CHAINING AUSTRALIA

Church Bureaucracies and Political Economy

Geoffrey Brennan • Paul McGavin • John Williams
Hugh Henry • Greg Sheridan • Lauchlan Chipman

THE CENTRE FOR INDEPENDENT STUDIES

THE CENTRE FOR INDEPENDENT STUDIES

The CIS is an independent Australian economic and social research institute concerned with the principles underlying a free and open society. An essential requirement for a healthy free society is that public policy decisions should not be dominated by one particular view or set of views. If ideas are not tested by competition then public policy decisions may undermine rather than support the foundations of a free society. For too long in Australia, most teaching, research and inquiry has taken place under the auspices of government. In general, this research has accepted government intervention and control as a principle of policy action. It is, therefore, concerned more with how government intervention can best be accomplished, rather than with whether it is justified in the first place. The CIS is uniquely placed in providing real competition to this type of research.

In encouraging competition in ideas, the Centre for Independent Studies:

- conducts research on its own account
- encourages outside scholars to investigate important issues and develop programs of research
- publishes the results of its researches
- provides forums for the public discussion of important social issues
- promotes the results of its studies to the public-at-large

The research work of the CIS is assisted by a Council of Advisers and supervised by a Research Committee. Members of the Advisory Council include:

Professor H.W. Arndt
Professor Ray Ball
Professor R.J. Blandy
Professor Geoffrey Brennan
Professor Lauchlan Chipman
Professor Kenneth Clements
Professor Malcolm Fisher
Dr Knud Haakonssen
Professor R.M. Hartwell
Professor F.A. Hayek
Professor Warren Hogan
T.H. Kewley
Dr Naomi Moldofsky
Professor R.R. Officer
Professor C.G.F. Simkin
Professor Peter Swan

The Centre is constituted as a non-profit company limited by guarantee and is independent of any political party or group. It is financed by sales of its publications and by voluntary subscriptions and contributions from individuals, organisations and companies.

Executive Director
Greg Lindsay

Research Director
Professor Ross Parish

Executive Editor
Rose McGee

Orders for publications and subscription enquiries should be addressed to:
The Centre for Independent Studies,
P.O. Box 92 St. Leonards. NSW. 2065.
Telephone (02) 438 4377

CHAINING AUSTRALIA

Church Bureaucracies and Political Economy

CIS Readings 6

CHAINING AUSTRALIA

Church Bureaucracies and Political Economy

Edited by
Geoffrey Brennan and John K. Williams

Contributors include

Geoffrey Brennan • Paul A. McGavin
John K. Williams • Hugh Henry
Greg Sheridan • Lauchlan Chipman

THE CENTRE FOR INDEPENDENT STUDIES
1984

Published August 1984 by

The Centre for Independent Studies Limited

Views expressed in the publications of the Centre for Independent Studies are those of the authors and do not necessarily reflect the views of the Centre's staff, advisers, Trustees, Directors or officers.

National Library of Australia

Cataloguing-in-Publication Data

Chaining Australia.

Bibliography.
Includes index.
ISBN 0 949769 18 5

1. Changing Australia - Addresses, essays, lectures. 2. Australia - Social conditions - Religious aspects - Christianity. 3. Christianity and politics - Addresses, essays, lectures. I. Brennan, Geoffrey, 1944- . II. Williams, John K. (John Keith), 1940- . III. Centre for Independent Studies (Australia). (Series: CIS readings; 6).

261.1'0994

CONTENTS

FOREWORD

If we lived in a perfect world, church bodies would not have gotten together to write the pamphlet *Changing Australia* and the seminar that resulted in this book would never have been undertaken. Given that the world, and therefore Australia, is not perfect, the question for every concerned person becomes, What can I do to change the world for the better?

Solutions to the world's problems are most likely to come from a thoughtful examination of the facts and a rational analysis of the possible effects of different courses of action. This examination and analysis is most efficiently carried out in light of the knowledge gained by people before us who have also struggled with the same problems. The insights of philosophers and scientists must not be ignored if we are to move closer to a society where people are free from want and able to pursue their own personal goals.

One of the most significant aspects of a free democratic society is that any person or group may comment on society's problems and offer a solution based on its own particular philosophy. But when a plan is recommended to solve Australia's economic and social problems, it must accurately describe those problems and it must justify its recommendations according to the best current economic and social science research. *Changing Australia* fails on both counts.

That is the reason these authors were commissioned by the CIS to produce the essays that were presented in seminars in Sydney and Melbourne, and that make up this book. Questions of religion are not in the sphere of the CIS. But some of the authors do use a Christian viewpoint and biblical illustrations to develop their analyses. Their concern and ours is to offer an alternative to concerned Christians and to stimulate thoughtful, discriminating discussion of Australia's future.

Greg Lindsay

INTRODUCTION

Geoffrey Brennan and John K. Williams

Late in 1983, a document entitled *Changing Australia* appeared under the aegis of the Australian Council of Churches and the social justice commissions (or equivalent) of the three major Australian denominations - Catholic, Anglican and Uniting. This document was interesting for several reasons. In the first place, it was the first time the four bodies had produced a statement on Australian society (at least one of such length) to which all the bodies had given explicit consent: it was a triumph of ecumenism. In the second place, the document was clearly designed for extensive use in local congregations and small ecumenical groups. This was not a statement merely to be shelved, along with other ecclesial utterances, in the back rooms of church bureaucracies: *Changing Australia* was clearly intended to be the basis for discussion and consequent action within the church at large. Third, the document was widely circulated. Copies were, we understand, sent to **every** parish of the sponsoring churches in Australia: *Changing Australia* aimed to make a splash. Finally and perhaps most importantly, *Changing Australia* is a radical document. It aims to secure 'broad ranging changes in Australia's economic and political system'. Moreover, it aims to secure these changes on putatively **Christian** grounds. That is, the changes in Australia's economic and political arrangements that *Changing Australia* calls for are seen by the authors of document to be required by, and to follow from, a proper understanding of the Christian gospel. For the Christian, the arguments are meant to be compelling.

Changing Australia seemed to us to merit response. Apart from any other considerations, the attempt to link the Christian gospel to a particular political agenda, of whatever ideological hue, raises important questions of legitimacy. Is there a specifically Christian politics? Is one economic system recognisably superior to all others solely on theolo-

gical grounds? Alternatively put, is there any room for social enquiry and analysis, which does not **automatically** confront biblical doctrine? These are real questions, because if a proper understanding of the gospel is sufficient to dictate a particular economic and political system, independently of any social analysis at all, then the battle lines between science and religion are clearly drawn. To be both a Christian, and a social scientist obedient to the rules and conventions of enquiry, is logically impossible. For those of us who purport to be both, this is an arresting charge.

In addition to this, the particular political agenda that *Changing Australia* claims the Christian position implies is one that many will find uncongenial, not to say profoundly disturbing. By and large, that agenda seems to be drawn from the extreme left of the political spectrum. In the domestic arena, the document calls for the primacy of 'justice', interpreted in terms of end-state distributional outcomes, as a political objective. There is little attention to 'liberty' as it has been understood in the Western political tradition for centuries. Nor is there much attention to 'justice' in the procedural sense.

On the international front, there is strong antipathy to the American alliance. There is contempt for international corporations. There is a naive faith in the effectiveness and goodwill of bodies like the United Nations. Some, perhaps all of these stances - whatever their merits - are controversial, not to say tendentious. Many Christians will be surprised and alarmed to discover that they are positions necessarily implied by their religious convictions.

The strength of *Changing Australia*'s claims and the vigour of its rhetoric are not, however, matched by the strength of its arguments. The *Changing Australia* style is to assert, and to leave to others the business of scrutinising the arguments carefully. In the face of this, it is difficult to construe *Changing Australia*'s object as that of 'stimulating debate': the document does not provide the wherewithal for Christians to reflect profitably upon difficult questions on which arguments from both sides need to be examined and weighed. Controversial propositions are rather proffered as self-evident, or as if they were - or ought to be seen to be - intrinsically compelling. This is, perhaps, consistent with the tradition of the 'prophetic' style. Yet the claim to belong to the prophetic tradition is somewhat immodest: the description of one's own utterances as 'prophetic' is not unlike the description of one's own deeds as 'saintly'. Such judgments are best made in retrospect, by other people. Certainly, to

adopt such prophetic pretensions is to appeal to an authority that the authors borrow from their church affiliations and ecclesial positions. Critics might well see this appeal as an attempt to exploit the Church's authority for what is ultimately no more than a parade of the authors' ideological persuasions. In any event, it is an attempt to stifle argument.

Now, none of this would much matter if *Changing Australia* were an outlier in ecclesial utterances. It could be quietly dismissed as an unfortunate lapse. In fact, however, *Changing Australia* is a striking example of what seems, more and more, to represent the church bureaucracy's position - that is, strongly politicised and tending towards the extreme Left. For reasons that are interesting in their own right but cannot occupy us here, the Left has certainly seized the high moral ground in the church bureaucracy, and statements like *Changing Australia* are rather in the tradition of similar documents produced, for example, by the World Council of Churches and, more particularly, its 'social action' arm.

For all these reasons - for what the document actually says, and for what is implied by church agencies saying it, and for what the document represents more broadly - the occasion seemed ripe for a serious response. Such a response is what the papers presented here seek to provide. In that sense, the papers are necessarily somewhat 'reactionary' in the strict sense - that is, there has been no attempt to offer an explicit alternative, though the political and economic policy convictions of the various authors will naturally obtrude in their respective reactions. Nor has there been any attempt to engage, in this volume, in the sort of open debate that must ultimately proceed. *Changing Australia* has been permitted to set the agenda, and the appointed task has been to evaluate the document.

All but one of the papers were presented in a preliminary form at two conferences held in late April and early May - one in Sydney, and one in Melbourne. The one exception is the paper on the morality of tax avoidance by Brennan, which has been included here because it arose out of a reading of *Changing Australia* and seemed to fit the general thrust of the collection.

The object in selecting participants in the conference was provide a variety of backgrounds - academic and non-academic; Christian and non-Christian; a broad representation of relevant disciplines; among the Christians, a fair cross-section of denominational affiliations. The fact that all the papers are, in one way or another, quite critical of *Changing Australia* should not, therefore, be seen as evidence of some

sort of monolithic view. Not all that is said by any author would be agreed to by all of the others. But there is broad measure of agreement about the merits of *Changing Australia* and about the general implications of its political and economic philosophy.

We do not of course see our contribution as marking the end of the political-economic debate. It is merely a piece of the whole. Our appeal is more for a proper debate on proper lines than for any particular economic or political system. It would, however, be a tragedy if churchpeople and other men and women 'who long for a society that is better, more just and more human' to whom the authors of *Changing Australia* offer their deliberations, were to regard the statement as the last word - or as somehow representative of intelligent Christian commentary. It is indeed 'intelligence', a sense of realism, a reflective seriousness, that *Changing Australia* in our view entirely lacks. And it is in support of that claim, and with an attempt to be serious, intelligent and realistic ourselves that these various responses are offered.

A FAIR HEARING FOR 'JUSTICE'

John K. Williams

The Rev. Dr John K. Williams is a minister of the Uniting Church in Australia and a free-lance writer and lecturer. He taught in the Philosophy Department of Melbourne University until accepting the position of Chaplain to and senior teacher at a Church School. After eleven years in that position he resigned to pursue his present program. Last year he delivered papers at several universities and theological seminaries.

A FAIR HEARING FOR 'JUSTICE'

John K. Williams

Dr John Finnis, Praelector in Jurisprudence of University College and Reader in Law at Oxford University, recently lamented the 'vagueness and cliche' typical of many discussions concerning 'social justice'. Such discussions, he asserts, are all too frequently marked by the word 'justice' becoming 'emptier and emptier, more and more open to be filled by any passing purpose or fancy' (Finnis, 1976).

Dr Finnis's comment merits consideration by the authors of *Changing Australia* (CA) and the church bodies whose ecumenical imprimatur graces the document. The concept of 'justice' is crucial to the entire argument of that document. The authors assert that their primary concern is to answer the question, 'What are the minimum requirements for justice in Australia?'. CA proffers its answer to 'all people who long for a society that is better, more just and more human' (CA, p 32). Yet any attempt to indicate how the word 'justice' and its cognates are used by the authors leaves a disturbing vagueness. Precisely, what is the vision of a 'just' society informing *Changing Australia*?

Essentially, the authors tie their use of the word 'justice' to the Bible writers' insistence that a community's commitment to justice is no stronger than the treatment it extends to its least advantaged members. We read, for example, that justice is 'measured by the attitude [of a community] to the least protected, least privileged strata of society' (p 11). I

This paper draws extensively upon work by Paul Heyne – and, in particular, on his 'The concept of economic justice in religious discussion' presented at a Fraser Institute Conference in Vancouver in August 1982. See W. Block, G. Brennan and K. Elzinga (eds), *The Morality of the Market*, Fraser Institute, Vancouver (forthcoming).

shall argue that appeal to this 'measure' of justice is utterly useless in distinguishing, let alone deciding, between two very distinct models of justice, each of which can be and is referred to by people concerned to maintain or establish a 'just' society. I shall further argue that the model of justice embraced by the authors of *Changing Australia* is in tension with a number of biblical emphases and inappropriate to the real world of social decisions.

I. THE BIBLICAL USES OF 'JUSTICE'

Inasmuch as the authors of *Changing Australia* ostensibly derive their vision of a just society from the Bible, a brief comment on the biblical writers' use of words appropriately translated by the English 'justice' or its cognates is necessary. Two preliminary observations are, however, in order.

First, the authors of *Changing Australia* studiously avoid explaining how believers are to relate biblical moral and social norms to the realities of a pluralistic society and a non-confessional State. One presumes that the authors are not theocrats, holding that the Bible should function in Australia much as does the Koran in the Ayatollah Khomeini's Iran. It is not clear, however, how the authors move from the claim that the Bible writers describe certain actions or states of affairs as 'unjust' to the distinct claim that the coercive power of the Australian government is properly exercised to proscribe such actions or remedy such states of affairs. Such a move prima facie demands a premise or inference licence clearly unacceptable to any person who values or concedes the necessity for a pluralistic society and a non-confessional State in contemporary Australia. It would be absurd to hope that a necessarily brief statement could resolve what John Hick has called 'the most difficult problem facing Christian social ethics' (Hick, 1983:viii); it is, however, legitimate to expect that some cognisance would be taken of the difficulty of applying moral and social norms appropriate to a small, confessional society to a complex, large and pluralistic nation.

Second, the authors of *Changing Australia* attempt to ground their concept of justice in a theology that stresses God's gracious initiative in calling and redeeming his people, and his people's grateful response to the Divine initiative. Not surprisingly, the resulting concept of justice is totally unrelated to any criterion of merit or earned desert. The authors' paradigm of economic justice relates entirely to a

preconceived pattern of wealth distribution that bears no relationship whatsoever to the processes whereby wealth is created or to an individual's contribution to these processes. We read, for example, that commitment to a 'no poverty society' may involve ensuring that wealth is 'so fairly shared that no one is considered wealthy but all have some share in poverty.' The paradigmatic nature of this pattern of distribution is indicated by the phrase 'so fairly shared' and underscored by the sentence immediately following the description: 'It would be a society in which justice is done' (p 19). The model is one of undeserved benefit, not of entitlement related to an individual's contribution to the productive process. To suggest, however, that what human beings justly receive from their fellows is appropriately modeled upon what they have graciously been given by God is somewhat odd to say the least.

In parentheses, I suggest that the absence of any reference to merit or earned entitlements in many theological statements on economic justice is in part due to the claim of many defenders of democratic capitalism that the politico-economic system they advocate distributes economic goods solely on the basis of merit. This claim is indefensible. Apart from anything else, the claim presupposes that all entitlements are earned entitlements. Yet the rejection of an unwarranted application of the criterion of earned entitlements need not, and I submit must not, lead to a rejection of the criterion *in toto*.

Ironically, eloquent testimony to the disastrous effects of a distribution of economic goods bearing no relationship to merit or desert is found in a remarkable collection of essays by Chinese economists recently published by the New World Press, Beijing, China (Dixin et al., 1982). One contributor, Xiang Qiyuan, castigates egalitarians who advocate 'distribution according to need' rather than 'distribution according to work' (Dixin et al, 1982:119), observing that such egalitarianism 'protects the backward, obstructs the advanced, frustrates the enthusiastic, lowers working efficiency, and is, in general, a hinderance to the realisation of socialist modernisation' (1982:122). It is enchanting to learn that the defining principle of authentic socialism reads, 'From each according to his ability, to each according to his work' (1982:19, 102, 104, 107) and interesting to contemplate how the distribution of economic goods so recommended is least inadequately determined and implemented. Such contemplation becomes even more interesting if one rejects the labour theory of value, a theory to which an incantatory reference is made in

a glossary appended to the volume of essays in question (1982:201-202) but which is not appealed to in the contributors' attempts to specify measures that will improve the material lot of the Chinese people.

Having noted these two preliminary reservations attending the use made in *Changing Australia* of biblical materials - namely, the absence of any attempt to indicate how specifically Christian social ethic can take pluralism and a non-confessional State seriously, and the prima facie implausibility of an attempt to ground an analysis of human justice in a theology stressing God's grace - I turn to the Bible writers' use of words appropriately translated by the English 'justice' and its cognates.

