

When I lost my unencumbered home in a criminal conspiracy conditioned by the failures of statutory service delivery and commercial misfeasance I turned my focus to those structural weaknesses in our society that mitigate against our civil rights and a genuine free market. If the theoretical definition of economic "science" is not a lie, and our economic gurus not liars; and the book of each life is written in the interplay of its' unique DNA and the environment, then what we have is not capitalism anymore than a wall is Jerusalem. In the light of rare lessons I pass on my short experience as a one time "elite" investor whose "revelations" on unearned income may enhance the lives of others who share the unequal burden of philosophical fallacy translated to rational market policy in our "democracy".

We live in the "emptiest" inhabitable continent in the world. Augmenting our flora and fauna are a myriad of plant and tree life imported from every other continent. Pattersons' Curse is everywhere. Countless feral animals abound - camels, buffalo, goats, pigs, horses, sheep, cats, dogs, chickens, ducks, cane toads and turkeys. Our lakes and rivers are full of nothing but carp as much as our media is full of "carping" about nothing.

As one of the human "turkeys", I am often subject to the disproportionate weight unearned wealth assumes in public debate. If a society directs its public policies towards the advantage of the undeserving rich, then behavioural effects that mitigate a general equity, a common morality and therefore democracy can be expected.

A cherry-picker is a poor platform for a magnified voice in sociopolitical debates and administrative decisions that should necessarily channel lives to a more or less useful passage in our community. It is a more general global characteristic of modern social and economic infrastructure than is immediately obvious - although local journalism is informed of much corruption abroad.

There is a cemetery in Turkey that confuses the mind by haunting the soul; like the costing of clouds and the shadows of trees, its graves, are mirages of user "pays", and the ghosts that attend them know the unmeasured real cost of commercially driven conflict.

A new generation looking to a global future does not need the toxin of a false memory: The slaughter of an invading great grandparent by a man protecting his home and family in a war caused by globalised ignorance, and ambition and the insatiable greed of the undeserving rich and conjured by a fear of shadows is not a saga of heroism unique to this nation. We could build a granite world from here to China and all the nations could supply an "endless" list of such heroes and victims, and the victims of heroes to etch upon it.

Not so long ago the biggest new "Oz" story was an old woman taken half a world away, from the home she does not want to leave, to a land she did not ask to come to. She sits in a bus in what must be to her the most inhospitable suburb in the world. A "pack" of media "hounds" surrounds her. Such a crowd in her village gathers for a trial, a punishment, or a funeral. She does not get the "Diana" treatment from the press. We do not know her story despite the digital pollution that represents her pain. We are told she insults her hosts' hospitality: she must think, as a daughter of Islam, 'What hospitality?' A host invites a guest, and sensitivity, compassion, and a tolerance appropriate to the circumstances mold hospitalities rituals. The old woman in the bus is a little like my mother in her last days - like your grandmother.

Perhaps in some way she was caught in the "collateral damage" of the "Great War", when Australian soldiers came from half a world away to the Dardenelles to turn her cousins world upside down for a cause obscured by secret diplomacy, misinformation and the modern version of immortality, "commercial in confidence".

An insulted guest is the orphan of civilisation. All empathy disappears in a "black hole" in the universe of the victims' affections. When compassion shrinks to a meaner emotion, a fraudulent attitude replaces a productive one. Cooperation becomes competition, the realm of the beast; a transaction of charity, is

transformed by ignorance and insensitivity into opportunism and theft; a moral dilemma repels and polarises psychology.

For millennia the great civilisations developed on the basis of tithing (GST), or plunder. The nature of a society is reflected in the governance relationships that regulate commercial transactions. A progressive society is one where productive intentional behaviour is orchestrated by universal principles.

Our taxation system is anchored in the mire of the recent past, in the quest of human natures seeking certainty and safety. When regulative “stimulants” demonstrate an activity that prefers the least productive investor, it is not of the same nature as heterosexuals competing with a gay persons for sex. Homosexuality is hardly market failure except in prisons and on ships. That it is not analogous to our housing market can be discovered very quickly by directing taxation advantage to new projects only, or to none at all.

