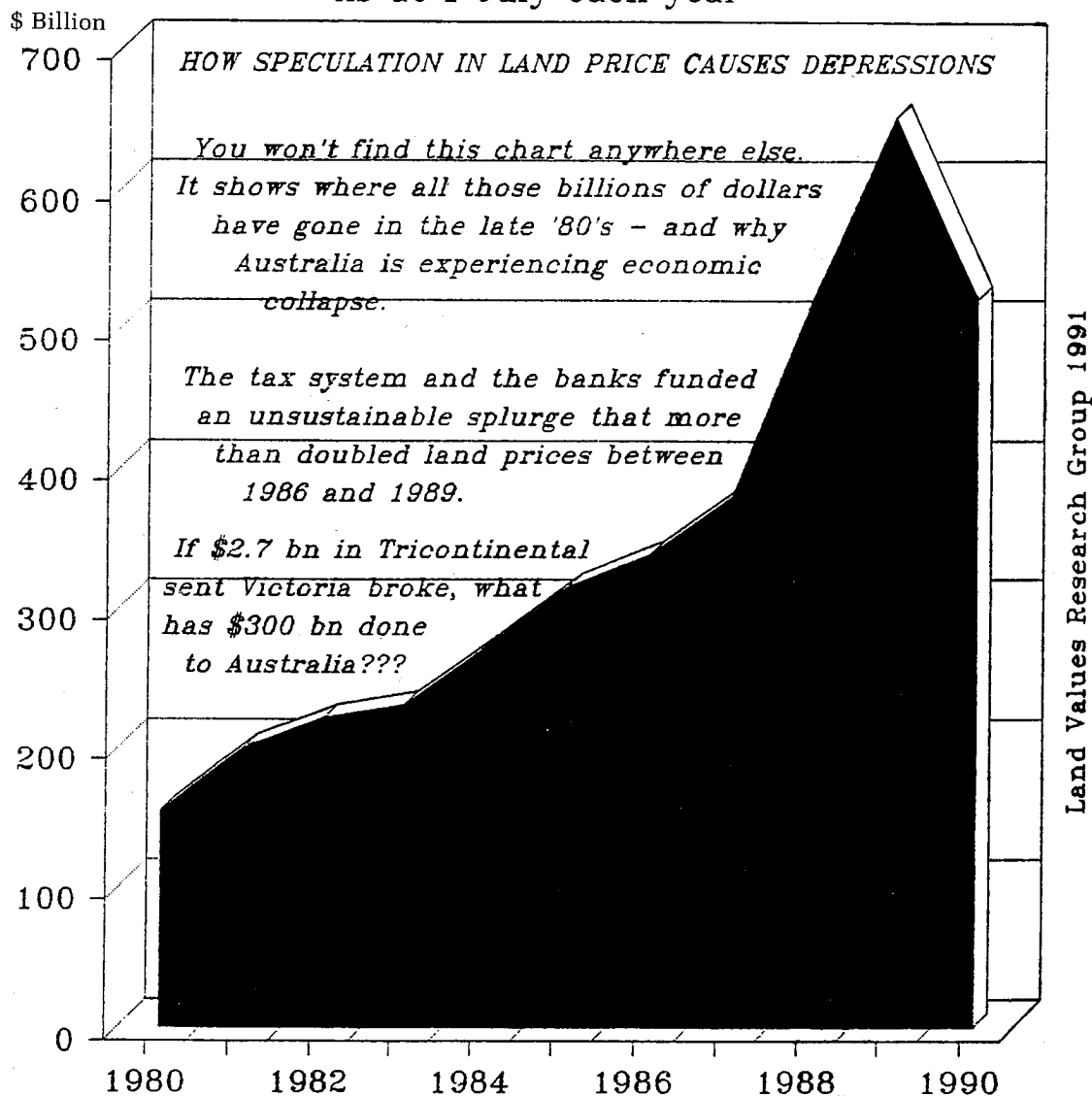


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COMMON WEALTH AND COMMON GOOD – REACTIONS

The following is a comment on the first report emanating from the Inquiry into Wealth conducted by the Australian Catholic Bishops. Several Georgist submissions were originally made.

POINT 1: The common wealth of *all* Australians (or of any other nationality) is their natural resources. As compared with buildings or other property, these can never be privately appropriated in natural law, because such a man-made law was the start of the process of dispossession inflicted upon our own aborigines and the poor throughout the world.