The primary use is clear. In the vast majority of cases the Bible writers refer to **justice as personal virtue.** The description of Noah as 'a just man' (Gen.6:9), a description immediately amplified by the phrase, 'a man of integrity among his contemporaries', is typical. Noah is simply a 'good' or 'virtuous' person, and that description is not contingent upon his occupying any particular social position or his engaging in any specified social activities (as, say, a judge in a court of law, a participant in economic exchanges, or an allocator of burdens and benefits). Similarly, Ezekiel defines the 'just man' as 'a man who is law-abiding and honest' (Ezek.18:5), and that definition is followed by a catalogue of the sorts of virtues he typically exhibits: he worships only the God of Israel, he observes religiously sanctioned moral proscriptions and taboos, and he shares of his possessions with the destitute. This sharing can be described only in terms of the virtue of charity: the 'just man', we read, 'gives his own bread to the hungry, his clothes to the naked' (Ezek.18:7). Nothing whatsoever is asserted or implied about any moral, let alone legal 'right' of the destitute to the surplus of the rich, or to some more-or-less equal share of what *Changing Australia* calls 'the wealth of the nation'. The emphasis, inescapably, is upon the moral imperative of charity, not upon an allocation of economic goods dictated by distributive justice.

According to the authors of *Changing Australia*, it is 'widely agreed that one of the functions of government is the 'redistribution of the wealth of the nation' (p 20). Attention is not drawn, however, to the difference between a 'redistribution' designed to correct a shortfall of goods relative to the goods necessary to enjoy a moderately secure existence in good health, and a 'redistribution' designed to correct a shortfall of goods relative to the goods possessed by the

wealthiest members of a community. Similarly, the distinction between a 'welfare society' (in which people own their income but pay a share to government for common expenses, including the provision of a 'safety-net' system of welfare) and a 'redistributionist society' (in which income initially obtained by individuals is perceived as properly belonging to 'society as a whole', the government determining how much of that income an individual may keep) is ignored. Indeed, the very term 'redistribution' suggests the existence of an initial distribution, quite distinct from the process of wealth creation, of portions from a stock of 'unowned' goods or goods created by and therefore belonging to an abstraction called 'society' or 'the nation', thereby prejudging significant issues.

A secondary biblical use of 'justice' and its cognates can, however, be identified: **justice as fairness in determinate situations.** Justice as fairness in a court of law, and justice as fairness in economic exchanges, are both unambiguously advocated by the Bible writers. The writers of Leviticus, for example, assert: 'You must not be guilty of unjust verdicts. You must neither be partial to the poor nor overawed by the great; you must pass judgment on your neighbour according to justice' (*Lev.*19:15). The same writers insist that weights and measures used in commercial transactions must be 'just', an insistence given charmingly down-to-earth and specific expression by the authors of Deuteronomy, who inform the Israelites that they are not to have 'two kinds of weight in their bag, one heavy, one light' (*Deut.*25:13).

One can, in other words, find references in the scriptures to what, following Aristotle, one could call retributive justice and commutative justice. Conspicuous by its absence, however, is any use of a word appropriately translated by 'justice' or its cognates signifying **distributive** justice, understood in terms of a preconceived pattern of wealth distribution, departures from which are 'unjust'.

Such is not surprising. First, the linking of the noun 'justice' and the adjective 'just' to a pattern of distribution is more characteristic of Greek than of Hebrew thought. A perusal, for example, of Aristotle's discussion of justice in Book V of his *Nichomachean Ethics*, and a comparison of his static, quasi-mathematical language with the dynamic language of the Bible writers, is sufficient to establish this point.

Second, far from condemning the possession of wealth vastly in excess of the norm as evidence of injustice, such wealth is not infrequently adduced by the Bible writers as evidence of God's favour. This emphasis is admittedly distorted by many hucksters of the electronic church who, forging a

link between faith and fortune, assure their gullible flocks that God's will for them is the 'best' as defined by the latest *Consumer's Guide to Gracious Living* and hallowed by the Chamber of Commerce. Yet *Changing Australia*'s identification of a 'society in which justice is done' with a society in which 'no one is considered rich' can hardly be described as 'biblical'. In this context it is worth noting that, far from presenting God as invariably being 'on the side' of the poor, the biblical writers do not hesitate to portray God as **against** some poor people - for example, idle people (*Prov.*6:6ff, 13:4, 19:15, 20:13, 21:25, 24:30ff, 28:19) and lawbreakers such as impoverished thieves who, unable to make the required restitution to their victims, are enslaved (*Exod.*22:1ff). Again, while *Changing Australia*'s recognition that 'need' is more of a sociological than a biological term has a long and respectable lineage (Adam Smith 1981: Book V, Chapter II, Article IV, David Ricardo 1817: Chapter V, and Karl Marx 1973: Chapter VI all defined subsistence at least partly in sociological terms), the biblical writers' references to 'the poor' (Hebrew *'anî*) do not involve references to the situation of the wealthiest. The poor are frequently landless peasants reduced to begging (e.g., *Deut.*15:11); by extension, the term is sometimes used to refer to all who acknowledge their utter dependence and call upon God for relief. The point is that while the biblical writers' references to poverty are relational and hence can be spoken of in terms of **relative deprivation**, the relation is not to the situation of the wealthiest members of the community. No egalitarianism is involved.

Third and most importantly, the typical subject of the descriptions 'just' and 'unjust' within biblical writings is **purposive behaviour**, be it the behaviour of individual citizens, rulers, court officials, or associations of individuals up to 'the nation'. The 'justice' or 'injustice' of such behaviour is determined by its compliance with or defiance of general rules applicable to all and defending the person and property of all. When it comes to the distribution of economic goods, the locus of judgment is the purposive behaviour generating the distribution, not the distribution *per se*. In determining whether a given distribution is or is not 'just', an **historical** exercise is involved, necessarily including reference to the behaviour of individuals, which created the distribution. A procedural, not an end-pattern, view of 'justice' is involved. What matters is that all are subject to the same rules and that none, however powerful, is permitted to defy the rules. Thus in *Leviticus* we read, 'There shall be one standard for you; it shall be for the aliens as well as the native' (*Lev.*-

24:22), and the same emphasis is found in Numbers: 'You shall have one statute, both for the alien and the native of the land' (*Num.*9:14). As noted earlier, partiality to the poor or to the powerful in the administration of justice is expressly forbidden: 'You must neither be partial to the poor or overawed by the great; you must pass judgment on your neighbour according to justice' (*Lev.*19:15, of *Exod.*23:3).

In arguing that the Bible writers' emphasis is upon a procedural rather than an end-pattern view of 'economic justice', I am not denying for one moment that the same writers insist that a community is judged along its fault-lines, its commitment to justice being no stronger than the treatment it extends to its least advantaged members. Again and again the Bible writers condemn the 'shepherds' (that is, rulers), the 'interpreters of the law' and the wealthy who, forging an unholy alliance, conspire to pervert justice. Indeed, the Bible writers perceive the rule of law as **defending** the weak against the politically and economically powerful. Nor am I denying that the poor laws of the Old Testament involve references to the particular circumstances of individuals. (Parenthetically, it is not clear that many contemporary Christian advocates of 'social justice' would warm either to these 'poor laws' or to the principles informing them. A clear distinction is drawn, for instance, between the 'deserving' and 'undeserving' poor.) Clearly, the Old Testament writers presupposed a society small enough and close-knit enough for its members personally to care **about** as well as care **for** their fellows. What I **am** denying is that the biblical writers can be cited as advocating an end-pattern view of distributive justice, a view that identifies the justice or otherwise of a given distribution of wealth with its correlation with a preconceived 'ideal' distribution.

The point is, I think, important. Christians sympathetic to an essentially free market economy in a classically liberal State typically defend a procedural rather than an end-pattern view of justice. If the authors of *Changing Australia* want to encourage creative interchange between believers holding diverse political and economic viewpoints, they must surely at least acknowledge that a procedural view of justice cannot be dismissed on either biblical or a priori grounds. Yet this is not acknowledged. Indeed, when describing - 'caricaturing' is a better term - democratic capitalism, the authors state that people defending such a political economy 'assume that uncontrolled self interest is the means to ensure efficiency and equity as well as economic growth' (p 20). Compare, however, what Adam Smith said about self-

interest: 'Every man, **as long as he does not violate the laws of justice,** is left perfectly free to pursue his own interest his own way, and to bring both his industry and capital into competition with those of any other man, or order of men' (Smith, 1981:687; emphasis added). The reference to 'the laws of justice' is central, not peripheral: even a cursory reading of *An Inquiry into the Nature and Cause of the Wealth of Nations* (Smith, 1981), let alone of *The Theory of Moral Sentiments* (Smith, 1976) or the *Lectures on Jurisprudence*, (Smith, 1982) is sufficient to establish that centrality. In all charity, I find it difficult to believe that the omission of any reference to a procedural view of justice, and the attendant distortion of the politico-economic viewpoint the authors of *Changing Australia* so summarily dismiss, is an unintentional oversight.

This 'ideological selectivity' is not confined simply to matters of what one might call political philosophy or social ethics. It permeates the entire document. For example, when discussing involuntary unemployment the authors cite six alleged causes of this lamentable human tragedy and social problem, five of which can only be described as highly tendentious (p 20), yet make no reference to the explanation of involuntary unemployment proffered by most mainstream economists. Nothing whatsoever is said about wage rates, even though a discussion of employment or unemployment that does not refer to a wage rate is as meaningless as a discussion of supply and demand making no reference to a price. I am not convinced that biblical passages predicating honesty of the 'just man' are irrelevent when one notes the extent of the ideological selectivity displayed in *Changing Australia*.

II. SOCIAL ETHICS AND THE PROBLEM OF KNOWLEDGE

I revert, however, to the tension obtaining between procedural and end-pattern theories of justice. In this context it is worth noting that as children we learned to use such expressions as 'justice' and 'injustice' within the family, the schoolroom, the play group, and the gang. In each of these settings considerations relating to individual abilities and individual needs went alongside rule-governed behaviour and the impartial enforcement of such rules. In some situations we identified injustice with departures from rules equally applicable to all; in other situations we identified injustice with the failure to consider the unique circumstances of a particular

individual. Simply, in some situations our concern was with just procedures; in other situations our concern was with just outcomes.

What was common to situations where justice demanded a departure from general rules applicable to all and a consideration of circumstances peculiar to one, was the possession by at least one person of detailed information about group members. Given such information, personal considerations could appropriately be applied. It is possible, for example, for the members of a nuclear family to assign tasks among themselves on the basis of ability and to distribute benefits on the basis of need. There is, however, no way for a large society characterised by an extensive division of labour and informed by diverse visions of the 'good life' to acquire the knowledge necessary so to assign tasks and distribute benefits. In such a society, the moment we depart from the impartial and efficient enforcement of known general rules equally applicable to all in an unknown number of future instances, the outcome, given that human beings are not omniscient, is necessarily arbitrary and capricious - i.e., unjust.

Consider for one moment an admirable attempt by Nicholas Rescher to elaborate, in some detail, an end-pattern model of distributive justice. He argues, I think decisively, that all models that 'recognise but one solitary, homogenous mode of claim production (be it need, effort, productivity, or whatever) to the exclusion of all others' (Rescher, 1966:81-82) are radically defective, giving rise to profound injustices. He therefore defends a pattern of wealth distribution that takes into account a plurality of factors: equality, needs, individual achievements or merit, individual efforts or sacrifice, individual productivity, the 'common good', and a valuation of individual services in terms of their scarcity in the essentially economic world of supply and demand. It is not clear, however, that a veritable army of bureaucrats feeding a battery of computers could even begin to determine an individual's 'just' income by reference to some formula involving all these variables. What weight is to be given to each factor? What units are involved? If 'economic value' is purely subjective, designating a relationship between an appraising mind and some good or service appraised, then there are and can be no units. Can it not at least be argued that the best approximation we have to the very pattern of distribution Professor Rescher advocates is the distribution generated by the decisions of market participants to buy or refrain from buying the goods or services their fellow citizens produce or provide,

given that no individual or set of individuals is at liberty to engage in violence, theft, or fraud? And can it not be argued that this distribution, a paradigmatically **impersonal** distribution, is less socially divisive than a politically determined distribution allegedly made on the basis of **personal** criteria?

The cellist rendering the works of Johann Sebastian Bach but receiving an income dramatically lower than that enjoyed by 'Boy George' mincing his way through the works of Johan Sebastian Here-Today-And-Gone-Tomorrow, may well be able to reconcile himself to the truly appalling tastes of the masses as reflected in and through the market. He would be utterly incensed and the victim of profound injustice if such an income distribution were imposed by alleged experts on the basis of personal consideration. The primary point I would stress, however, is that given a large and complex community, marked by an extensive division of labour, and not informed by any single shared vision of the 'good life', it is utterly impossible for any set of people, however beneficent and however wise, to collate and synthesise all the information necessary to determine and implement a 'just' distribution of wealth and income.

Insult is added to injury when it is noted that defenders of democratic capitalism advocate not merely an impersonal view of justice, but an economic system coordinated largely by impersonal factors. Yet one does not have to go all the way with Friedrich Hayek to hold that only through prices found in the market can production be related to a totality of information no individual or set of individuals could conceivably collate and synthesise. Acceptance of this insight in no way prejudges a plethora of questions relating to the role of government vis a vis an essentially market economy. Maybe the absence of perfect competition in modern markets necessitates extensive governmental intervention and regulation. Maybe the incentive structures of governmental and bureaucratic institutions are such that intervention is contraindicated when markets marginally default and is warranted only when markets totally default. Maybe wherever equilibrium conditions are not fulfilled this very circumstance creates incentives for systematic changes that tend to eliminate the existing imbalances. Regardless of which, if any, of these positions one takes, the crucial socioeconomic question remains the same: how best to cope with the inescapable decentralisation of knowledge given the non-existence of some centralised omniscience. It seems to me that the case for saying that an allocation of scarce resources determined by market prices draws upon otherwise inaccessible information is utterly compelling.

Yet there is something within the Judaeo-Christian tradition that predisposes us to regard with profound dissatisfaction a system of procedural justice and an economic system coordinated by market forces. The problem is not simply that when unequals are treated equally the outcome is inevitably characterised by substantial inequalities. Rather, the problem is that we are predisposed to regard impersonal relations as somehow morally deficient. We tend to equate the impersonal and the inhumane. We yearn for something 'more human', as the authors of *Changing Australia* put it, than the impersonality of procedural justice and of an economy controlled by market forces. It seems to us unthinkable that when we make a particular distribution of economic goods a goal of legislation, and treat different people differently in our attempt to realise that goal, we in truth open the door to profound injustice. When informed that only by relating production to something as impersonal as changing market prices can we avoid the dearth of consumer goods and the appallingly low standard of living characteristic of non-market economies, we feel it **could** not be true because it **should** not be true.

Yet there is also something within our religious heritage that can correct such a response. There is the insistence upon human finitude, the insistence that the belief that we can be as gods is a lie spawned by the father of lies. There is the celebration by Israel not simply of an exodus from Egypt but also of a Law given at Sinai. And there is, alongside the prophetic literature and its call to righteousness, the wisdom literature and its insistence upon reasoned and informed judgment. That insistence is not unrelated to ethics. '*Travaillons donc a penser bien*,' wrote Pascal, '*voila le principe de la morale*.' ('Let us work hard at trying to think well, herein lies the source of moral conduct.') That advice is, perhaps, somewhat wholesale: thinking well is not a sufficient condition for moral conduct. It is, however, a necessary condition. And I submit that when we do think clearly, we realise that the impersonal is not identical with the inhumane.

We are not forced to choose between an impersonal, rule-coordinated society and human relationships of intimacy, caring and commitment. Paradoxically, only the impersonality of procedural justice and an impersonal, market-controlled economy can sustain the liberty and create the wealth necessary for the existence of a host of voluntary associations and mediating structures within which the supremacy of the personal is affirmed. Equally paradoxically,

those who attempt to 'humanise' a large and complex society by transforming the impartial rule of known general principles applicable to all in all unknown number of future instances, into rule by whatever directives emanate from government, in truth lead us back to the law of the jungle: the politically weak and disorganised will go to the wall and the politically strong and organised thrust their snouts still deeper into the government trough.

I acknowledge that it is tempting for Christians to believe that the only way to measure social and economic justice is to look at the pattern of outcomes. I concede that the temptation is not immediately exorcised by noting that those who so characterise justice have repeatedly failed in their attempts to provide a coherent, applicable, and defensible definition of a just pattern of outcomes. I merely plead that intense thought be given to the fundamental dependence of justice in a large and complex society upon known general rules equally applicable to all. And I seriously submit that the vision of a just society informing *Changing Australia* is, to borrow a term used by Hayek, a mirage (Hayek, 1976; cf. Dietze, 1973) and that policies dictated by that vision and advocated by the authors of *Changing Australia* would, in the name of justice, generate profound injustice. It would be tragic if Christians following church functionaries filled with the 'zeal of the Lord' but arguably 'not according to knowledge' involved themselves in social action merely to prove the truth of Oscar Wilde's saddest utterance: 'Each man kills the thing he loves.'

REFERENCES

Dietze, G. (1973), *Two Concepts of the Rule of Law*, Liberty Fund Inc., Indianapolis, Indiana.

Dixin, X. et al. (1982), *China's Search for Economic Growth*, New World Press, Beijing.

Finnis, J. (1976), 'Justice: The contemporary debate', *The Platonian* 3(2). Reprinted in (1976) *The Month* (September), 300-307.

Hayek, F. (1976), *Law, Legislation and Liberty*, vol II of *The Mirage of Social Justice*, University of Chicago Press, Chicago.

Heyne, P. (forthcoming), 'The concept of economic justice in religious discussion', in W. Block, G. Brennan and K. Elzinga (eds), *The Morality of the Market*, The Fraser Institute, Vancouver.

Hick, J. (1983), *God and the Universe of Faiths*, Macmillan, London.

Marx, K. (1973), *Wage-Labour and Capital*, International Publishers, New York.

Rescher, N. (1966), *Distributive Justice*, Bobbs-Merrill Co., New York.

Ricardo, D. (1817), *On the Principles of Political Economy and Taxation*, in vol 4 of P. Sraffa (ed) (1951-73), *Works and Correspondence of David Ricardo*, Cambridge.

Smith, A. (1976), *The Theory of the Moral Sentiments*, Liberty Classics Edition, Liberty Press, Indianapolis, Indiana.

