, the ownership of the boat has never been resolved.

The Krait was impounded by the British in Singapore Harbour with a fleet of other Japanese fishing vessels at the outbreak of the Pacific War on December 8, 1941.

In the last weeks of January 1942, when the fall of Singapore to the

Was war spy robbed of Singapore raider?

Japanese 25th Army was imminent, former seaman and mining engineer Captain Reynolds decided to escape to India on one of the impounded craft.

Reynolds chose the Krait for the same reason it was used to launch the raid on Singapore during Operation Jaywick in September 1943: as a Japanese boat it had the best chance of passing undetected.

Reynolds did not participate in the raid. He left the boat in Queensland with mechanical problems and at the age of 50 became an undercover

agent for the United States Bureau of Economic Warfare.

Before he left for Borneo aboard an American submarine, Reynolds had in November 1943 lodged a right to salvage claim with British Admiralty on the Krait, to give his wife, Bessie, some financial security in case he did not return.

Three days after he landed in Borneo, Reynolds was betrayed to the Japanese, taken to Java in February 1944 and executed by firing squad.

Bessie Reynolds, denied a war widow's pension because her husband as a civilian secret agent did

not officially exist, never found out that he had left her a legacy.

The British Government did nothing about it either, although Admiralty, in documents uncovered by Hall, recognised the validity of the claim. After the war, the Krait was transferred to the British colonial powers in Borneo. In 1947, an official tried to ascertain the ownership of the vessel.

The official approached the Australian Army, who sent him to the secretary for the navy, who sent the inquiry to British Admiralty, which passed the matter to Force 136, the unit which had run intelligence operations in India. The files of Force 136 have a 100-year embargo. Since 1947, no attempt had been made to resolve the ownership of the Krait, until Silver and Hall uncovered the Reynolds' right to salvage claim while going through records in the Imperial War Museum in London last year.

the fact that he was a prisoner of Indonesia for his first overseas visit as Prime Minister.

"I think it is a very important step in bilateral relations and it is very timely too (because) it will be his first trip abroad in his new job as Prime Minister and secondly because of the Dili affair," Mr Goenawan says.

He describes relations between the two countries as "basically good" but says East Timor and the problem of independent Australian reporting of events in that province will continue to burden bilateral relations.

As a journalist, Mr Goenawan says he understands the media's desire for a good story but feels some of the reporting of the Dili affair has been one-sided.

"The Dili massacre is not defensible or justifiable so it is okay for Australia to react to that as a moral issue," he says. "But it is also important for the Australian media and public to notice the complexity of problems and the serious attempt by the Indonesian Government to correct the things that went wrong in the province."

The Indonesian Government's decision to conduct an inquiry into the massacre and punish two senior military officers involved should "be appreciated and understood".

"Despite Indonesia's way of doing things, which are not always palatable, the Government and the people are not brutes, (they) are not primitive," he says.

Mr Goenawan was saddened to hear a veteran Australian journalist say to him recently that the Australian media only focused on Indonesia when there was a crisis in that country.

He believes East Timor will remain a contentious issue for years to come.

"East Timor will remain a problem because you have Timorese who stay here fighting for their independence and you have to listen to them, you cannot ignore them, but on the other hand the Indonesian Government is not going to let the Timorese Government have independence," he says. "It is a very difficult position. I appreciate and have sympathy with your (Australia's) position."

"You can choose to be moralistic and condemn the Indonesian Government or be realistic and accept the status quo."

State threatened over .08 law

By MARTIN THOMAS and MARK IRVING

WESTERN Australia will be denied a share of \$180 million in federal road funding if it fails to move into line with the other States and reduce its permitted blood alcohol level for drivers to .05.

The federal Minister for Land Transport, Mr Brown, said yesterday it was about time Western Australia joined the rest of the "civilised world" in setting a .05 limit and it would not get a cent of funding, set aside for accident blackspots, until it did.

"The West Australian limit of .08 is twice as dangerous than the .05 limit, which is in

force in other parts of the nation," he said.

"It means drivers on roads in Western Australia are at greater risk."

Mr Brown criticised the State Opposition for blocking change in the Legislative Council.

The ultimatum puts the West Australian Government in a difficult and frustrating position.

It drafted a Bill last year, which included lowering the alcohol limit, but the Opposition would only pass it after an amendment to keep the .08 limit.