Man is the only one of God's creatures denied free access to land by legislation. As this *"deviates from the right reason, it is an unjust law. In such case it is not a law at all, but rather a species of violence."* (St. Thomas Aquinas)

Under natural law in civilised society, a person or corporation granted exclusive possession of land (which in economics includes sea and air) automatically becomes the "owe-er" to the public purse of the economic rent for that land (hence, the word "owner"). Even our modern freehold title – the fee simple in possession – entitles the Crown to levy the annual rent of the land, or to "resume" the land for the betterment of the community.

Sufficiency of/enormity of economic rent: A recent study by a team of British scholars showed the economic rent of Britain's natural resources to be almost

30% of her national income in 1990! Australia's economic rent, too, is at least 25% of national income. Currently, this is being permitted to flow into a relatively few private pockets – thereby creating the need to levy penalty taxes upon those who work.

POINT 2: The private wealth of Australians (or of any other nationality) is the value of what individuals produce or offer by means of their talents. It does *not* include land – as stated in page 13 of the draft report.

By exacting various forms of taxation, instead of taking the community-

created economic rent, and, the State interferes with a basic right of people to retain the fruits of their own labour – committing, yet again, “a species of violence”.

ANALYSIS:

Despite its good intentions, by failing to spell out the two most fundamental of human rights abovementioned, the Bishop's Draft Statement has really only proposed that we put our fingers into the holes of the terminally damaged dyke that is our economy.

“Re-introduction of death duties or some other form of wealth tax” (discussion point 14 of the draft document) casually dismisses the moral fundamentality of the case for tapping economic rent – the Creator's natural fund, a fund which comes into creation by the mere existence of a community!

Death duties do take some economic rent in “one off” situations at a time when families are still grieving, and are therefore callously intrusive. On the other hand, wealth taxes are too cumbersome, too bureaucratic and require too many valuers to be effectively implemented.

As we said in our original submission, the remedy to a multiplicity of society's deepening problems is *not* a search for a series of palliatives, but *to found a just economic model – based in natural law*. There is no need to look any further, or to agonise over the sheer number of obvious ills in society; they all stem from the one source – the misappropriation of God's natural resources. The remedy, as always, remains a simple adjustment to our revenue system.

Amongst the many positive results which flow from abolishing taxes which penalise investment, employment and wealth-creation – and taking instead the economic rent of our natural resources, are:

1. A bridging of the vast gap in wealth between a privileged elite and all

other people. Less poverty means less crime, and less occasion for war.

2. No proclivity to speculation or monopoly in land – caused by a tax system which virtually leaves these activities free.
3. Access to land for those who really need it. Because a “tax” upon the economic rent of land, unlike all other taxes, cannot be passed on (and economists accept this fact), monopolists and speculators will be encouraged to divest themselves of their “surplus” resources.
4. A breaking-down of business monopolies, and greater opportunity for self-employment.
5. Conservation of our sacred resources by means of a *sustained* levy upon their use. (cf. death duties)
6. A tendency towards decentralisation and community which such an incentive “tax” engenders.

FINALLY:

A century ago this May, Pope Leo XIII tried to justify private property in land in paragraph five of *Rerum Novarum* in these words: “*That which is bought with rightful property is rightful property.*”

Clearly, honest money paid either for land or a slave can only transfer a form of proprietorship. Under natural law, it is obviously impossible to confer moral sanction to such transactions. By remaining silent on this gross error, the Church remains an active agent in obfuscating the primary cause of the maldistribution of wealth.

There is something synchronously unholy about the Bishops' Committee's failure to accept that this planet of God's can be privately owned, abused, and sold at a profit, precisely 100 years after *Rerum Novarum*.

Sure, we should retain our freehold titles, but we all have the annual duty to “Pay the Rent”, as our

indigenous people say (and as Peter Garrett sings).

Strange, that unsophisticated people such as our aborigines can see the critical implications for economic justice of private “ownership” of mother earth, but our religious organisations cannot. We can only guess at the reasons.

By not getting to the root cause of poverty, the Committee appears to have consecrated the atextual interpretation: “The poor you have always with you”. It has done so in a draft report released again at the onset of another economic depression – a depression which we forecast to EPAC in a report dated 1 May 1984! (Compare this with the final sentence on page 8 of the statement.)

As our last plea towards the Committee's final report, we ask that it view the enclosed video *The Third Way*. If viewed in a reflective manner, we feel confident that it will be seen as the only Christian response to the widening gulf between the rich and the poor – both in Australia and elsewhere.

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