-----(1981), *An Inquiry into the Nature and Causes of the Wealth of Nations*, Liberty Classics Edition, Liberty Press, Indianapolis, Indiana.

-----(1982), *Lectures on Jurisprudence*, Liberty Classics Edition, Liberty Press, Indianapolis, Indiana.

THE ROAD TO HELL AND BACK: ONE ECONOMIST'S VIEW OF *Changing Australia*

Geoffrey Brennan

Geoffrey Brennan is Professor of Economics in the Faculty of Economics at the Australian National University, and was previously Professor of Economics at the Virginia Polytechnic Institute and State University. He has been Lecturer, Senior Lecturer and Reader in Public Finance at the Australian National University from 1968–1978 and a Full-time Research Consultant to the Australian Taxation Review Committee 1973–1974. His main research and teaching interests are in public finance, welfare economics and public choice. He is the joint editor of *The Economics of Federalism* (1980) and joint author with James M. Buchanan of *The Power to Tax: Analytical Foundations of a Fiscal Constitution* (1980).

THE ROAD TO HELL AND BACK: ONE ECONOMIST'S VIEW OF *Changing Australia*

Geoffrey Brennan

I. INTRODUCTION

The road to hell, as the aphorism reminds us, is paved with good intentions. The mere wish to do good is not sufficient for morally proper conduct: in addition, there must be enough seriousness of purpose to assess the consequences of alternative actions and to make a considered judgment as to which course of action is best. Incompetence is not, therefore, a morally neutral quality: 'Serpentine wisdom', no less than 'dove-like innocence', is a positive virtue.

Perhaps nowhere is this more the case than when the would-be moralist sets forth his recommendations as to the political/social/economic order within which individuals 'ought' to operate. The casual dabbling of well-meaning madmen in matters of economic and social policy can, as history reminds us, cause untold human suffering; and typically the magnitude of the potential damage done is directly related to the 'radicalness' of the changes sought.

What this means is that when the Church lends its considerable moral authority to statements on social, political and economic issues, it must be particularly careful that the analysis fulfils basic criteria of scientific competence. Much is at stake. In my view, *Changing Australia* fails to satisfy this simple test. And this is not merely a matter of intellectual nicety. For it seems clear to me that the central thrust of *Changing Australia*, if faithfully followed through, could indeed lead Australia into a kind of hell. My object here is to indicate why I think this is true.

At the outset, let us be clear about what the basic object of *Changing Australia* is. As its accompanying press release states, the purpose is to secure 'far-reaching changes in Australia's economic and political system'. If this statement of purpose is taken at face value, as I believe it should be, and not dismissed as a mere flourish of rhetoric, then we

must recognise what is at stake. The object is not merely to secure desired policy changes **within** the system: **it is to change the system itself.**

Unfortunately for the reader - though perhaps strategically for the authors - there is no clear statement of what specific changes the authors have in mind. We are left to work these out for ourselves. What *Changing Australia* does provide is rather more in the style of the revolutionary tract. The rules for such polemics are simple. First, begin by painting the *status quo* in such repulsive terms that almost **any** change would seem to be an improvement. Then move on to describe the way things will be after the 'revolution', in appropriately heroic, visionary style and without specific detail. And then quickly wrap the whole discussion up before too many embarrassing questions - such as matters of fact and logical coherence - are allowed to obtrude.

I am not much interested in playing that sort of game, and I do not believe that any useful purpose would be served in my attempting it. What I shall attempt to do, rather, is to piece together what I suspect may be the underlying logic of the *Changing Australia* argument. I shall attempt to examine the main substantive propositions and assess their validity as claims of fact. My overall object is to work out the implications, if any, of the *Changing Australia* argument for the political/social/economic order under which Christians should seek to live.

At the beginning, let me lay out briefly what I think that central argument is. To that end, consider the following question: why is it that the particular changes in policy that *Changing Australia* seems to call for cannot be secured **within** the existing system? Why, in other words, does the system itself require change? After all, taxation reform, redistribution of wealth and income, the achievement of full employment - these are all issues that have occupied policy attention within the existing social and political order.

Do we really need to change the basic social and political order if we are to secure such policy objectives?

Changing Australia clearly believes that the answer to this question is yes - that, unless we alter the **system**, things will stay pretty much the same. The authors seem to have in mind two reasons why this is the case. First, policy choices are recognised to be the outcome of a power-play within the politico-economic arena. Such policy outcomes will not change unless there is a change in the distribution of that power; yet the distribution of power is itself a creation of the 'system' and cannot change unless either the system changes,

or those with power voluntarily cede it. The latter possibility relates to the second reason for the necessity of systemic change. The assumption is that individuals are moulded by the society of which they are a part, and further that 'Australian society . . . encourages exploitative competition and self-interest, . . . encourages a life of material excess' (CA, p 8) and thereby contributes to individuals' moral decay. It follows that changing the system offers prospects for widespread moral improvement. In short, changing our political and economic order is necessary both for 'justice' and for the change of heart that makes the pursuit of 'justice' a widely shared objective.

This may, of course, be a misreading of the *Changing Australia* logic. If so, I do not understand what the argument can be. And I do sincerely believe that the authors must share some of the blame for my misapprehensions. What I have offered is, at least on the face of things, a coherent argument - and, some might well say, on this basis an unduly charitable interpretation. If so, so much the better.

In the discussion that follows, I shall attempt to address the line of reasoning I have set out, and in the process indicate why I believe that line to be the central one in the *Changing Australia* position. I shall begin with a particular example of *Changing Australia* reasoning - that which surrounds the issues of wealth, power and their distribution. I shall then go on to discuss the broader questions of social organisation that *Changing Australia* raises, including as part of my discussion a statement of the conventional economic view of the problem. This is a view that the authors of *Changing Australia* treat with some contempt, but that nevertheless seems to me to provide insights into the issues at stake that go well beyond anything that *Changing Australia* offers.

II. WEALTH, DISTRIBUTION AND ALIENATION

Consider the following line of reasoning: 'There is growing alienation among Australians in their relationships and social structures'. In particular, there is:

> a loss of the sense of individual worth and dignity; a loss of the sense of contribution to and participation in society; a loss of the sense of relationship with creation; a loss of contact with the eternal within each person and within the world . . . Alienation (so defined) is associated with and results from wrong relationships.

> These wrong relationships are evident in the concentration of wealth and power in the hands of a small number of people. (CA, pp 2,7)

In this way, *Changing Australia* seeks to establish a basic connection between the degree of concentration in the distribution of wealth and (alleged) widespread alienation within Australian society. Distributional inequalities are, so the argument goes, evidence of the basic injustice of society, and only a just society can retain integrity in its national life and avoid alienation among its people.

As rhetoric, this all has a nice ring. But let us subject the argument to serious scrutiny. Is the argument coherent? Does it square with the facts, insofar as the facts can be discerned?

The facts first. No one would, I think, deny that many people in Australia feel some 'alienation' as the *Changing Australia* document defines it. Many people have doubts about their 'individual worth and dignity'; many doubtless have to struggle to maintain a sense of 'contact with the eternal'. (I should say in passing that it is by no means clear that such difficulties represent moral failure. A lively sense of one's own unworthiness and distance from God is part of one's awareness of one's own sin and creatureliness. When, in *Luke* 18:10, the two men went up to the temple to pray, who was the more 'alienated' in CA's terms? Who had the greater sense of loss? Surely the publican!) What is much less clear is that alienation so defined is more prevalent now than it was in 1960 or 1920 - that alienation is **growing**. Has there indeed been a loss of the sense of individual worth, a loss of the sense of contribution to and participation in society and so on? Was there a time in history when such senses were truly possessed? It is certainly arguable that people's sense of transcendant purpose, their confidence in their own values and their expectations for the human prospect more generally, altered dramatically some time between 1880 and 1920 with the birth of the 'modern' world. But there has, quite properly according to Christian lights, never been a time when alienation has not been around - when people have not been profoundly aware of the tension between the world as it is and the world as they feel it ought to be. To identify this tension (this sense of sin) as being crucially linked with concentration in the distribution of wealth is on its face so fatuous as to be ludicrous.

But let us nonetheless consider the proposition seriously. The claim is that the level of alienation and the degree of concentration in the wealth distribution are positively corre-

lated. Indeed, the claim seems to be the stronger one that they are causally linked, since otherwise changes in the distribution of wealth (and power) could not be presumed to reduce alienation, or thereby re-establish 'integrity in national life'; alienation would, therefore, be entirely irrelevant to the case for wealth redistribution.

Two simple tests of this correlation present themselves. First, we could examine changes in the distribution of wealth in Australia over time. The two claims - that there is growing alienation, and that alienation and concentration of wealth are positively related - taken together would require that the distribution of wealth become more unequal over time. The facts of the matter, however, to the extent that they can be discerned, indicate precisely the opposite trend. According to the data derived from the 1915 census in Australia, the most wealthy one per cent (of adult males) in Australia owned about 40 per cent of the wealth; the most wealthy fifth owned almost 90 per cent. None of the more recent measures - either those that Podder and Kakwani (1973) derive from survey data, or the Gunton (1971) estimates from estate duty data, or even the more extravagant measures that *Changing Australia* quotes from the work of Raskall (1977) - indicate anything like that degree of dispersion. To quote the Podder-Kakwani figures (which possibly tend to overstate the degree of equality) the most wealthy one per cent of families in Australia in 1967 owned less than ten per cent of total wealth; the top 20 per cent of families owned a little more than half.

If we examine the distribution of income, for which the data are very much more reliable, the same intertemporal pattern emerges, and does so not only in Australia but also in virtually all other Western countries: there is a general increase in the degree of equality in pre-tax pre-transfer incomes. Accordingly, either *Changing Australia* is right in claiming that there is increased alienation, in which event the posited positive relation between the concentration of wealth and the level of alienation does not exist. Or, there **is** such a positive relation, and alienation is on the decline. Simple logic will not allow one to have it both ways.

As an alternative test, we might examine various countries and compare levels of alienation across countries with their respective wealth distributions. This is a distinctly hazardous task, since 'levels of alienation' are not readily measurable and international comparisons of wealth distributions (which are rather more amenable to measurement) are fraught with difficulty. But insofar as such comparisons can

be made, there is one clear implication: Australia should be among the least alienated societies in the world! For the balance of professional opinion overwhelmingly favours the view that Australia's wealth distribution exhibits a high degree of equality, relative to other countries. To quote some simple comparisons, of which too much should not be made, consider the following table:

Country and year	The most wealthy: 1%	5%	10%
(individual data)	% of total wealth owned:		
Australia (1968)	20	41	57
USA (1969)	25	44	53
UK (1970)	30	54	69
(household data)			
Australia (1967)	9	25	36
Canada	18	39	53
Sweden (1975)	20	42	57
France (1975)	12	36	52

(See Harrison, 1979, for details concerning these data.)

Now, of course, the authors of *Changing Australia* could well retort that the relevant international, and for that matter intertemporal, comparisons are so problematic and the data so unreliable that one simply cannot reject their claims on the basis of such flimsy evidence. Perhaps so. But then one must equally ask what the evidence is for **accepting** their claims. If wealth distributions and, *a fortiori*, alienation levels cannot be measured, on what basis are we to accept the authority of the charge that the two are related in any way at all? If we are to introduce 'far-reaching changes in Australia's economic and political system', surely we have a right to demand more than empty rhetoric by way of justification. If appeal to logic and appeal to facts are ruled out of order, what is left?

Of course, none of my argument here is to be construed as denying that there may be good reasons for wealth redistribution (and/or income redistribution equally). My point is simply that reducing alienation does not happen to be one of them. The case for redistribution has to be made on its own terms. One must then ask what role in justifying far-reaching changes in the system the charge of growing alienation plays. My answer is that whatever 'growing alienation' justifies, it does not seem to be wealth redistribution. *Changing*

Australia's argument here seems to me to be simply incoherent.

I have belaboured the point about the alleged relation between wealth and alienation, possibly at unnecessary length, not in an attempt to make *Changing Australia* appear ridiculous, but because the questions of poverty, income distribution, justice and social morality are all central elements in the total story the document seeks to tell. As I claimed earlier, the basic thrust of that story involves a connection between the social and political order on the one hand and the moral nature of the individuals who compose it on the other. The purported relation between wealth distribution and level of alienation is to be seen as a small piece of the broader picture. As I see it, that particular piece at least is hopelessly distorted.

III. WEALTH, POWER AND JUSTICE

I wish now to take up briefly two other pieces of the story.

Consider first the alleged correlation between wealth and power. 'Wealth and power go hand in hand', so the authors state. 'Those with most wealth also have most power and those with most power have most wealth. Each promotes and enables the other' (CA, p 8). Once again, the phrases have a convincing ring. But surely even a moment's reflection indicates how precarious such a claim is.

Suppose we take a rough cut at the claim. First, nominate those whom you believe to be the most powerful people in Australia. I suppose one would include the Prime Minister, senior Cabinet ministers, senior public servants, perhaps some press magnates, the ACTU executive, certain union officials, and perhaps half a dozen or so senior directors of major corporations. Are these people - any of them, all of them - the big figures in the wealth stakes? Surely not. Second, suppose we ask whether those who own large stocks of wealth actually **control** the use of that wealth? Furthermore, what of the power, still not negligible, of the Church? Is the Church's power to be seen as deriving solely, even predominantly, from its wealth?

Part of the difficulty here is that it is not entirely clear what we mean by 'power', or how we would measure power if we were clear what we meant. Of course, we could doubtless all happily concede that there is on average a positive correlation between power and wealth (particularly at the bottom end where most people have little of either). Those that hold

the power may not be fabulously wealthy, but they are hardly starving. But *Changing Australia* wants the relation to do much more work than this. It seems to want to argue that wealth **is** power, that the degree of concentration in the distribution of wealth indicates the concentration of power, and more particularly **that redistribution of wealth would redirect power away from those that have much power to those that have less.** But the latter proposition is in fact far from clear, and probably quite wrong. It is wrong because the redistribution of wealth through the organs of the state - which seems to be what *Changing Australia* has in mind - must necessarily increase the powers of the state. It must correspondingly increase the influence of those who possess political power under the state's aegis. Accordingly, the net effect of wealth redistribution seems likely to **increase** the concentration of power, not reduce it.

An interesting point in this connection relates to *Changing Australia*'s passing remarks on multi-national corporations. Multi-nationals are, it is alleged, by virtue of the strength of their economic position, 'able to play governments off against each other. This places them beyond the control of the Australian government in an ultimate sense' (CA, p 8). To the extent that this is true, its effects on the distribution of power are not at all obvious. For governments and those who control them also possess much power; to the extent that multi-nationals are not subject to that power, the power of governments is correspondingly modified. The effect on the distribution of aggregate power seems likely to be in the direction of **less** concentration, not more. J.K. Galbraith made precisely this point to the 'let's-bash-multi-nationals' group in an interview during his visit to Australia some years ago.

In short, the casual association of wealth and power, the failure to specify adequately what 'power' entails, and in particular the failure to recognise the possibility that policies that reduce the power of the 'rich' can do so by increasing the power of the powerful, all involve an apparent determination to ignore many of the real problems at stake in dealing with the questions that *Changing Australia* poses.

Let me turn at this point to the question of 'justice'. Setting aside the rather partial rendering of the justice concept that *Changing Australia* offers, let me accept that changes in the distribution of income and wealth towards greater equality are desirable. I wish to pose two simple questions. First, how are such changes to be brought about? Second, since governments already have the power to redis-

tribute, why does the extent of redistribution currently undertaken not seem to be adequate?

These questions are related in the following sense. It seems clear that in *Changing Australia*'s view changes in the distribution of income and wealth are to be effected by more extensive use of the government's powers to tax and transfer. That is, there does not seem to be great faith placed by *Changing Australia* in the possibility of inducing changes in the income distribution via the organs of private charity. The whole argument offered is a 'political', not an individual, argument. So far, so good. But the government is already involved in the transfer business. Clearly the argument is that the government is simply not doing enough; and, one might add, that much of the transfer of wealth that does occur goes in the 'wrong' direction. Consider, for example, the authors' commentary on our political life: 'organised crime has acquired . . . political power; . . . corruption among public officials occurs frequently. There has been a loss of public confidence in political institutions because of this loss of integrity: policy-makers are less accountable to the community; political parties submit themselves to the electorate on the basis of promises that they are unable or unwilling to fulfil; power is centralised in the hands of fewer people' (p 8).

Accepting this description as accurate for the purposes of argument, how can we reasonably expect political institutions to act in the interests of justice? If we channel more and more resources through such political institutions, why will we not just get more of the same? In other words, what is going to change? For *Changing Australia* is about change - about 'far-reaching changes' in our economic and political system. And it is entirely reasonable to ask what particular changes are involved. For if the changes take place in the hearts and minds of individual citizens and political leaders, it is not clear that changes in our institutional order are required. And if changes do not take place in the hearts and minds of individual citizens and political leaders, it is far from clear that changes in our institutional order are even desirable. It is certainly far from clear that increases in the government's powers to tax and transfer will yield more justice. If our politics are in the parlous state *Changing Australia* describes, precisely the opposite!

My general point is this. *Changing Australia* is quite right in diagnosing that we live in an imperfect world. Our world is, as the Church has always reminded us, a 'fallen one'. The problem of institutional design in such an imperfect

world is to so order our affairs that, as far as possible, we prevent our moral imperfections from causing total disaster. This is precisely the problem that conventional economics has addressed since the time of Adam Smith and through the heyday of classical 'political economy'. If we can so organise our economic and political affairs that ordinary corrupt mortals will be led to act in the interests of others from possibly quite base motives (such as greed, desire for power or influence) then so much the better. It would be total moral hubris to ignore possibilities of moderating the negative effects of such behaviour. And in my view, it is perfectly proper for the Christian to seek to design institutional life with an eye to how this transformation of private to public interest might best be effected. I shall say a little more about all this below. At this point, my chief concern is to establish that clamorous cries that the world is imperfect, although quite true, do not of themselves establish a case for changing our political and economic institutions. Such a case can only be made if either:

a) it can be shown that, taking people as they are, different institutions will generate morally preferable outcomes; or
b) it can be shown that the current institutions cause people to be as they are, and that changing the institutions in particular ways will change the people in a morally desirable direction.