We know by experience that it is not likely that the unguided philanthropic impulse of the average person or commercial policies will secure certainty or safety for the accidental victims of pollution, for the baby born disabled two generations later to the immigrant son of a fireman who snuffed out a fire at Chernobyl, or to the "collateral damage" of the disabled grandchildren of an American CEO whose gonads were overdosed dangerously by the medical X-ray 'over servicing' demanded by high risk "protective" insurance premiums common in the 1950's. Cause and effect are not contiguous or discernible. Nor is it more likely that genetic mutations that enhance the central human faculties of compassion and intelligence will be born into the few percentiles that separate the wealthy from the rest of humanity. Our new genius is more likely to be hindered than enhanced by our housing taxation system. Yet her mutational advantage will survive the finite lives and wealth advantage that burden her freedom, in her descendants where choice translates moral action into evolutionary blueprints for new potentials.

Plunder diminishes public morality and the dynamism of economies. It leaves the cheat and the unethical in charge. It burdens and wastes the able and the disabled. It is a tax without a purpose beyond immediate self gratification. It draws its' victims towards an inevitable conflict. Plunder leaves nothing but a bad habit and a cruel road to a desert, or back to the jungle of diminished consciousness. Plunder in a democracy is a contradiction.

Not many years before Gallipoli, Chancellor Churchill obtained a private loan that was in magnitude about 1% of the National Budget of the UK. The amount he borrowed, although substantial for its' time, was minuscule compared to 1% of a current UK budget. The massive expansion of Taxation revenue available to present governments is a modern phenomenon growing out of the taxation policies retained after wars they funded had ended. And the expansion of commercial law that upholds them is a consequence of the ethical vacuum and disorder that unrestrained corporate adventures and greed brought to innocent victims. Today our view of taxation policy is through an imprecise lens, one of plunder distorted by tithing. Vested interest and vertical integration often masquerade as efficiency; almost every farm in Australia has an expensive taxpayer subsidised shed full of idle machinery and superphosphate receipts to mark an addiction to taxation stimuli and welfare for the wealthy that elsewhere indicates pathology in a free market.

That men do not long dwell on their ideological impurity is immediately obvious from the Gettysburg address and its' cause. But, however painfully and slowly democracy and a free market emerged from cant and theft, so the free consciousness responds to the logic of universal principles where ever they are so wrapped in the resonant intuitions of “self evident propositions”.

Just as slavery is invisible to the blinkered donkey. The present Australian housing market has the bizarre characteristic that investment taxation incentives for the undeserving rich burdens the working poor.

The Australian housing investment taxation regime is an inoculation of an elite investor protected by government policy against the risk of loss. All that has been required to become rich is the ability to carry your money between bull and bear markets in property and stock. This characteristic of our “developed” nation is more discoverable in the history of Patagonia than it is in domestic textbooks.

The appearance of the “bear” tells you when to sell your stock. Transforming the profits made on stock to real property starts a demand stampede to higher prices for housing. Losers will be pension and mutual funds whose size precludes them from genuine competition yet partly underwrites a cherry-pickers windfall in a boom caused by negative gearing and an oversupply of finance. This and the absence of a wealth tax have created a golden goose that lays eggs only for a few, yet the rest of us must feed it more than it produces. This is a slow version of plunder, now mitigated by the nearest thing to tithing, the GST; the reserve bank constantly interferes in this “free market farce”. The false “producer” gets the gold and the community gets metal poisoning.

Americans were driven to philanthropy at least as much by their federal wealth tax as by the moral superiority of Jim and Tammy. Their highly productive economy rests on enormous private and public institutional infrastructure. Their most productive period has also been the most strictly regulated: a direct consequence of the famous Wall Street induced experiment in self-regulation, the Great Depression.