The Federal Government granted the blackspot funding last year on the understanding the legislation would be enacted. But Mr Brown warned no money would be given to Western Australia in the second or third year of the program.

The Premier, Dr Lawrence, reacted angrily to the prospect of the State losing out on road funding, saying: "That sort of threat does not help at all."

Legislation to reduce the drink-driving limit will be reintroduced shortly in State Parliament.

Hewson wins preselection

THE Leader of the federal Opposition, Dr Hewson, won unanimous support in the preselection held by the Liberal Party for the seat of Wentworth yesterday.

Dr Hewson, who has been the Member for Wentworth since 1987, defeated his challenger, Mr Fred Brinkman, 48 votes to nil.

In the seat of Bradfield, Mr David Connolly, who has been the Liberal Party's Member since 1974, defeated the only challenger, Mr Bruce McNeilly, by 42 votes to 5.

Jurist calls for special court to deal with ecological litigation

By ÉAN HIGGINS

A FEDERAL environment court should be established to avoid a potential "litigation nightmare" that would follow an ecological disaster such as an oil spill, a senior jurist said yesterday.

Justice Paul Stein of the NSW Land and Environment Court warned of significant gaps and overlaps in the law governing environmental offences.

He told an environmental law conference in Sydney yesterday that the present system would leave Australia legally ill-prepared for events similar to the 1989 Exxon Valdez oil spill in Alaska.

The conference, entitled Exxon Valdez - What Can We Learn, addressed the legal issues surrounding the catastrophe in which the tanker crashed into reef, spilling nearly 50 million litres of oil in an environmentally sensitive area.

One of the lawyers representing Exxon, Mr Dick Clinton, said three years after the accident there were still 190 cases before the courts in the United States involving about 4000 plaintiffs and 70,000 class-action parties ranging from Eskimos to beauty parlour owners.

Justice Stein said that while Australia had some legal and cultural differences that

made it somewhat less litigious than the US, this distinction was narrowing.

Access to limited class action had been introduced in the Federal Court jurisdiction, he said, and individuals were finding it easier to achieve the standing they needed to proceed with common law cases.

An environmental disaster could lead to a vast array of criminal and civil actions under a range of laws and

Significant deficiencies

jurisdictions, which could create "a litigation and community nightmare" tying up courts around the land.

Justice Stein called for the creation of a single, specialist jurisdiction - such as a federal version of his own court or a separate division of the Federal Court to deal with all civil and criminal actions relating to environmental matters.

"Only such a court could contain the litigation," he said.

Justice Stein also called for "a more clean-cut alternative" to litigation, such as mediation, to cut short long legal battles over damages claims.

Witness told family Polyukhovich a killer

By ROHAN SULLIVAN

THE aunt of a witness to the war crimes hearing continued to see the accused, Ivan Polyukhovich, even after her family had been warned she was "seeing a murderer", the Adelaide Magistrates Court was told yesterday.

Witness Mr Ivan Tymofeyevich Polyukhovich, 63, told the committal hearing that the accused, known then as Ivanechko, had regularly

called at his family's house in the Ukrainian village of Alexandrov, even after he had told the household he had seen Ivanechko shoot two

Jews and beat another to death in a nearby field.

Under cross-examination by senior defence counsel Mr Michael David QC, Mr Polyukhovich said he had told his family he had seen the accused line up the Jews in a row and try to kill them with a single shot from a rifle in about September 1942.

They had been afraid to say anything when he came to their house.

Mr Polyukhovich, who shares a patronymic name with the accused, told the court the accused had come to

his family's house, carrying a rifle, to call on Maria Andreyevna, the wife of an uncle who was in the Polish army.

Mr David asked: "Did you complain or talk to any members of your family that a murderer had come?"

Mr Polyukhovich said there was "household talk" about the killings but he did not know for certain if anything had been said to Maria.

"We were afraid then ... if you say so he would kill straight away," he said. "I did not say anything. I was of a

young age to talk to Maria about that."

Mr Polyukhovich last week made an in-court identification of the accused as Ivanechko and of his wife, who also attends court, as Maria.

In the cross-examination, which lasted almost all day, Mr David questioned closely the witness's recollection of the killing of the three Jews.

The accused is charged with the murder of 24 people and with being knowingly involved in the deaths of 850 others.

The hearing continues.



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