The argument that I have suggested underlies *Changing Australia* is of the second type. Arguments of the first type, as I have indicated, make up what constitutes the classical English liberal approach to the problem of institutional design. I shall take up this approach in section V. In the meantime, I wish to confront arguments of the second type head on.

IV. SELF-INTEREST AND THE MARKET SOCIETY

A major element in the *Changing Australia* argument, as I discern it, involves the proposition that the prevailing 'system' encourages self-interest, greed, a preoccupation with materialism, short time horizons - that people are the victims of the social order in which they live. Thus:

> Australian society along with other societies is built upon relationships which tend to exploit the environment, people and ourselves. *It encourages exploitative competition and self-interest* . . .

> Our society gives rewards and recognition to those who succeed on its terms: the wealthy and the powerful. They are the ones held up in the media as models to be followed. Their lifestyles are presented as the lifestyles to be sought.
>
> Our society encourages a desire for a life of material excess. Its attention is firmly focused on the present, and the enjoyment of this moment to the fullest. Its concerns are material concerns . . . And its belief is that possessions provide security for the future. (CA, p 8)

This sort of critique of the modern market order is of course not new. It has in fact a long and distinguished history from all sides of the political polyhedron. There are conservative romantics such as Bolingbroke, Coleridge and Wordsworth. Elements of the idea are clearly in Marx. De Tocqueville's fascinating 'sociology' of America incorporates an argument along such lines. And in modern times there are people like Herbert Marcuse, Daniel Bell and C.B. MacPherson (for a recent and excellent discussion of the relevant literature, see Hirshman, 1982). It is a serious argument, and worth taking seriously. In order to explore the argument, let me work around it a little. I shall begin by talking of market relations within a market society, and then of non-market relations within a market society, and finally of relations within non-market societies. My discussion is hardly exhaustive, but it is, I think, sufficient to demonstrate the ambiguities.

What seems entirely clear is that commercial relations are commonly regarded as 'inferior' to other forms of relations, at least for certain sorts of transactions. Market arrangements in the purchase of sexual favours, for example, have always been frowned upon - even in social contexts where it is perfectly acceptable for sexual relations to follow an expensive meal, a trip to the theatre and a few drinks. The vigorous debate over the commercial as opposed to voluntary market in blood (pursued by Titmuss in his lively book *The Gift Relationship*) serves to expose the rather different attitudes that people seem to have toward the **gift** of blood - even the long-term **exchange** of blood - and the **sale** of blood; the debate also serves to highlight the rather different 'donor' clienteles that emerge under the two systems. Jesus' violent antipathy to the traffic in doves in the temple is sometimes construed as an abhorrence of commercial relations in general - though it seems more plausible to interpret his reaction as directed towards the exploitation of

a priestly monopoly for personal gain. Jesus appears to have had no moral qualms about carpentering or fishing for a living.

Nevertheless, commercial relations are widely seen as having a symbolic significance that makes them different from voluntary co-operative relations; and in at least some contexts, the latter are to be preferred (other things being equal). Commercial relations are often relatively anonymous; they are 'calculating'; they do not require the sorts of additional social connections between participants that are typically involved in non-market transactions or exchanges that are largely implicit. In a personal sense, commercial relations often involve no 'relationship' at all.

Such observations are not, however, sufficient to conclude that market societies actually foster attitudes of exploitation, or necessarily elevate dehumanised relationships to some level of the ideal. It could for example be argued that market arrangements free individuals to focus more intensely on those non-market relations they enjoy because these latter become entirely non-instrumental. For example, in societies in which marital, family and economic relations overlap to a significant extent (that is, in which the family serves important economic functions), intra-family relations and marital arrangements are substantially instrumental in character. Marital relations based on romantic attachment - on the pure affection of each for each - become much more widespread when the 'productive' aspects of family relations are diminished, as they tend to be in a market society. The 'division of labour' and specialisation of which economists make much ado is, in this way, extended to such significant 'consumption' activities as the enjoyment of relationships whose sole function is the provision of the relationship itself.

On quite a different level, there is also a long tradition in economics literature that attributes to the market a 'softening' and 'humanising' effect. Dependence on their customers' good favours encourages among the merchant class, so the argument goes, a certain imaginative attentiveness to their concerns. When one's income is directly dependent on one's being obliging to others, habits of obliging behaviour are cultivated.

As to the claim that markets are essentially **responsible** for self-interest, or materialism, it seems to me difficult to sustain any such notion. As far as we can tell, a predilection to prefer oneself over others (at least beyond one's immediate kin) is genetically implanted - and certainly seems to have been prevalent in biblical times. In any event, to establish a

positive correlation between the extent of market relations and the aggressiveness of self-interest requires the provision of evidence, carefully compiled and faithfully reported. Two simple tests suggest themselves. Where societies are 'restructured' along *Changing Australia* lines - that is, where there is collective ownership, a greatly diminished private sector, more extensive redistribution under state aegis, and more extensive popular political activism ('action in the work place and action through community organisations') - is there any evidence that self-interest is diminished? Unfortunately, *Changing Australia* does not offer any suggestion as to which actually functioning societies operate under the desired institutional arrangements, on the basis of which comparisons might be made. Are Tanzania, or modern Burma, or Manley's Jamaica, or Sweden or Yugoslavia possibilities? Would the comparison of Britain now as opposed to Britain in 1950 or 1920 offer us a clue? The experiments do not seem hopeful for the *Changing Australia* case. And many societies that have captured the romantic imaginations of collectivist utopians in our century, such as Stalin's Russia in the 1930s or Mao's China, have turned out to seem like precisely the sort of hell into which ill-considered institutional 'reform' can lead. I do not make this point for rhetorical effect. We need to remind ourselves that history has something to say on these matters, and it is greatly to be regretted that the authors of *Changing Australia* do not make it possible for us to consult the historical record.

Consider a second simple test. Is it the case that, where relations between individuals are **not** co-ordinated by market prices and commercial transactions, we witness an improvement in conduct in the sense that people tend to become 'other-regarding'? Consider, as an example of painful familiarity, the relations between drivers on collectively owned and collectively used roads. Road-space is not rationed by the market: is self-interested conduct any the less conspicuous? I confess I see no compelling evidence to this effect.

My own surmise about arguments concerning the effects of market society on the moral fabric is that both those who seek to uphold the 'softening' and 'civilising' influence of markets and those who claim the reverse have some grasp on the truth. I suspect that both forces are present, that the opposing forces weigh differentially heavily with different people, and that one or the other force will tend to predominate at different times. The difficulty with this more ambivalent conclusion for the *Changing Australia* argument is that, even if the net effects of market society on the moral

fibre were in aggregate negative in Australia in 1984, there are bound to be some (indeed, many) individuals for whom the moral effects of the market order are positive. The authors are then in the rather tricky position of comparing one person's moral improvement with another's moral decay. Of course, arguing for changing the system and arguing for maintaining the institutional *status quo* both necessitate comparisons of this kind. My point is simply that the argument for change on such grounds cannot be a knock-down compelling one, even were one to concede that there may well be something in the line of reasoning.

But one further point merits special emphasis. Even if the claim were sustained that the current Australian system encourages self-interest on average, one could not conclude that changing the system in particular ways would **obliterate** self-interest - only that such changes would **moderate** self-interest. Provided self-interested conduct remains, the issues addressed by the classical political economists remain entirely ethically relevant. That is, provided self-interested behaviour (or behaviour narrowly focused on the immediate family or small group) is present, the question of how to minimise the negative consequences, or maximise the positive consequences, of such behaviour becomes important. Unless the authors of *Changing Australia* are prepared to argue the extreme claim that, under their projected changes in the system, moral imperfections would be done away with altogether, we had better worry about how to channel self-interested behaviour into harmless - perhaps even widely useful - activities. It is precisely such worries that worry many modern economists - just as they worried Adam Smith 200 years ago. It is to such worries that I now briefly turn.

V. THE MARKET AND SELF-INTEREST

> Some argue that the individual should be encouraged to act as a free agent in the market place, that the achievement of the individual good will have the overall effect of improving the common good. They assume that uncontrolled self interest is the means to ensure efficiency and equity as well as economic growth . . .
>
> This view does not explain adequately the complex economic and political processes that shape modern society. It does not explain the way in which wealth and power are distributed. (CA, pp 8-9)

Here, in a few brief sentences, *Changing Australia* seeks to dispose of classical liberal doctrine. I shall set aside here my anxieties over their distinction between the achievement of the individual good (not merely the **pursuit** of individual good, concerning which one might share their sense of worry: actions in **pursuit** of individual good may, for familiar 'prisoners' dilemma' reasons, generate outcomes that are to the good of no one) and the achievement of the common good: it entirely smacks to me of claims to love 'humanity as a whole' while having no time at all for people. I am rather suspicious of arguments that exploit the verbal trick of talking about society (or any group) independently of the persons who make it up, because it permits one to obliterate the moral claims that other individuals make on one by de-personalising them - seeing them merely as members of some group, class, sex, race, income level or whatever. Arguments about the common good, somehow independent of the good of **anyone**, can easily involve a similar moral sleight of hand, and I mistrust them deeply.

But consider the two other elements of the *Changing Australia* argument here. First, the charge that 'the individual should be encouraged to act as a free agent in the market place', seems to involve an interpretation of the classical liberal position in which any role for moral restraint is denied. Such an interpretation is surely unfair. Adam Smith denies neither the reality of benevolence nor its desirability when he observes that we do not depend on the benevolence of the butcher or the baker to supply us with our meat and our bread. Smith's argument in this connection simply has nothing to do with how one should behave within a liberal market order; it concerns the advantages of the market order itself. The belief in freedom as a prime institutional virtue does not deny belief in criteria of moral conduct - just that such criteria should not be legislated.

The more crucial confusion is embodied in the claim of a presumed assumption 'that uncontrolled self interest is the means to ensure efficiency and equity'. This is a confusion because the market is to be understood precisely as an institutional vehicle for the **control** of self-interest. The market is itself an institutional order - a set of rules about what people may and may not do, together with the allocation of powers to the state sufficient to enforce those rules. The rules in question include, at the most basic level, a definition of rights to both person and property, and arrangements under which those rights can be exchanged and under which certain sorts of collective decisions can be made. The characteristic

feature of such an institutional order is that certain sorts of activities are not allowed: rights cannot be violated, either by persons acting individually or (except subject to certain limits) by persons acting under state aegis. That is, the market order so described does not involve the exercise of **uncontrolled** self-interest: rather, self-interest is 'controlled' by being channelled into relatively benign activities.

In this connection, the indignation that *Changing Australia* expresses over competition seems entirely misplaced. Are we to conclude on this basis for example that the process of electoral competition, surely a central element in any properly operating democratic order, should be done away with? Yet political opponents are competitive. It is in fact where competition is absent, and electors have no choice, that we regard democratic institutions as having failed. Here, we justify the competition not (one hopes) because we enjoy the spectacle of politicians being at one another's throats - that spectacle is surely rather repulsive - but because competitive politicians in their quest for power are induced to offer to the electorate policy platforms that the electorate desires. Such competition may or may not work well. But in principle we are surely better off with it than without it. In a similar way, competition in the market place constrains firms to offer products that consumers desire. The institutional arrangements are such that, in the exercise of individual self-interest, competing individuals promote the well-being of third parties - consumers or voters or whomever.

This is a central element in the logic of markets. It is also the central element in the logic of a democratic political order. It involves no defense of self-interested conduct. It involves simply an attempt to control self-interest - to prevent the mutually destructive war of all against all that Thomas Hobbes so effectively described.

Of course, this is not to say that competitive forces in democratic politics and markets are the same, or that competitive markets and competitive politics are equally productive for third parties. It has long been the claim of economists that (appropriately idealised) markets represent a unique institutional engine for harnessing the productive forces of a society of mutually interdependent individuals - that the market permits each to exploit to the full his or her own particular gifts in the interests of all others, and that from this anonymous cooperation emerge outcomes that are beyond the imagination of any single agent to conceive. Such claims are of course debatable. But to be debated, they must

be engaged, and to be engaged they must be understood. *Changing Australia*'s strategy of sweeping them away indicates, in my view, just how far the document is from a proper treatment of the issues that the authors seek to address.

VI. CONCLUSION

Let me conclude with some remarks about the domain of Church authority.

Issues of economic and social policy are naturally of concern to Christians - just as they are to all Australians. In part, this is because Christians are affected by such policies. In part, it is because the choice of policies has ethical dimensions about which the Christian can be expected to have views. It is therefore hardly to be wondered at that the Church, both in reflecting the concerns of its membership and in 'bearing witness to the truth that is within it' (as the Church perceives that truth), will from time to time want to speak out on economic, political and social matters. In this sense, the *Changing Australia* document holds no surprises: the Church has a perfect **right** to make its views known - to contribute to ongoing public debate - and it is a right that one might expect the Church to exercise. In so doing, the Church operates as one institution, among many, from **within** the existing social-political structure. The church need not be seen as claiming anything other than ordinary, accepted rights of free speech - rights of the governed to participate in determing the nature of the government to which they are to be subject.

But the Church can and sometimes does claim, in addition to this right, an **authority** in speaking about the society of which it is part, which authority is entirely independent of the consent of other citizens, even in the broadest sense. This is because the Church claims for itself a privileged position in discerning the will of God: and in doing so, it asserts for itself access to a level of truth that transcends the capacity of non-members (or relatively unprivileged members) to understand or recognise it. At some level or another, the Church will, and indeed must, call in divine weight for its pronouncements. 'This is the Word of the Lord' is an appeal to unassailable authority.

Moreover, the Church's claims to authority exercise some influence beyond their own constituency - particularly when the Churches are seen to be speaking unanimously. For whatever reason, many who are not in any way practising

Church people and indeed many who are avowedly non-Christian, still regard the Church as having some presumptive authority on moral matters. When the Church speaks, they tend to take some notice - even if they do not fully understand what the Church seems to be saying. And if they disagree with what is being said, they tend to wonder - a trifle guiltily - if they should really think as they do.

There can be no doubt that *Changing Australia* claims for its argument all the authority that the ecclesial connection can deliver.

We should therefore make it clear that propositions about the desirability (or otherwise) of particular economic or social policies - and still more about the desirability of alternative rules of the economic/political game - involve crucial judgments of fact as well as judgments of value. In particular, unless one is prepared to argue that the consequences of projected 'far-reaching changes' are entirely irrelevant in moral terms, the question of what the outcomes of particular institutional changes will be must be carefully addressed. Patient examination of political and economic theory, of the factual record, of the broad lessons of history - all this is required. Here, the Church as Church can claim no special expertise. It must, it seems to me, grub along with the rest of us. It must subject its arguments to the same tests of logical coherence and factual validity that serious professional social scientists use. Evaluated by appeal to such tests - that is, evaluated as a piece of serious social analysis - *Changing Australia* is spectacularly inept. The basic line of reasoning is unclear; much of it is illogical; and there is no appeal to appropriate evidence.

The Church does not of course need to develop expertise in social science to be faithful to its calling. It does, however, need to have a proper reckoning of the domain of its own authority, and a proper humility towards the body of accumulated knowledge relevant to the matters it seeks to address. Questions of social/political/economic organisation are important. They have extremely significant moral dimensions. And the Church and its representative agencies do well to raise these questions and to emphasise the moral dimensions. But precisely because they are important questions, it is important to get the answers right. *Changing Australia* hardly helps in this regard. Indeed, in the final analysis, it treats its subject matter with total disdain.

REFERENCES

Gunton, R. (1971), 'A distribution of personal wealth in Australia, 1967-1968', paper delivered at the 43rd ANZAAS Conference, Brisbane.

Harrison, A. (1979), 'The distribution of wealth in ten countries', in *U.K. Royal Commission on the Distribution of Income and Wealth*, Background Paper to Report No. 7, Her Majesty's Stationery Office, London.

Hirshman, A. (1982), 'Rival interpretations of the market society', *Journal of Economic Literature* 20(4,December).

Podder, N. and N.C. Kakwani (1973), 'Distribution of wealth in Australia', Taxation Review Committee, Canberra, mimeo.

Raskall, P.L. (1977), *The Distribution of Wealth in Australia*, Planning Research Centre, University of Sydney.

A CHRISTIAN PERSPECTIVE ON THE ECONOMICS OF WORK AND WELFARE

Paul A. McGavin

Brother Paul McGavin has degrees in economics from the Universities of New England (B.A. Hons) and Queensland (M. Econ.) and is a Diplomate in Theology of the Australian College of Theology. He is currently completing a Doctorate in Economics at the University of Melbourne, where he has been Senior Tutor in Economics since 1981. Br Paul entered religious life in 1973 and was ordained Deacon in 1978. He currently holds the General Permission to Officiate of the Anglican Archbishop of Melbourne.

A CHRISTIAN PERSPECTIVE ON THE ECONOMICS OF WORK AND WELFARE

Paul A. McGavin

In this paper there is presented a perspective on work and welfare that, from a biblical viewpoint, seeks to correct the one found in the document, *Changing Australia* (subsequently referred to as CA). In Section I, attention is directed to the treatment in CA of the following four areas of understanding: (a) its view of man, or 'anthropology'; (b) its understanding of the practical implications of the relationship between God's governance of his world and man's response, or 'providence'; (c) its concept of 'unemployment' and its causes; and (d) its view of the 'market' process. Section II examines the evidence of scholarly economic research on selected aspects of work and welfare in an Australian context. The following five areas receive special attention: (a) the role of wage increases for Australia's extended experience of unemployment; (b) women in the Australian labour market; (c) youths; (d) overall male employment; and (e) 'social security' transfer payments.