A remnant of a corrupt gerrymandered Queensland Government nullified the state wealth tax mechanism. Competing state policies creating an effect opposite to the North American experience. Little philanthropy, lots of apathy and the loss of enterprise.

Economic policy is like the product of sex. Authors are predisposed to think their babies a success, long before they have matured. The slow feedback of a taxation system biased towards an elite investor is so extended in time that when the behavioural consequences become generally apparent, deeper undesired structural changes may have occurred that are both costly and irreversible. European fascism caught the wave of devalued currency and rode into the office of the German chancellor on the back of the siren of plunder, inflation. Political and corporate fraud abounds where economic policy dislocates commercial behaviour from moral principle. The illusion of prosperity fades much more slowly than freedom flees.

Mohammed was a trader before he was a prophet. He understood that success in commerce was bound to knowledge and morality. And as a traveller he could not despise freedom. The sons of rich men had the wealth and leisure to direct their unearned income to the destruction of the twin towers. When the Berlin wall fell, and with it the iron curtain, all that remained on both sides was the wisdom of the law, the builder and the trader.

The law protects the ethical from the immoral; without the builder there is nothing to trade and without the trader the builder is idle. The rabbi and Mohammed are one in this, that they should destroy their good works in the trivia of mediaeval conflicts erodes the creative source of human evolution.

Taxation policies geared to welfare for the wealthy has created an imbalance of power and expanding inequality in which expectations of unearned incomes “dampen” productivity and destabilise societies. An insane rush to elevate the vertically integrated bankbook and its bearer to the wealth brackets of the truly productive is only revealed in decay and dysfunction where analysis is replaced by marketing.

We privatised the most profitable of our local public assets at “fire-sale” prices and redistributed the wealth to a cartel of privileged inside traders. This has created an illusion of a greater productivity in its’ members than really exists. An international executive market inflated by the earning expectations of domestic frauds based on mythic productivity then burdens struggling economies with overpaid senior bureaucrats who manufacture the illusion of service while creating the conditions for enduring economic failure.

We need a new taxation philosophy that rewards endeavor, penalises waste and inefficiency, and enhances rather than inhibits productivity.

A wealth tax, a tax on deceased estates and gifts should be a pre-requisite for a democracy. Wealth should not remove incentive any more than it should steal opportunity from the living.

Labour, capital and investment are abstractions from beings born to unlimited human potentials. Resources are ultimately the nexus of evolution and environment. The desire to leave something to your children is an illusionary pursuit in a dispassionate world of cheats, thugs and terrorism, where monopoly providers

supply the leisure of the perverse and the perversion of leisure in exploitative and unnatural commercial enterprise. A society where the ethically challenged regulate the morally disabled is certain to decay.

A child will never be wealthier than the moment it is born. All a parent can guarantee is the legacy of a focus on a good life in a just community. - That requires the best education possible; not a meaningless future advantage over his or her peers in a society diminished by the pretense that ignorance is knowledge...

We can recognise most of the genes in our DNA in rats and frogs. Had someone invented cloning a few million years ago, then in the current taxation climate a wealthy primate unable to win Ms Universe who could not mate with any of us and would not want to, would inherit the earth; - (although we are its direct descendent it is likely most of us would share its attitude).

This is the real substance of any debate on taxation policy in the light of scientific knowledge. Assets do not correlate to genetic wealth or productivity. A string of artificially generated, advantaged "Cherry pickers" defending the only platform in town is a demonstration of social poverty and genetic market failure.

Given the relative deprivation, we expect psychoses should be born more often in the favela than the palaces of the favoured, Yet wealth and power separates a man from the behaviour of his peers just as certainly as poverty drives him to its' embrace. So the former has no nexus in community standards or psychological mores, while the latter is completely immersed in them. But if the most able are born in the former group they have less incentive to improve community standards, and if they are in the latter then they are comparatively disadvantaged by the inferior leadership of the less able. Here is the nexus of economic policy and the evolution of individuals and society.

