

Judging by Peter Costigan's article (p.5, Jan 20), the Catholic Bishops' Committee for Justice, Development and Peace, like the Bourbons, has learnt nothing but forgotten nothing either from its three-year investigation of the distribution of wealth.

The facile temptation to tax wealth, without discrimination between that productively earned and that derived unearned from natural or enforced monopoly, has been tried and has failed to achieve its ostensible objective so

many times in so many places that one might have hoped careful explanation would one day be accepted by seekers after genuine socio-economic justice.

Not yet, apparently! I expect my own three submissions to the Commission at different stages, totalling some sixteen pages and never queried, were supported independently and lucidly by quite a few others. Yet once again we are offered a gimmicky variant on a tired old theme – a death duty but on the heirs, who should somehow be able to avoid selling the family farm or business to pay it when the estate itself, in their hands, cannot!

All States, Territories and most of local government still have minor taxes on land (unearned natural monopoly wealth), *not just Victoria*, although sadly whittled away since Lucky Country days when we also had a Commonwealth land tax. These have *not* extended to tax residences or any man-made improvements except earthworks permanently merged over time with the unimproved state of land.

Business owes *no* "... fair share to general revenue ...". Public revenue expenditures enhance the value of land, not of productive business and should thus in justice be paid by land. Already paid heavily by business instead, taxes must be passed on to consumers to hopefully avoid bankruptcy and maintain a fair return to human capital and labour from lower sales, production and prosperity thereby occasioned. Denied a fair return, capital and labour gravitate increasingly to exploitation of

the most intrinsically valuable natural resources and primary commodities, which typically require less of each. Instead of desperately needed but now unaffordable labour-intensive goods and services we thus get more and more grandiose and monopolistic development projects, mainly for exports, from those purloining the wealth we produce.

It is world-wide pollution, reckless consumption of *and warfare over* untaxed, natural resources that we must learn to avoid, by their frugal, *taxed* use instead, in durable goods and services, mostly using *untaxed*, man-made capital and labour. Instead of an even more disastrous business-consumption tax burden, we must reverse the process, for peace, justice and the environment.

Let's hope Peter Costigan just had a bad dream!

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"The Canberra Times".