I. How does the Church's perspective on work and welfare relate to economic analyses of work and welfare? What are the implications of such analyses for assessing the contribution to public debate of work and welfare offered by *Changing Australia*?

In Christian terms, 'work' betokens human activity that manifests the dignity of man, the travail of man, and the restoration of man. And in Christian terms, 'welfare' betokens human needs of food, clothing, shelter, and society: but it also betokens the human need for society with God, and for participation in his life (see the Appendix for a fuller discussion). The Church's perspective on 'work and welfare' is premised upon the tenet that God Almighty is the first and only cause of all phenomena. Yet although it is under the

One God that all 'live and move and have being' (Acts17:28), it nevertheless remains apparent that 'we do not yet see all things in subjection' to the Christ of God (*Heb.*2:8b). It follows, therefore, that the Church should treat with solemn respect the careful research of students of the world - the world in terms of both the physical and the non-physical environment. But it also follows that even where research has been conducted with all possible objectivity, it cannot be presumed that the results of that research will provide a standard for judgment, a 'norm'. The best that even the best research can provide is an understanding of what is; what ought to be may be hinted at only. This means that the Church must receive the research of students of the world with respect, but also with discernment. There have been, and it may be supposed that there still are, those who have espoused an extreme view of the 'Fall', and who therefore have scant regard for the general area of studies nowadays referred to as the 'social sciences' (which, of course, includes the discipline of economics). Clearly, however, this is an extreme view. Our Lord, who implicitly was dealing with a fallen world (e.g., *Matt.*7:11), nevertheless constantly referred to his close observations of everyday life in order to press his knowledge of what ought to be.

On this reasoning, then, scholars (including economists) are entitled to expect the Church to pay attention to their work. And where the mission of the Church touches problems that are the subject of economic study, the Church is under obligation to speak with sound knowledge of the subject: the Church must know the world of which she speaks, and the world to whom she speaks. In short, the Church must speak from the 'inside'.

The implications of the foregoing are that the authors of *Changing Australia* have not done their homework: the document does not speak from the 'inside'. *Changing Australia* is not the product of a thorough, biblically-grounded theology; nor is it, in consequence, the product of a careful study of the economic areas of life on which it speaks. Indeed, it treats economic issues with consistent and inadmissible bias.

Anthropology

A biblically-grounded theology is necessarily an ascetical theology: a theology that deals with our knowledge of God and of his purposes from the viewpoint of discipleship. Both in idea and in practice, distinctive conceptions of 'providence'

and of 'anthropology' will be generated by an ascetical biblical theology.

The necessity and the integrity of 'work' in Christian anthropology is outlined in the Appendix to this paper. CA conveys a partial grasp of this: work is introduced as comprising both 'paid and unpaid . . . means by which people contribute to and participate in society' (p 19, and also pp 7,27, 29). But the term is not consistently used: those seeking wage employment are readily described as 'out of work', and people in wage employment plus those seeking wage employment are given the Australian Bureau of Statistics (ABS) description, 'workforce' (p 19). The description of work as a 'means by which people contribute to and participate in society' conveys something of the creative sense of a Scriptural understanding of work, but weakly so. Similarly, the statement, 'an important part of human existence' (p 19) is weaker than the statement, 'integral and necessary'. The description of work as 'the central element in social life' (p 19) appears to give undue emphasis to work that is performed socially in the context of wage employment. CA does not convey a far-reaching sense of work that includes, for example, the work of learning, which especially should occupy children, or the work of nurturing community, which especially should occupy those of reduced physical capacity (the aged). The document conveys little or no sense of **interior** work: the necessary strivings of men and women that are not open to public inspection. It is hardly surprising that the central act in the work of Christ (the hidden oblation of Calvary) receives in *Changing Australia* a single perfunctory mention only (p 12). The centre of the disciple's life of work and the centre of the Church's work in the world receives but one mention: only at p 14 is 'prayer' mentioned. That mention may be read in a right sense, but in the total context of the document it probably should be read in a politicised sense (e.g., pp 3,8,9,19,24,26). (Each of the four 'Discussion Guides' appended to the text includes a 'concluding prayer'. All of these are extracts attributed to St Paul. They sit uneasily in their contexts. This is especially clear of the last, on p 29: the 'Theories of change' do not include 'prayer' and seem unrelated to biblical thinking; the 'How we are bringing about change' rightly includes 'work', ends with 'politics', and does not include 'prayer'.)

CA conveys little sense of positive appreciation of the 'travail' quality of work. The authors are interested in human alienation, but for them alienation has its source principally in 'structures' (pp 3,17,24,30), and not in 'fallen nature':

'many who have jobs do work which is repetitive and which hinders their development as full human beings; they become alienated from their work and from what they produce' (p 7).

In summary, then, CA is weak in the understanding it conveys of:

* the creative and productive ('fruitful', 'multiply') quality of work;
* the breadth of human endeavour encompassed by the term 'work' (this weakness is most pointed in the critical part of human work that is performed by the person **inside** the person); and
* the necessary ascetical quality of human work.

From a Christian viewpoint it is, therefore, not surprising that the document should convey a weak anthropology.

Providence

This weak understanding of human nature and of the human condition also finds expression in a weak notion of 'providence': not surprisingly, because both issue from a theology weakly grounded in Scripture. The sense of providence the document conveys is a bit like that of Israel's entry into Canaan: 'the Lord thy God . . . brought thee into the land . . . to give thee . . . cities which thou buildest not, and houses full of all good things, which thou filledst not, . . . and vinyards and olive trees, which thou plantedst not' (*Lev.*7:10f; cf. *Luke*12:24,27). CA conveys a sense that there is a given stock of resources, and that the central issue is the distribution of these resources. 'Share wealth!' is one of the authors' favourite phrases and a major theme of the document (see, e.g., pp 8,17,19,20,23,24,30). For CA, the 'scarcity problem' (so central to economics) is addressed as an issue of distribution: ownership of resources must be 'sparing' (p 22) and must be used 'sparingly' (p 22); 'jobs that are available' must be 'shared fairly' (p 20); resources must be directed 'to those areas where employment can be created' (p 20).

In short, unlike Jesus of Nazareth, the authorship of CA appears unfamiliar with and lacks understanding of the world of work. CA trades in weak ideas, but does not manifest close experience of human response to the providence of God. The mind of the document is defeatist: e.g., 'Certainly, I know of no businessman who believes that we will be able to re-employ those workers retrenched from a forcibly diminished manufacturing sector' (p 16; see also p 20).

It is interesting to notice that in the teaching of Jesus, production and distribution are typically linked. Jesus' com-

ment in *Luke* 12:42, 'Who then is the faithful and wise steward, whom his master will set over his household, to give them their portion of food at the proper time?', is the exception rather than the rule in its apparent focus on distribution. The terms St Luke uses here and in *Luke* 16 for the manager and the management of a household (*oikonomos* and *oikonomia*) have come into English as 'economist' and 'economy'. Through the Authorized Version, however, they have come into biblical English as 'steward' and 'stewardship' - terms that connote custodial and distributive rather than entrepreneurial or executive managerial functions.

Given this cue, the student of the Gospels (which should mean everyone who names himself Christian) will recall teachings such as the Parables of the Talents (*Matt.*25:14-30 and *Luke*19:11-27), of the Wise and Foolish Virgins (*Matt.*25: 1-13), and of the Householder Who Planted a Vineyard (*Matt.* 21:33-41). Thus it may be said that the understanding of work conveyed in the Gospels extends the primitive notion of the generative character of work, which is integral to the depiction of man in *Genesis*. The teaching in the Gospels is that of a man who understood the world of work, who clearly understood the distinction between production and wealth, and who observed that, without discipline, wealth could be dissipated as readily as could sexual chastity (*Luke*15:11-32).

The authors of CA are not so clear. At p 21 'production' is distinguished from wealth (yet the market in assets is not understood). This distinction, however, is lost at p 19, where wage employment is described as 'a means by which the community's wealth is shared' (implicitly, 'wealth' is community property). Neither do the authors understand the function of assets: for them, a function of government is 'to collect surplus wealth and . . . to distribute it according to need' (p 19).

The view of providence in CA (perhaps influenced by misinterpretations of texts such as *Matt.*20:9 and *Luke*12:27) sees God's provision of people's needs in terms rather like his wilderness provision of manna to Israel (*Exod.*16:18,22). The plea for 'a society in which the resources available are so fairly shared that no one is considered wealthy' (p 19) reads like a wry commentary on, 'And when the people did mete out that which they had gathered . . . he that gathered much had nothing over, and he that gathered little had no lack' (*Exod.* 16:18). It is the social and the distributive functions of work that occupy the authors of CA: 'the central element of social life', 'a means by which . . . wealth is shared' (p 19). The generative and ascetical functions of work are not an interest

in CA. This being the case, people's command over needed resources is seen in terms of 'a right': the Hawke Government's promise to raise 'social security pensions and benefits . . . to 25% of average weekly earnings is commendable but insufficient . . . An extension of this commitment is necessary to guarantee all members of our community a minimum standard of living relative to the standard enjoyed generally' (p 19).

In CA, this principal distributive function of wage employment is an aspect of what the authors might describe as modern Western capitalism: 'Since the industrial revolution, paid jobs have filled these roles' [to 'distribute wealth' and 'enable social participation'](p 20). CA pleads the alternative of a 'social wage': 'a more extensive range of public services (housing and health especially) that guarantee an acceptable standard of living for the jobless and enable those with jobs to maintain their living standards without wage and salary increases' (p 20). With respect to those in wage employment (for CA, those 'with jobs'), this notion of a 'social wage' reflects ideas found in the Accord of the Australian Council of Trade Unions (ACTU) and the Australian Labor Party (ideas, it should be noted, that found their impetus in the huge increases in PAYE taxes that occurred under the Whitlam Government; McGavin, 1984b). The complexity of the issues there engaged is not touched upon, and will not here be examined. With respect to those not in wage employment (for CA, the 'jobless') the notion of a social wage does not principally reflect a Christian notion of the extension of opportunity to all (*Matt.*5:45). Rather it reflects CA's idea that the character of God's providence is such that all people have a right to receive a due portion of a common wealth:

> If alternatives [to 'paid jobs'] are to be just and acceptable, they must ensure adequate income and other opportunities for people to participate in and contribute to the community . . . The present unemployment crisis offers an opportunity to consider again the ways in which people participate in society. It challenges us to find new ways to share wealth and power, to strive for reconciliation - to seek justice. (p 20)

Maybe this is prompted by a genuine response to Our Lord's story of Dives and Lazarus (*Luke*16:19-25). The authors of CA understand texts such as *Luke* 6:24-26 as an 'attack on the powerful and rich in society' (p 13). The implications of the fate of the man who buried his one talent (*Matt.*25:24-28), and the lessons of the Tenth Commandment (*Exod.*20:17) and of *Luke* 12:13-15 are not found in CA:

> One of the multitude said to Jesus, 'Teacher, bid my brother divide the inheritance with me.' But Jesus said to him, 'Man, who made me a judge or divider over you?' And he said to the multitudes, 'Take heed, and beware of all covetousness; for a man's life does not consist in the abundance of his possessions'.

Causes of unemployment in CA

For the present purposes, however, it is more important to note that CA proceeds on misconceptions of the Christian concepts of providence, anthropology, and work. As has been remarked, the document seems to be the product of minds that are unfamiliar with the world of work. Yet its deficiency is not only ignorance and error. CA is also clearly biased. The extended experience in Australia of an increasing number of people unable to gain wage employment is explained with the following enumeration:

> We must look both to the international economy and to ourselves for the causes of this situation. We can point to a number of international factors that have been significant: the world-wide recession, the increased volume and movement of capital, the power of major banks and of transnational corporations, the rate of development and introduction of new technology, militarisation. In many respects, these factors are beyond the control of the Australian Government and the governments of most other countries. In part our society is responsible for this. Australians have allowed their economy to become so tied to the international economy that they, and their governments, have little control over national well-being. Unemployment in Australia is a symptom of wider problems in our society. (p 20)

A causal account of the emergence of unemployment in our society would need to be wide-ranging and complex; it need not be so defeatist. Yet a causal account, however brief, that makes no reference to the role of wage payments as a price for labour services, to the influence of governments upon changes in wages, nor to the influence of unions in wage outcomes is deficient to the point of blatant bias. Unions are mentioned in CA only once: 'trade unions are becoming sensitive to more than the needs of their members' (p 9). This single mention occurs in the context where the authors of CA present what they see as 'signs of hope in Australian society', and of Australians 'searching for some-

thing better' (pp 8,9). It leads on to an observation that the purported 'desire for national reconciliation' must go 'deeper than industrial relations, centralised wage fixing and prices and incomes accords' (p 9). In the context of the document, the manifesto for change reads like a political rather than a Christian one (a viewpoint that is later further developed). But the implication that Australian unions, in acting in the interests of unionists, have acted against the interests of other Australians is but weakly (even cursorily) made, and in the context of the document finds no place in the authors' understanding of the causes of unemployment. The same should be said of the rate of change in wages, and of government influence upon Australia's wage outcomes. The conclusion is that CA quite simply is ungrounded in economic research on the causes of Australia's experience of unemployment: It speaks not from the 'inside' but from the 'outside'. And from the outside it projects upon Australian society and economy its own ideology.

The economic method applied in the next section of this paper would be described in ideological terms by the authors of CA. CA avoids such barbed language, but its perspective is clear. Having described Australia as a 'mixed economy' and noticed over recent years that 'the nature of this mixing of government and private activity has been changing', CA announces: 'Many people have questioned it' (p 7). There then follows an ideological account of what might be described as 'market capitalism':

> They assume that uncontrolled self interest is the means to ensure efficiency and equity as well as economic growth. They say that the market enables the individual to participate fully in society by exercising freedom of choice. The market economy and the primacy of the individual are seen by these people as the necessary basis for a democratic and wealthy society . . . (p 7)

The CA authors' judgment is that 'This view does not explain adequately the complex economic and political processes which shape modern societies. It does not explain the way in which wealth and power are distributed' (p 8). Doubtlessly, any view of the 'economic and political processes' reduced to terms so simple would not explain the complexities that shape societies, whether modern or otherwise. There are, however, certain common elements in economic and political processes that emerge from the 'gound up', so to speak (rather than being imposed from the 'heights down'). Understood in its widest sense, the market is one such process.

The market process

The 'market' is not a phenomenon invented by kings or by governments or by thinkers, and in its most general sense the market is not a phenomenon peculiar to certain societies and to certain ages: it is a universal phenomenon of developed human society. Kings and governments and ideologues have often enough attempted to suppress the operation of the market, but nowhere in history has it been generally eradicated. This suggests that the market is a phenomenon basic to human society: understood in the most general terms, the market is but a social system of production and exchange of goods and services. The pervasiveness of the market in first-century Palestine and the familiarity of our Lord and of his hearers with common market processes is well (although implicitly) attested in the pages of the New Testament. And, as has already been outlined, the varied aspects of human market conduct provided a frequent vehicle for the Master's instruction of his disciples in the character of human living under God.

Nothing in the above statement implies that the observation of market processes provides a reliable standard for godly living. The Old and New Testaments provide ample testimony of human rapacity (e.g., *Ps.*79:1-4), human folly (e.g., *Luke* 12:20), the cry of the oppressed (e.g., *James* 5:4), and the fate of those who act wickedly (e.g., *Ps.*9:16). And any student of history or contemporary society will also readily find such testimony. Similarly, students of Scripture or history or contemporary societies of widely different kinds will observe that markets emerge as social institutions and that they are subject to processes of social control operating in the societies in which they emerge. This observation is nothing very profound. CA appears to view the market system as independently imposing a structure to economy and society (cf. p 8). I do not share such a perspective: rather, the market is viewed as an institution that emerges within a complex of social institutions. Even where the market is restrictively conceived as comprising only those transactions involving exchange through the medium of money (through the price mechanism), it nevertheless remains a social institution. Transactions involving full anonymity (and seemingly devoid of social relations) are the exception rather than the rule. And it may be argued that this remains generally true even where the presence of modern technology greatly reduces the personal interface in the transactions of production and of exchange.

Perhaps nowhere has the influence of social control in the market been more manifest than in the labour market. The extent of this influence has been such that some students of labour markets seem to teach that labour markets are not markets at all (cf. Wootton, 1955). This would seem both to overstate the case and to understate the significance of non-monetary transactions (Blandy and Richardson, 1982). The persistence of social control in the labour market is well witnessed by the extensive history of the notion of a 'just wage' (e.g., Wilson, 1975). This notion attracts mention in CA at pp 8 and 20. It would appear from the Old Testament that some notion of minimum wages was practiced (e.g., *Lev.*19:-13). And it is clear from the preservation of the rights of gleaners (*Lev.*19:9, *Ruth*2:7) that the going wage was at a rate above that which would sustain a bare physical subsistence. The Parable of Labourers in the Vineyard (*Matt.*20:1-16) testifies that such social control of the labour market was exercised in first-century Palestine. The parable is told by a man who has observed labourers queueing for employment; and who has observed both that the going wage rate would not, as we would say, 'clear the market', and that the going wage rate was a pro rata rate, an hourly wage. One may suspect that, given opportunity, the authors of CA would use this parable to foster egalitarian ideas about 'sharing jobs fairly' and about a 'just wage' (p 20).

The parable is, however, not so used in CA, and it is as well. Although it gives accurate information about social and market practice at the time of Our Lord, the parable most definitely does not give us Christ's teaching about the sharing of jobs, nor about egalitarian wage justice (cf. *Matt.*25:28). It does not do this because the very point of the parable is the astounding **generosity** of the householder (*Matt.*20:15). The parable is characteristically introduced, 'For the kingdom of heaven is like a householder . . .' (v.1): which is to say, In God's household, men are not servants who wait for hire and who labour for a wage but are sons who for love of the householder do labour; and the reward of their labour is not their due but is God's generous gift of sonship in his household to all seekers. The invitation to citizenship in God's household is continuously extended to all men and women (and boys and girls) who seek it, and there are not ranks of citizenship, for all are 'brothers' - 'sons' of the one father.