Parents pass on random samples of their DNA. In this gift the chance of being a clone of either parent is zero, about the same as the predictability of your productive capacity. The most rational tax system is one that taxes your productivity after your death. It cannot effect the productive and it retrieves the plunder of the thief and thug to redistribute amongst the potentially productive instead of granting an advantage to a genetic lottery winner. It is fair and it is painless to everybody but those brainwashed to believe that a better life begins with a false start.

A fair and equitable taxation policy would translate to an expanded share market, decreased housing prices and diminished business taxes. It would inevitably lead to a more efficient and dynamic economy. But far more importantly it would create an environment conducive to cooperative productivity and an intelligent morality. The largest economy in the world has a wealth tax. The nation with the largest population in the world has the fastest growing economy; it is also the one most unburdened by the effect of inherited wealth, albeit by the consequence of a cultural revolution.

J D Rockefellers' plate handling at the local church gave him a taste for commerce. He said he was convinced by his legal partner against his judgment to build the very best facilities for refining oil. Refineries in those days were subject to accident and fire and little insurance coverage. The real solution to a cheap alternative was a strategic spreading of risk geographically in high quality facilities well located that had a lower failure rate than his competitor's cheap flimsy structures. He was to be grateful for the wise counsel; it proved to be a prudent policy.

In the same way "gold plating" is a tax upon the developer for events that can be foreseen by others and avoided, and it rightly falls upon the purely commercial transaction and is reflected in the selling price. That is real user pays; it weeds out the lazy or less competent developer and leaves viable developments, not isolated satellites that maximise profits and dysfunction. (A wealth tax would decrease the necessity for "gold plating" by its effects).

Housing in Australia is a market that is "regulated" by stealth through negative gearing. The first task of all global markets is to remove domestic tax funded biases in investor policies, for too long exclusion, secrecy and inequality has distorted markets all over the world. It sustains a trillion dollar arms marathon annually. That would be enough to buy every Palestinian refugee a new house, with enough left over to rebuild Iraq.

It took eons to learn the wisdom that a better life is saturated with compassion and that it is better to break bread than to fight over its' possession. The world and all the species that are our cousins will be safer when that lesson is universal. Until taxation systems focus on real productivity and our evolutionary functions all the perversions of social and military conflict will be perennial. The burden of the ignorant, the bigoted, and the selfish should not be accidentally expanded by a deliberate orchestration of policy built on a naïve reading of extremist philosophies. .

Feminists - here is the Achilles heel of male dominance, attack the burden of taxation policy where all past slavery is capitalised, where unearned wealth hides from productivity; in the unearned inheritance of some male lottery winner less able than his sister, whose ticket number is shared by a rat and a frog. It is the only real path that can destroy the glass ceiling and reveal the transparent. Your enemy is not man but the enemy of mankind, the unearned and unproductive wealth of the undeserving who is more likely to be male.

When capitalism reflects a moral order that is not dysfunctional, it will be capitalism without crutches. It will be as natural then to the citizens of the world, whether they live in Baghdad, Beijing or Rome to feel that a general good will abounds, that a free market is synonymous with ethical commerce and sustainable behaviour. A culture immersed in justice and compassion carries its protection in the intuition of every citizen.

Where economic and moral behaviour satisfy ethical principle in a commercial transaction the consequences contribute to a dynamic economy, a vibrant culture, and a community of friends. There human beings can attend to their real business, expanding consciousness.

That's an economic system I will carry the plate for!

Ian Harrison

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From: "Hone, Margo" <mhone@pc.gov.au>  
To:  
Subject: Productivity Commission hearings  
Date: Tue, 3 Feb 2004 09:43:52 +1100

Ian

If you would like to present a submission to the above hearings in Melbourne  
On Monday 9 please give me a ring on 9653 2137 or email me ASAP as I am  
Finalising the timetable now.

Regards  
Margo Hone  
Research Manager