Economic application of God's offer of salvation

Economic application of this principle of God's offer of salvation in Christ has throughout the history of Christianity been seen in groups of men and of women who have freely drawn aside from the larger society, and who have lived and worked according to these egalitarian principles. This voluntary application of the egalitarian principles of God's kingdom has pre-eminently been shown forth in the continuous history of monasticism in the Church. The substance of this paper was written while I enjoyed the hospitality of the Cistercian monks at Tarrawarra, in the Yarra Valley, Victoria. In that community, the gifts of various members, the length of time in the 'school of the Lord's service' (*Holy Rule of Benedict* [*RB*] prol.45), and the extent and the manner of work performed are manifestly varied. Yet none receives more than another, and none lays claim to anything. In law the monastery is the property of the community; in truth the monastery is the property of God. The property is fruitfully husbanded, and that husbandry is an arduous labour that provides the material support of the community. The divine 'office', the 'work of God' (*RB*16), is the focus of monastic life, but every aspect of life is drawn into that offering (*RB*48), and the monastery is conceived as a 'workshop' (*RB*4:78).

It may fairly be claimed that the lives of men and women who lived on these same principles (and, indeed, under this same *Rule*) changed the face of Europe: they made Europe a husbandman continent, a literate and learned society, and a Christian society. Their power to change was not through the exercise of a political program: they had no manifesto. Indeed, they were not even intent upon changing Europe: they were intent upon changing themselves (*RB* prol.35f). These men and women had received the kingdom of God and, in receiving that kingdom, found that their Lord was calling them to a particular ministry for their own sanctification and for the mission of the Church. They found that Christ was calling them to answer with their lives the example of his: 'For I have given you an example, that you also should do as I have done unto you . . . If you know these things, blessed are you if you do them. I am not speaking to you all; I know whom I have chosen' (*John*13:15,17f).

The monastic alternative, just described, is my first love. In its fullest simplicity, however, it is not a description of my vocation – as the fact of this present writing witnesses. It may be said (**should** be said – *John*12:32) that all men are called into the Church. But the Church implicitly under-

stands that not all men are called into the monastery. Christian monasticism is an eloquent part, but only a part, of the Church's mission in the world. Most of Christ's disciples are called to live 'in the world' (*1 Cor.*5:10), and by their direct interactive presence to bring the world under God: in CA's terms, to be heralds and agents of 'the kingdom' (e.g., p 14).

The method of these disciples in the world must, however, be true to the character of the work of which they are heralds and agents. The methods of Christians and of the Church must be true to the character of the work of Christ: the advent of the kingdom is an 'inside job'. Like Jesus of Nazareth, Christian disciples must act in the world with the 'authority of experience and of close observation' and, like Jesus of Nazareth, Christian disciples must know the world of work. Likewise, the Christian disciple and the Church must gain close observation and experience of the phenomena of the world of human society (see Appendix and cf. *John*2: 24f). Disciple and Church must be not naive but mature and able to judge the world with discernment (*John*7:24).

II. Are There More Economically Informed Alternatives?

Applying the empirical perspective argued in Section I, attention is now turned to the evidence of research on selected aspects of recent Australian labour market experience.

Wage increases and Australia's unemployment

The significance of wage increases for unemployment has been variously evaluated by Australian economists - from minimal significance for labour demand (e.g., Gregory and Duncan, 1980a), to having an equiproportional impact upon demand for labour (Symons, 1983). The great majority of Australian economists, although not in full agreement on the dynamics of the outcome, are however agreed that wage increases are significant for the emergence of unemployment in Australia (see various contributions in Norton, 1980; Jonson et al., 1978; Johnston et al., 1978; Corden, 1979; Snape, 1981; Pitchford, 1983; and Trivedi and Baker, 1982).

The work of Stricker and Sheehan (1981) (implied in CA, pp 19f), which gives emphasis to the effects of recession, has not found general commendation by the profession (e.g., Bureau of Labour Market Research [BLMR], 1983a,b). Stricker and Sheehan have however popularised the important understanding of Australian economists (e.g., Gregory and

Duncan, 1980a,b) concerning the significance of wages growth for increased Australian labour force participation (understanding 'labour force' in the ABS sense of those in wage employment plus those actively seeking wage employment). Australian economists now much more clearly understand that the percentage incidence of unemployment should not be understood as a proportion of a given 'labour force': there is now a clearer and more thoroughly researched appreciation that unemployment is an outcome of processes that strategically include both the demand for and the supply of wage labour services (BLMR, 1983a,b).

For this reason, from an economic perspective, 'measured' unemployment rates as used in CA (pp 19f) are not particularly useful. This is especially the case where the measured rates are aggregate rates. For example, Australian unemployment was estimated at about 7 per cent in August 1982 (ABS, *6203.0*). For males over 25 years, however, the rate was about 4 per cent; and for females over 25 years, about 5 per cent. But the unemployment rate for junior males was about 17 per cent, and for junior females about 20 per cent (BLMR, 1983a:12). Recognition of this is implied in CA: 'Unemployed people are usually . . . those with low skills, the young, recently arrived immigrants, women, people forced into early retirement' (p 20). But this recognition is not followed through in the text. (Notice, however, that on p 20 a chart, barely readable and not including 'prime age males', shows some disaggregation of the data.) The lower rate of unemployment among prime age males may not be especially meaningful to someone who believes there is a given number of jobs to be 'fairly shared' (CA, p 20). But to an economist, this information contains important suggestions. For it indicates:

* that the wage structure is such that certain categories of people are attracted to offer themselves for wage employment, but that
* the wages these people are required to be paid cause the demand for their labour services to fall short of its supply.

Thus, in the case of women over 25 years old, in August 1982 demand fell short of measured supply by about 5 per cent. In the case of male youths at the same date, demand fell short of measured supply by 17 per cent; for female youths the measured short-fall was 20 per cent. For the authors of CA these vital data would be meaningless: for them wages are not a price of labour services and therefore do not (or ought not) reflect relative scarcity of different categories of labour

services. In CA, wages are tied to an arbitrarily defined and egalitarian notion of 'justice' (pp 8,20).

Women

This is the kind of notion that was articulated in the introduction to Australia of equal pay for women, and in the introduction of sharp increases in the proportion of adult wages payable to junior employees. Evaluation of the impact of these changes has been greatly complicated by their coinciding with other complex changes in the Australian labour market. In respect of women, Gregory and Duncan (1978, 1981) have argued that 'sexual segmentation' of the labour market insulated women's employment from the effects of sharp increases in relative wages. Brooks et al. (1982) have argued that econometric research does not show a clear supply response on the part of married Australian women to the sharp growth in their relative wage. This conclusion is questioned in Volker (1984), where the 'significant impact' of wages for female labour force participation is argued. Yet the facts remain: whereas in 1966 about 27 per cent of married Australian women were in wage employment, in 1976 the figure was about 44 per cent, a growth of nearly 63 per cent (Eccles, 1982). This amounts to a substantial increase in market supply of female labour services during a period of strong growth in female relative wage. Research reported in McGavin reveals 'a tendency to reduce female proportions in the Australian work force following the full implementation of equal pay in 1975 . . . This variation in the pattern of employment has a timing suggestive of an equal pay influence' (McGavin, 1983a:58).

This suggests the emergence of a trend toward an overall decrease in market demand for female labour services during a period of substantial growth in the market supply of labour services by Australian women. (Notice that the discussion is couched in terms of 'market' supply and demand: the notion of work espoused here requires that we recognise the phenomenon not as a growth in female 'work', but as a growth in female 'wage employment'.) These overall movements, and the marked emergence of an overall surplus in the market supply of female labour in Australia, cast a shade on the justice arguments about equal pay for women. (I am making no argument against women receiving equal, or greater, pay than men, but only about the arbitrary regulation of the relative wage.) For an employer such as the one depicted in *Luke*20:8f to apply an egalitarian principle to his employees is

not justice, but (as the text says) is 'generosity' (v.15). One wonders whether the authors of CA believe that generosity provides a Christian business principle. But if that were the case, anyone with even a small acquaintance with practical affairs may well wonder what sort of an account such a Christian would make when his stewardship was turned in, and what sort of commendation he might receive from the Master (cf. *Matt.*25:21-30).

If this is true of overall movements in women's labour market experience, it is true with added force once disaggregated data are examined. McGavin (1983a:55) presents data showing that between 1973 and 1977 female hours of full-time employment declined in manufacturing by over 16 per cent, and in wholesale and retail by about 10 per cent. In this same period, female hours of full-time employment in community services grew by over 27 per cent. Consider these three major areas of change in female employment: the last is a growth of about 3 million hours per week in female employment, but the other two represent a contraction in excess of 3 million hours per week in female wage employment.

Only a slight experience with government and manufacturing or retail workplaces is required to be aware that we are dealing with quite distinct kinds of labour services. That is to say, in terms of their labour market characteristics, public service and quasi public service female employees are different types of women than manufacturing or wholesale and retail female employees. Once again, the change in female relative wages coincided with a complex of other changes. This complicates evalution of the issues, but it ought not to cloud the essential point: that except in areas where there was an offsetting growth in demand for the employment of women, changes in female relative wages tended to deprive certain women of employment. Naturally, the women deprived of employment were those whose employment was most precarious. And the women whose employment was precarious were characteristically those whose domestic circumstances were most precarious: women married to unskilled labourers, women married to men who had a higher-than-average incidence of retrenchment - in terms of the CA document, 'Unemployed people are usually those who already face the most problems' (p 20). In my view, it is a strange notion of justice for those whose livelihoods are not at risk to be instrumental in forcing an egalitarian wages policy, the practical effect of which is to deprive those in greatest need of access to wage employment.

Youths

The growth of unemployment among Australia's youth remains one of our greatest national tragedies. The grievous deterioration in the human welfare of our youth attracts only passing mention in CA (p 20). Careful research by Australian economists has demonstrated the role of increases in relative wages payable to youths for both an increase in market supply of labour services by youth and a reduction in market demand for the labour services of youth (especially see BLMR, 1983a). An index of award wages published by the BLMR shows between 1972 and 1975 a 9 per cent increase in junior relative award wages (BLMR, 1983a:51). This is a representative measure of change, and in some areas the change was much sharper: for example, the September 1972 consent variation of the Federal Metal Industry Award achieved a 27 per cent increase in the proportion of the wage for a commencing apprentice to the adult award (BLMR, 1983a:45). Some indication of the impact of these changes upon junior employment is gained by noting that between 1972 and 1975 the full-time hours of employment of junior females declined by about 10 per cent, from over 10 million to 9 million hours per week (ABS, *6204.0* and computations thereon).

The preponderant cause of the sharp increases in the relative wages of Australian youth was pressure exercised by trade unions in employment conditions tribunals for variation of clauses covering youth in their awards. This union pressure was official ACTU policy (McGavin, 1984b). A dispassionate labour market economist would recognise the union movement's support of increased relative wages for juniors and for females as having strong implications for restricting access to the labour market. The case may be explained as follows: the higher the relative wage that must be paid to workers who are at risk of retrenchment ('marginal workers'), the greater the effective restriction of entry into employment; the greater the restriction of entry into employment, the greater the monopoly power of those retaining employment (the unionists); the greater the monopoly power in the labour market, the higher the wages. In short, restriction of entry into the labour market is a characteristic activity of Australian trade unionism. It has been especially manifest in union policy concerning female and junior labour services, and it has had effects predictable by any dispassionate labour economist.

These are issues that greatly exercise my own mind. They involve our society's treatment of those described in biblical terms as 'the sojourner, the fatherless, and the widow' (*Deut.*14:29), and this is an important motive in my research. CA also uses these terms (p 11), and intends to speak for the interests of these 'excluded' Australians (p 16). At p 20, 'The present unemployment situation constitutes a major crisis for the Australian community' provides a banner. Yet the CA ideology permits no more than a kindly comment: 'trade unions are becoming sensitive to more than the needs of their members' (p 9). The call for 'justice' spills across the pages of CA, and yet the systematic exclusion by the union movement of needy Australians from effective participation in the nation's labour market merits no devastating comment in a document that purports to herald the 'kingdom of God' in this nation. In the face of such injustice, it is difficult for me to be temperate in my language. Words of the sometime Minister for Labour in the Whitlam Government save the day:

> We have not helped the young by demanding that they not be employed unless paid excessive wages. We have priced them out of the labour market and we deserve no thanks for that. (Cameron, 1982:118)

Overall male employment

Between 1959-60 and 1972-73 there was a remarkable stability in the shares of Gross Domestic Non-Farm Product (seasonably adjusted) (GDNFP[sa]) going to wages, salaries and supplements: that share varied between 56 and 59 per cent, around a modal 57 per cent. During the first three quarters of 1973-74 there was a movement towards the previous boundary (of 59 per cent); during the June 1974 quarter the wages share of GDNFP(sa) jumped to 62 per cent. Not until the September quarter 1976 did the wages share fall to 59 per cent (its previous upper boundary). Between 1959-60 and 1972-73 the corporate profits share of GDNFP(sa) varied between 14 and 17 per cent around a modal 16 per cent; at 1979-80 the share of profits stood at between 12 and 13 per cent of GDNFP(sa) (ABS, 5207.0 and computations on these data). The analytical questions raised by shifts of this magnitude are massive, and it could not be said that Australian economists are agreed on that analysis. It can however confidently be said that the massive growth in wages that occurred during the Whitlam era had a significant impact upon the overall level of economic activity and employment in Australia (see the discussion in Norton, 1980).

The complexities of the relationship between wages share and macroeconomic activity make it difficult to assess the direct impact of wage growth upon employment in Australia. Research that attempts to do this (McGavin, 1984b) suggests that the reduction of employment in direct consequence of wage growth has a lower boundary of about 10 per cent of the proportional increase in Australian male wages. Such a figure does not appear large, yet even if a 10 per cent increase in relative wages caused but a 1 per cent decrease in hours of labour employment, this nevertheless represents a significant impact upon employment. Its impact on aggregate hours of male weekly employment in Australia for 1975 would be about -1.25 million (McGavin, 1984b). Such a figure may not seem large as a proportion of aggregate hours of employment per week. But when it is recalled that during 1975 Australian male unemployment grew by about 71,000, the proportional significance of the figure changes markedly: 71,000 times average ordinary-time hours of 38.2 hours per week derives a figure of about 2.7 million hours for which Australian men were not engaged in wage employment (ABS, 8334.0). The reduction in employment derived by a lower boundary estimate of only the direct impact of wages growth upon employment therefore corresponds to about 46 per cent of the 1975 growth in Australian male unemployment.

How was the offending growth in wages secured? Was it by the action of 'the world-wide recession, the increased value and movement of capital, the power of the major banks and of transnational corporations, the rate of development and introduction of new technology, militarisation'? These 'causes' head the list presented under the general heading 'Work' in CA (p 20). Each item on this list would appear to be outside our control. Thus the 'analysis' of CA leads to a defeatist tone: on p 20 alone, we read 'unable to provide paid work for those who want it', 'beyond the control of the Australian Government', 'no longer possible to provide jobs for all who want them'.

CA's world view is a static one: the total environment is seen as given; the dominant conception of the enviroment is the 'till it and keep it' of *Genesis* 2:15, to the virtual exclusion of the 'fill the earth and subdue it' of *Genesis* 1:28b (CA, pp 8,9,14,22, and pictures, pp 2f,31). It is not surprising that CA should find the static understanding of the environment of the aboriginal people of Australia to be 'deeply spiritual' (p 9). This whole outlook towards the environment is conditioned by an attitude not of 'transformation', but of 'conservation' (p 22). This attitude is part of a total cosmology

strange to the one that generated Christian civilisation on this planet. This dominant distributive attitude ('share', becomes a litany) naturally spills over to CA's attitude towards jobs: it is as though jobs were a scarce resource, to be allocated by 'sharing fairly the jobs that are available' (p 20). It would not be true to say that this is a **total** misconception, but it is fairly said that CA operates under a fundamental misconception. And this misconception has tragic consequences because it issues from a defeatist mind, which attributes our calamity to things 'out there' - 'factors beyond our control' (p 20).

This is manifest untruth. Australians have been significant actors in bringing about our present calamity - a calamity the weight of which is principally borne by those who were not prominent in the action, by those whose market employment is at greatest risk. It is true to say that, 'In many respects, [we have been subject to] factors beyond the control of the Australian Government' (p 20). But Australians, individually and corporately, and Australian Governments have nevertheless enjoyed a large measure of freedom to respond to changes in the world around them. In the areas of wages and employment, a great deal has been within (not 'beyond') the influence if not the 'control' of Australian Governments. Yet Australian Governments (both Coalition parties and Labor) have failed to respond appropriately. In the present respect, there are notable instances of clearly perverse response. The following is a quotation from the Counsel for the Commonwealth before the 1973 National Wage Case Bench of the Australian Conciliation and Arbitration Commission (ACAC):

> It is the Commonwealth's opinion that there is scope in the capacity and the flexibility of the Australian economy for an appreciable rise in wages without undesirable inflationary consequences and with wage increases being viewed as the appropriate instrument for this redistribution. (149 Commonwealth Arbitration Reports 81)

The calamitous consequences of that Government action have been felt thoughout the length and breadth of this land, and are still being felt. Moreover, they are still being exercised through continuing influence on current determinations of the ACAC. And it is 'the widow, the orphan, the stranger' (CA, p 11) for whom CA is supposed to offer 'Good News to Australia' (banner, pp 10f) who chiefly bear the burden of these actions.

'Social security' transfers

'Everything is related to everything', and this is nowhere more true than in theology. As Christian Orthodoxy has constantly taught us, the revelation of God in Jesus Christ is a whole: only by right belief may we give right worship to God. And right belief is whole belief, the full embracing of catholic doctrine. My theme in this paper has been to show how the practical errors of CA are but outworkings of theological error, of doctrine that is at variance with the constant tradition of catholic Christianity. The last section ended with the observation that a one-eyed view of the environment (currently so fashionable in almost all ecclesial establishments) is at the root of the 'jobs' aspect of the 'scarcity problem' as presented in CA. This one-eyed view is intimately related to the view of providence and the understanding of provident human action found in CA, which was criticised and partially corrected above. As I see it, the errors of CA in the area of welfare benefits are not principally errors of economic ignorance and deficient homework (although they include these): the root error is theological.

Because everything is related to everything it is difficult to isolate a single error when it is the whole cosmology of CA that is at variance with biblical Christianity. But the principal error may be corrected by again referring to the Christian understanding of man ('anthropology') and to the Christian understanding of God's sustaining action in the life of man ('providence'). Briefly, man is a sinner: which is to say that men and women, boys and girls wilfully fall short of their created glory. The Church's understanding of Providence issues in a notion of 'provident' human response, and this response finds its central expression in the human endeavour described as 'work'. As outlined in the Appendix, the Christian notion of work is far-reaching. The important points to restate are:

* that work is a 'generative' or 'productive' activity (work makes a person 'grow' and also makes his world 'grow');
* that work is an 'ascetical' activity ('toil' is part of the nature of work, and the travail of work repairs a person's life [It is 'reparatory']); and
* that work is a 'necessary' activity (work, widely understood, is constitututive of persons: a person is a person because he 'works' - although nothing in this statement deprives the aged and the infirmed of their humanity; see McGavin, 1983b).

It is not necessary to traverse ground covered in the

Appendix; it is sufficient to make direct reference to apostolic teaching on the subject as it touches the issue of public transfer payments:

> Now we command you, brethren, in the name of our Lord Jesus Christ, that you keep away from any brother who is living in idleness and not in accord with the tradition that you received from us. For you yourselves know how you ought to imitate us; we were not idle when we were with you, we did not eat any one's bread without paying, but with toil and labour we worked night and day . . . If any one will not work, let him not eat . . . (*2Thess.*3:6ff)

> Honour widows who are real widows. If a widow has children or grandchildren, let them first learn their religious duty to their own family and make some return to their parents . . . [Let a widow be enrolled] for church provision of her needs if she is not less than sixty years of age, having been the wife of one husband; and she must be well attested by her good deeds . . . But refuse to enrol younger widows . . . [who should] marry, bear children, rule their households, and give the enemy no occasion to revile us . . . let the church not be burdened, so that it may assist those who are real widows. (*1Tim.*5:3ff)

If these texts were to be read in a public place in any of our cities, the reader would be stoned (cf. *John*10:31), or whatever it is that we do nowadays to blasphemers. If these texts were read in our churches, and their exact message expounded, it would be not only the people who would hound us, but also those whose calling it is to uphold the 'tradition of the apostles' (*2Thess.*3:6b). These texts are not addressed to the world, but to the Church; and even within the Church the apostolic teaching has from the beginning been slandered (cf. *2Cor.*11f).

One reason such texts would evoke fury is because they would be heard as what is slanderously known as Pauline harshness. The Gospel of Christ is never harsh: it never beats people over the head for their sinfulness, but rather it offers people a way out of their sin (*Matt.*7:11). And the Gospel of Christ is never oppressive; it never pushes a person into the conformity of a mould, but rather it raises each man, women and child to the stature of 'sonship' (*Luke*7:48). The Church in Europe was raised upon the foundations of St Paul, for it is he who gave foundations to gentile Christianity (*Gal.*2:7). I received that apostolic name in baptism - and

pray God I be not harsh; pray God I spread abroad the liberating love of Christ our God! The argument of this paper has been that this love of God in Christ is not soft-headed and does not come from 'on high'. God the Holy Spirit is in our midst (John14:16), and it is he who leads us into all truth (John14:17,16:13,8:32). The truth into which he leads us includes 'this world' truth: our learning is 'on the inside' through the careful and thorough schooling of experience of the world around us and the world within each of us.

In a sense, one does not need to be an economist to have gained the knowledge of contemporary Australia set forth here (the degenerative effects of 'welfare benefits' are common knowledge). But because the extension of social security benefits is argued in CA (pp 6,16,17,19), with the pretension that this is an application of the Good News(!), it is necessary to say something from the viewpoint of economics of the shade that this extension of the 'welfare state' has cast upon our national life.

Once again, we deal with vast and complex issues of which CA shows little appreciation. An introductory survey of these issues is found in McGavin (1984a). The conclusion of that survey is that the interaction of wages and welfare during the period of their blow-out operated to increase wages, and to counteract any tendency towards reduction in the rate of growth of wages. In terms of youth labour force experience, this meant an increase in market labour force participation **and** a reduction in employment: an increase in the 'labour force' together with a reduction in the 'work force', compared with what would otherwise have occurred.

An example will make this message clearer. Between 1972 and 1973 junior male unemployment benefits for 16-17 year olds relative to junior male earnings increased from 17 to 44 per cent (for junior females, from 20 to 49 per cent) (ABS, *6312.0*, *6304.0*, Department of Social Security, and computations on these data). Using the estimations of McGavin (1981), the very serious implications of changes between 1973 and 1974 in welfare payments policy are indicated as:

- an estimated addition of about 2,100 males aged 16 to the labour force during a period when full-time employment of males 15-19 years old contracted by 3,400; and
- an estimated addition of about 3,500 females aged 16 during a period when full-time employment of females 15-19 years old contracted by about 6,700 (McGavin, 1984b).

For older Australians, the interaction of wages and welfare meant a reduction in labour force participation. The reduction in labour supply that this entailed is likely to have contributed to wages being higher than they would otherwise have been. A consequence of this was reduced employment for any given demand for labour services. While the movement of wages and welfare acted to reduce the employment of both youth and older Australians, there was at the same time an increase in the volume of drawings on the public transfer payments system (Australian drawings on 'welfare'). Change in wages and welfare thus acted simultaneously to both:

- **reduce** the use of labour services and, *ceteris paribus*, reduce the supply of goods and services for any nominal level of aggregate activity (McGavin, 1982a,b); and
- **increase** for those drawing on wage and on welfare incomes the demand for goods and services occurring at any nominal level of aggregate activity (McGavin, 1984a).

An example will make this message clearer: between 1972 and 1976 the proportion of Australian males aged 60-64 years drawing wage incomes fell from 76 per cent to 61 per cent, while the proportion drawing welfare benefits almost doubled, from 13.5 per cent to 24 per cent (BLMR, 1983b: 42). Stricker and Sheehan (1981) have argued that this decline should be understood as being in response to the recession (the 'recession' is almost treated as an autonomous event!). McGavin (1984a), drawing on the work of Dunlop and Williams (1983), argues that the movement of older Australian males out of the labour force should not principally be understood as a 'discouraged worker' effect, but as a response to the attraction of welfare benefits. Some figures will clarify the argument. Between 1971-72 and 1975-76, welfare benefits as a proportion of average weekly male earnings net of income tax (for a married man with a dependent spouse) increased from about 40 per cent to 50 per cent - that is, an increase of about 25 per cent (Kalisch and Williams, 1983:-13). Econometric estimation of the labour force participation decision for males 60-64 years old by Dunlop and Williams (1983) derives a -0.30 coefficient attaching to the real maximum value of government pensions (that is, an 'attraction' response to changes in welfare benefits of about 30 per cent); and a -0.10 coefficient attaching to the prime-age male unemployment rate (that is, a 'discouragement' response to labour market conditions of about 10 per cent) (Dunlop and Williams, 1983:10). Applying these econometric results to

1978-79, they derive for Australian males aged 60-64 years an estimate of about 5,000 'discouraged workers' (1983:20). This is about 40 per cent of the reduction between 1978 and 1979 in Australian wage employment of males aged 60-64 years (ABS, 6204.0).

III. Conclusions

It is from this sort of evidence that McGavin (1984a) argues that the changes in wages and welfare in Australia acted to reduce the supply of and increase the demand for market goods and services. Thus, these changes acted at once to influence a reduction in the level of real aggregate activity, together with an increase in the rate of change of prices ('inflation'). That is, changes in wages and welfare contributed to the increased Australian experience of 'stagflation' (McGavin, 1982a,b). These changes were fostered by Australians who had scant regard for the Christian understanding of man, and of the place of work in human life. In important respects, this general attitude of mind is shared by CA, e.g., 'The commitment of the present Federal Government to increase welfare benefits to 25% of average weekly earnings is commendable but insufficient . . . [The Government] must develop a social wage . . . that guarantees an acceptable standard of living for the jobless' (pp 19,20). In my view this counsel is sheer folly. It is not grounded in the actual histories of individual men and women; it is not grounded in the realities of Australian economy and society; and it is not grounded in Christian theology.

I believe this counsel is also sheer pretention: for it is no business of the Church to instruct the Government in the affairs of the nation. It is the business of each and every Christian as an Australian citizen to influence the character of our national life and the course of our national history. It is the business of the Magisterium of the Church to instruct the people of God in the foundations of their religion, and to help the people of God as they seek to apply their religion to the everyday events of their lives. It is the business of the Church, in all her orders, to declare the Wonderful Works of God and to make clear the practical implications of response to the mission of God in the world. It is the business of the Church to be fully engaged with the world and with every aspect of society (*John*17:11, *1Cor.*5:11).

However, I also profoundly believe that this engagement with the world should chiefly occur from within the world.

The truly great achievements of the Church of God in western civilisation were not achieved by the Church acting as 'the Church': they were achieved because members of the Church (disciples of the Lord Jesus) fully exercised their responsibilities as citizens of their several nations. The same, I believe, is true today (or at least should be true today). A disciple of the Lord must, of necessity, be a loyal and responsible citizen - whether it be of the People's Republic of China, the United States of America, the Kingdom of Thailand, or the Commonwealth of Australia. The principles of Christian behaviour as citizens of the kingdoms of this world are no different now than they were when first taught by the Apostle to the Gentiles (e.g., *Rom.*13). But the Church, as Church, must not and cannot act as a political instructor of the nations.

The reason for this is quite clear. It is because everything that the Church speaks and does must be what her Master speaks and does (*John*12:49,14:21,15:10). Anything that is not done in the name of Christ is done without his authority (*John*14f). Christ gave no political authority to his Church. An Islamic Republic of Iran is a theological possibility for those who worship God as Allah; a Christian Republic of Australia is not a theological possibility for those who in right belief worship the Holy and Glorious Trinity. Why is this so?

> Jesus answered Pilate,
> 'My kingship is not of this world
> if my kingship were of this world,
> my servants would fight,
> that I might not be handed over to the Jews;
> but my kingship is not from this world.' (*John*18:36)

The pressures upon Jesus to act politically were massive (e.g., *Matt.*4:8f). The expectations both of the people (e.g., *John*6:15,19:2) and of his disciples (*Luke*24:21) were that he should act politically. But Jesus renounced both law (*Luke* 12:14) and sword (which is a necessary adjunct to the rule of law) (*Matt.*26:52). The manner of Jesus' action was 'a stumbling block to the Jews and folly to the Gentiles', but 'to those who are called' the work of Jesus made him 'Christ the power of God and the wisdom of God' (*1Cor.*1:23f). The Church's only authority is the authority of Christ:

> All authority in heaven and on earth has been given to me. Go therefore and make disciples of all nations, baptising them in the name of the Father and of the Son and of the Holy Spirit, teaching them to observe all that I have commanded you; and lo, I am with you always, to the close of the age! (*Matt.*28:18-20)

The document CA only weakly contains such a notion of the Church. To the author of CA, 'Jesus placed himself firmly within the tradition of the Prophets of the Old Testament' (p 12). The notion of 'kingdom theology' found in CA is presented as a product of 'recent developments in our understanding of Scriptures which bring the Old Testament into clearer focus' (p 10). But this understanding is not a recent development: the saying, 'Vanity of vanities . . . there is nothing new under the sun' (*Eccles.*1:2,9) receives its fullest application in the area of theological error. Our Lord Jesus conversed with the Law and the Prophets to the ultimate degree (*Luke*9:30f), but he came not to apply the Law nor to Prophesy, but to fulfil them both (CA, p 12; *Matt.*12:41f).

The Law and the Prophets were addressed to Israel (as even CA acknowledges [p 11], although without consistency [cf. pp 17,30]); and they still are addressed to the Church of God (*Matt.*5:18,20). But, in a 'this world' sense, the Church of God is **not** a nation and **never can be** a nation: for the 'kingdom of Christ is not a kingdom of this world' (*John*18:36). The commission of the Church is to all nations, to call out a people to be Christ's own (*John*11:52,17:20). It is in steady faithfulness to this commission of her Lord that the Church brings God's consummation of all things, the 'kingdom of God':

> After this I looked, and behold, a great multitude which no man could number, from every nation, from all tribes and peoples and tongues, standing before the throne and before the Lamb, clothed in white robes, with palm branches in their hands, and crying with a loud voice,
>
> > Salvation belongs to our God who sits upon the throne, and to the Lamb!
>
> And all the angels stood round the throne and round the elders and the four living creatures, and they fell on their faces before the throne and worshipped God, saying,
>
> > Amen! Blessing and glory and wisdom and thanksgiving and honour and power and might be to our God for ever and ever! Amen.
>
> (*Rev.*7:9-12)

That 'power and might' of God was demonstrated not in political action, nor in words of wisdom, but in the scandal of the Cross (*1Cor.*1:23): 'I have given you an example' (*John* 13:15); 'go and do likewise' (*Luke*10:37); 'do this in remembrance of me' (*Luke*22:19). Let the reader flick the pages of CA. Is there a single photograph of Australian disciples 'doing likewise' (e.g., of a priest declaring the Word, a Christian youth leader at work, a nun bringing the ministry of

Christ to people in need)? No, there is none. Is there a single photograph of Australian disciples 'doing this in remembrance'? No, there is not a single picture of people at prayer, not a single picture of people 'making remembrance' as Christ commanded.

While CA recognises at several points the need for personal conversion (e.g., pp 3,12,14), it is always with an intent to politicise people (e.g., pp 3,8,9,19,24,26). The central religious section of the document has a banner, 'Good News for Australia' (pp 10f), and concludes on what I see as the thrust of the document: the political purpose of changing 'it'; that is, changing Australia (p 14, also p 26). At p 27 of CA there is a picture of a woman at a machine, and another as a small inset at p 7. For the rest, the pictures are of people who are spectators.

In the kingdom of God there are no spectators. The kingdom of God is not about something 'out there' like *Changing Australia* (that is, 'changing our nation'). The kingdom of God is about personal conversion to faith in God, about **changing me:**

> Except **you** become as a little child,
> **you** shall never enter the kingdom.
> (cf. *John* 3:3, *Luke* 13:3)

> Let your light so shine before men, that they may see your good works, and glorify your Father which is in heaven. (*Matt.* 5:16)

> God, be merciful unto **me**, a sinner. (*Luke* 18:13)

REFERENCES

Blandy, R. and S. Richardson (1982), *How Labour Markets Work: Case Studies in Adjustment*, Longman Cheshire, Melbourne.

Brooks, C., D. Sams, and L.S. Williams (1982), 'An econometric model of fertility, marriage, divorce and labour force participation for Australian women, 1921/22 to 1975/76', *Working Paper* BP-29, IMPACT Project, May, University of Melbourne, Parkville.

Bureau of Labour Market Research (1983a), *Youth Wages, Employment and the Labour Force*, Research Report No.3, March, AGPS, Canberra.

-----(1983b), *Retired, Unemployed or at Risk: Changes in the Australian Labour Market for Older Workers*, Research Report No.4, July, AGPS, Canberra.

Cameron, C.R. (1982), *Unions in Crisis*, Hill of Content Publishing, Melbourne.

Corden, W.M. (1979), 'Wages and unemployment in Australia', *Economic Record* 55(148,March), 1-19.

Dunlop, Y. and L.S. Williams (1983), 'Declining labour force participation rates at older ages', *Conference Paper* No. 24, July, BLMR, Canberra.

Eccles, S. (1982), 'The role of women in the Australian labour market: A survey of the literature', *Journal of Industrial Relations* 24(3,September), 315-336.

Gregory, R.G. and R.C. Duncan (1978), 'The relevance of segmented labour market theories: The Australian experience of the achievement of equal pay for women', Seventh Conference of Economists, August-September, Macquarie University, Sydney.

-----(1980a), 'The labour market in the 1970s', pp 256-319 in W.E. Norton (ed.), *Conference in Applied Economic Research*, Reserve Bank of Australia, Sydney.

-----(1980b), 'High teenage unemployment: The role of atypical labour supply behaviour', *Economic Record* 56(155, December), 316-330.

-----(1981), 'Segmented labour market theories and the Australian experience of equal pay for women', *Journal of Post-Keynesian Economics* Spring, 403-428.

Johnston, H.N., R.B. Campbell, and R.M. Simes (1978), 'The impact of wages and prices on unemployment', *Economic Papers* 60(December), 18-37.

Jonson, P.D., R. Battellino, and F. Campbell (1978), 'Unemployment: An econometric dissection', Seventh Conference of Economists, August-September, Macquarie University, Sydney.

Kalisch, D.W. and L.S. Williams (1983), 'Discrimination in the labour force at older ages', *Working Paper* No. 17, February, BLMR, Canberra.

McGavin, P.A. (1981), 'School participation of Australians aged sixteen: An analysis of youth unemployment', *Economic Record* 57(159,December), 379-381.

-----(1982a), 'Australia's recent stagflation experience: An exposition', *Occasional Papers*, No. 46, July, School of Management, Deakin University, Victoria. An edited version reprinted (1982b) as pp 177-188 in K. Heys and B. Langworthy (eds.), *ECTA Readings in Economics*, Vol. 3, Economics and Commercial Teachers' Association of N.S.W.

-----(1983a), 'Equal pay for women: A re-assessment of the Australian experience', *Australian Economic Papers* 22(40,June), 48-59.

-----(1983b), 'On growing old', pp 1-2,7 in *Charivari*, August, Christ Church Press, Brunswick, Victoria.

-----(1984a), 'Wages policy and social welfare policy in the Whitlam era: An interactive approach', *Research Report*, Department of Economics, University of Melbourne, Parkville (forthcoming).

-----(1984b), 'Wages and employment: An economic evaluation of the wages policy of the Whitlam Government', draft thesis for the degree of Doctor of Philosophy, University of Melbourne, Parkville (in progress).

Norton, W.E., ed. (1980), *Conference in Applied Economic Research*, Reserve Bank of Australia, Sydney.

Pitchford, J.D. (1983), 'Unemployment, real wages and the money supply in Australia', *Economic Record* 59(165, June), 118-131.

Snape, R.H. (1981), 'Australian unemployment - Is it created by costs or by demand?', pp 20-35 in Committee for Economic Development of Australia (CEDA), *Growth*, No. 31, April.

Stricker, P.P. and P. Sheehan (1981), *Hidden Unemployment: The Australian Experience*, IAESR, University of Melbourne, Parkville.

Symons, J. (1983), 'Employment and the real wage in Aus-

tralia', *Working Paper* No. 513, Centre for Labour Economics, London School of Economics, University of London.

Trivedi, P.K. and G.M. Baker (1982), 'Equilibrium unemployment in Australia: Concepts and measurement', *Discussion Paper* No. 59, December, Centre for Economic Policy Research, Australian National University, Canberra.

Wilson, G.W. (1975), 'The economics of the just price', *History of Political Economy* 7(1), 56-74.

Volker, P.A. (1984), 'Female labour supply: An overview of research in Australia', *Research Report*, BLMR, Canberra, forthcoming.

Wootton, B. (1955), *The Social Foundations of Wage Policy*, Allen & Unwin, London.

APPENDIX

The object of the following Appendix is to set out in greater detail the theological context for the proper discussion of the work and welfare issues raised by the *Changing Australia* document. The Appendix is divided into two parts. The first is a brief rehearsal of relevant portions of the Scriptural record - pieces that tell of the **work** of God, and of the **work** of men under God. The second is an attempt to lay out the central elements of the Church's understanding of what work, conceived in genuinely Christian terms, entails. They are produced here as an Appendix to the paper not because they are incidental - they are, in fact, completely central - but because they cover ground that for the non-Christian may seem irrelevant, and for the Christian ought to be totally familiar. I say ought to be, because it is the failure to build upon such basic Christian understanding that is the characteristic feature of the *Changing Australia* position.

I. A Scriptural rehearsal of the work of God and of man's call to partnership:

1. (Gen.1:1,27,28,31b)

In the beginning God . . . And behold, it was very good.

So God created man in his own image,
in the image of God he created him;
male and female he created them.
And God blessed them, and God said to them,
'Be fruitful and multiply, and fill the earth and subdue it;
and have dominion over . . . every living thing that moves upon earth'.

2. (Gen.3:19)

And to Adam [the Lord God] said,
'In the sweat of your face
you shall eat bread . . .
you are dust, and to dust you shall return'.

3. (*John*1:14, *Luke*2:51, *Matt.*13:54f, *John*5:17)

And the Word became flesh But Jesus answered them,
and dwelt among us . . . 'My Father is working still,
and I am working.'

And Jesus went down with them and came to Nazareth,
and was obedient to them . . .

and coming into his own country Jesus taught them in their synagogue,
so that they were astounded, and said,
'Where did this man get this wisdom and these mighty works?
Is not this the carpenter's son?'

4. (*John* 6:27, 17:3f, 4:32, 34)

Work not for the food which perishes,
but for the food which endures to eternal life,
which the Son of man will give you . . .

. . . and Jesus said, 'This is eternal life,
that they know thee the only true God,
and Jesus Christ whom thou hast sent.
I glorified thee on earth,
having accomplished the work which thou gavest me to do
. . .'

But Jesus said to his disciples,
'I have food to eat of which you do not know
. . . My food is to do the will of him who sent me,
and to accomplish his work'.

5. (*John* 17:18, *Matt.* 28:19f)

Jesus said,
'As the living Father didst send me into the world,
so have I sent them into the world . . .'

Jesus directed them,
'Go therefore and make disciples of all nations . . .
and lo, I am with you always,
to the close of the age'.

II. What is the Church's perspective on work and welfare?

God most fully declared himself and accomplished his work in the world in the person of Jesus of Nazareth. It is he, the Christ, who is God's self-disclosure to mankind, and he, the Christ, who is God's reconciliation in the world. In the sacred Scriptures are found the fundamentals of the Church's knowledge of the revelation of God in Jesus Christ, and of the reconciliation of God and man in Jesus Christ. A stark outline of the message of salvation entrusted to the Church of God is given in the portions of sacred Scripture set out in the first part of this Appendix. It is on this foundation of the unchanging Gospel of God that the Christian perspective of work and welfare is grounded.

This foundation is outlined by reference to the numbered groupings of the scriptural portions given above.

1. God Almighty is the first and only cause of all phenomena 'visible and invisible' (*Apostles' Creed*). Because everything finds its source in the One God, everything that is proceeds and is sustained under the order of that One God: that is, all phenomena is an 'order'. Within the order we know as 'earth', man ('male and female he created them') is the pinnacle of creation: 'have dominion over . . . the earth'. This whole order proclaims the glory of God and manifests his character and his purpose: 'behold, it was very good'.

2. Man's exercise of dominion in the world is spoiled by his sin, by his disruption of his relationship with his Creator. Because of this, man's work of making 'fruitful' and of 'multiplying' is diminished in its princely character. No longer is the image one of tilling and keeping an idyllic garden (*Gen.* 1:15). The scriptural image shifts from one of God's bringing forth order, to the emergence of disorder and of man's struggle with chaos. Chaos within and chaos without; human life is lived in 'sweat', and degenerates to 'dust' (*Gen.*3:19). The glory of the created order remains, but it is marred: tragedy is now a fact of life.

3. Between the words 'In the beginning God . . .' (*Gen.*1:1) and 'and the Word became flesh' (*John*1:14) there stretch unnumbered aeons and the whole length of what the Church calls the Old Testament. Those pages may be read as an exposition of Chapter 3 of *Genesis*: an extended history of the 'Fall' and of the search for restoration of the created order. The Church confesses Jesus Christ as the culmination

of that history and as the fulfilment of that search for restoration.

Any faithful presentation of the person and the work of Jesus must be true to foundational facts. Principal among these are that this 'restoration of all things' (*Heb.*2:8) is achieved within all things: the Word's becoming flesh is through a conception, a painful birth, a common human socialisation, an authentic living of human existence in a world of sin, and the final degeneration of human death. Thus is this 'very God and very man' (*Athanasian Creed*) made 'like unto us in all things' (*Heb.*4:15, *2Cor.*5:21).

When Jesus said to the Scribes and Pharisees, 'You know neither the Scriptures nor the power of God' (*Mark*12:24), he was not referring to a weight of explicit Scriptural evidence. He was referring to a weight of **implicit** evidence, to the very breath of Scripture - that God was a **'living** God' (*Mark*12:27, *John*6:57). When the Church speaks of God's restoration of the world **within** the world, she refers not to a weight of explicit Scriptural evidence. She refers to the very breath of Scripture, and to the very breath of the experience of the people of God through the ages and of the people who now live in his fear.

Far from being explicit about the practical outworkings of God's restoration of the world from within, the Scriptural references that most exemplify this seem almost incidental! The story of Jesus' formation in the society of men is barely told. Only incidentally do we learn that he was 'the carpenter's son' (*Matt.*13:55). So easily might we pass over the record of his adolescent obedience to his parents (*Luke*2:51). The Lord Jesus' common human experience of the world of society and of work receives no close documentation.

That it was thorough and was real is implicitly yet transparently shown forth in the gospel records. Take for instance *Matthew* 13, which leads up to the people's cry, 'Where then did this man get all this? . . . Is not this the carpenter's son!' (v.56,55). This Chapter runs over with the teachings of a man who has truly lived the common life of men, the teachings of a man who truly knows the world through close experience and attentive observation. The Parable of the Seeds (*Matt.* 13:3-9) is told by a man who has closely observed the phenomena he uses as a vehicle for conveying his message. The same is true of the Parable of the Tares (13:24-30), and also of the Parables of the Mustard Seed (13:31f), the Measures of Meal (v.33), the Treasure in the Field (v.44), the Merchant (v.45), and the Fisher (v.47f). The 'authority' (*Matt.*7:29) with which Jesus speaks comprises also the authority of experience

and close observation of the phenomena of the material world and the world of human society. Jesus communicates with his hearers because he has lived as one of them in their world. His knowledge is intimate, it is a knowledge learned from within - the knowledge of one who participates in the action.

And what is the character of Jesus' participation in that action? He describes its character himself: work. 'My Father is working still, and I am working' (*John*5:17). The word here used, *ergo*, means 'toil'. The Fall brought the character of toil into the activity of mankind: a meaning of 'burden' is added to our understanding of 'work'.

4. Yet this burdensome character of work is not futile. Man learns his condition in his travail (*Heb.*5:8,12:10) and repairs himself and his world through his work: work is reparation (e.g., *Luke*8:15,14:14, *John*5:29, *Rev.*7:14). Jesus, the Representative Man, fully discloses the condition of man and makes full reparation for man and his world in and through his work (*2Cor.*5:21). The Church teaches us that this Work of Christ is a whole. When we properly speak of the Work of Christ, we speak not of Calvary but of the 'life, death, and resurrection' of Our Lord (CA, p 12). As Jesus approaches his full oblation of himself, he says in prayer, 'I have accomplished the work which thou, Father, gavest me to do' (*John*17:4b). The oblation of Calvary gathers up the oblation that was the whole of Jesus' life; and the whole of Jesus' life was an accomplishing of the work of the Father (*John*4:34). That work of the Father was a reconciliation and a restoration of humanity and of the world in its relationship with God. It included not only the priestly work of the Lamb of God and the rabbinical work of the Wisdom of God, but also the human work of common human living - the work of the Son of Man (*John*3:14,5:27).

This speaking to the texts appearing under (4) has concentrated upon 'work', but notice that the texts are in fact about 'welfare': about 'food which endures to eternal life' (*John* 6:27), and 'knowing the only true God' (*John*17:3), about the 'will of him who sent me as being "food"' (*John*4:34). This sounds frightfully immaterial: about 'food' that is not simply food, about 'knowing' that is not a grasp of facts, about 'will' that is not a mandate of worldly power. What a strange notion of welfare! Human welfare, though not simply about things more commonplace than these, does yet comprise things more commonplace than these:

> Therefore I tell you, do not be anxious about your life, what you shall eat or what you shall drink, nor about your body, what you shall put on. Is not life more than

> food, and the body more than clothing? . . . the Gentiles seek all these things; and your heavenly Father knows that you need them all. But seek first his kingdom and his righteousness, and all these things shall be yours as well. (*Matt.*6:25,31-33)

In Christian terms, 'work' betokens human activity that manifests the dignity of man, the travail of man, and the restoration of man. And in Christian terms, 'welfare' betokens human needs of food, clothing, shelter, and society; but it also betokens the human need of society with God and participation in his life (*1John*1:3, *2Pet.*1:4). Because the God of the Church is God the Holy Trinity, participation in that life therefore means a participation in society. Strange words, maybe, but they are words that the Church teaches. The life of God is a mutuality of Persons, and men are called into the society of God: 'as thou, Father, art in me, and I in thee, I pray that they also may be in us . . . I in them and thou in me, that they may be perfectly one . . .' (*John*17:21,23).

And how do men and women enter into this life of God? Several manners of speaking are possible. The Church's confession of the gift of the Holy Spirit (e.g., *Rom.*8:15) evidently is important. But, pursuing the theme of our current interest, the language of work may be used to speak about entry into this life of God. Jesus answered the people, 'This is the work of God, that you believe in him whom he has sent' (*John*6:29):

> Jesus prayed the Father,
> 'I glorified thee on earth,
> having accomplished the work which thou gavest me to do . . .' (*John*17:4)
>
> Jesus cried,
> 'It is accomplished';
> and he bowed his head and gave up his spirit. (*John*19:30)

3. The use of the language of work to speak about the entry of men and women into the life of God must be extended to comprise not only entry, but that life itself. Entry into the society of God is not simply a single action, like the unrepeatable action of Christian initiation in Baptism. It is a continuing action, a continuing treading of the path of life. It is no accident that the earliest description of Christianity was 'the Way' (*Acts*19:23). This topic of the 'way' is so large that one might say 'the world itself could not contain the books that would be written' (*John*21:25). Perhaps the most compressed summary of the 'way' may be made by recalling

that the earliest description of those who trod it was 'disciples' (*Acts*6:1f). A disciple is one who enters training, and the asceticism of that training is a work of perseverance (e.g., *Matt.*10:22,24:13, *Luke*21:19, *Rev.*2:2). These sentences evoke an image of the ascetical life of an athlete (*1Cor.* 9:24f). This image needs correcting by recalling that the life of discipleship is in the fellowship of the Church (all of *John* 17 is addressed to a community, not to an individual), and a discipleship in fellowship with Christ: 'lo, I am with you always' (*Matt.*28:20).

The scriptural imagery is complex. We should forget neither the entry upon the 'way', nor the end of the 'way'. But the focus is upon the **now** of the 'way' (*Matt.*6:33, *James* 4:13ff). And the activity of this **now** is an activity of work: the work of the disciple, and the work of the Church, and especially the work of God:

> Jesus prayed the Father,
> 'As thou didst send me into the world,
> so have I sent them into the world.'
>
> Jesus said to his disciples,
> 'Truly, truly, I say to you,
> he who believes in me will also do the works that I do;
> and greater works than these will he do . . .'
>
> Saint Paul of Tarsus writes to the Church at Colossae,
> 'Now I rejoice in my sufferings for your sake,
> and in my flesh I complete what is lacking in Christ's afflictions
> for the sake of his body, that is, the Church . . .' (*John* 17:18,14:12, *Col.*1:24)

The way of Christian discipleship is then properly described as a shared activity of work.

In understanding this ascetical way of work, it must ever be recalled that its character and its pattern are of the same kind as the Master's work. For, properly understood, it is a participation and a sharing in the work of the Master - indeed, it is the work of the Master (although it cannot be described here, this is what the doctrine of the gift of the Holy Spirit is centrally about). Those critical words 'as the Father sent me . . . so I send them' (*John*17:18) must ever be remembered. The character of the work of the Christian disciple is the character of the work of Christ: our 'sentness' is of the same kind as Our Lord's, and the fullest exposition of its character is Calvary (cf. *Matt.*10:24, *Luke*6:40, *John* 13:14). Because the present work of the disciple extends the

work of Christ it is effectual in the reconciliation of himself, of humanity, and of the world to God: 'greater works than these will you do' (*John*14:12). But always the work of the disciple is for himself, for the Church, and for the world, a participation in and a bringing into the present the travail of Christ and the fruits of that travail: 'in my flesh I complete what is lacking in Christ's afflictions' (*Col.*1:24).

6. This traverses a great deal of ground. The purpose of this traversing is to explain the fundamental Christian tenets that work is consistitutive of man; work is travail; this travail is fruitful; its fruit is the restoration of the disciple, of mankind, and of the world to God. In short, it is in 'work', most widely understood, that we enter upon the 'way' and that we discover ourselves as disciples of God (*John*15:8).

The fruit of this work is the advent of the kingdom of God, the restoration of all things under the purpose of God. But note, and note well, that the advent of this kingdom is not effected from the outside, it is performed from 'within':

(*John*1:14, *Heb.*12:2, *John*17:22)

And the Word became flesh
and dwelt among us
. . . we have beheld his glory . . .

Looking to Jesus
. . . who for the joy that was set before him
endured the Cross. . .

The glory which thou, Father, hast given to me
I have given to them . . .

RENDERING UNTO CAESAR: *Changing Australia* ON PAYING TAXES

Geoffrey Brennan

Geoffrey Brennan is Professor of Economics in the Faculty of Economics at the Australian National University, and was previously Professor of Economics at the Virginia Polytechnic Institute and State University. He has been Lecturer, Senior Lecturer and Reader in Public Finance at the Australian National University from 1968-1978 and a Full-time Research Consultant to the Australian Taxation Review Committee 1973-74. His main research and teaching interests are in public finance, welfare economics and public choice. He is the joint editor of *The Economics of Federalism* (1980) and joint author with James M. Buchanan of *The Power to Tax: Analytical Foundations of a Fiscal Constitution* (1980).

RENDERING UNTO CAESAR: *Changing Australia* ON PAYING TAXES

Geoffrey Brennan

I. INTRODUCTION

Among its 30-odd pages of rather radical rhetoric, *Changing Australia* (CA) devotes a page or two to the question of the Australian tax system. Most of this part of the document is uncontroversial (unlike much of the remaining 28 pages). There is a call for a review of the tax system. There are suggestions as to what options such a review might investigate. There is critical comment on the absence of capital gains taxation of some sort (long a peculiarity of the Australian system) and on the absence of estate/gift taxation. There is support expressed concerning the possibility of some other more general form of wealth taxation. And there is a lament about 'the widespread practice of evasion and avoidance'.

Although it is undoubtedly good to have the Churches' support in the pursuit of a fairer and more efficient tax system, it is not entirely clear what the Churches themselves can contribute to such pursuit beyond a general blessing of the troops before battle. The ecclesial establishment's authority and expertise in the delicate matter of tax reform and tax design is not entirely self-evident beyond the claim, perhaps, that church authorities tend to be morally sensitive persons of more than average good-will. This is a proposition I would myself agree to heartily. I rather regret, however, that the Church authorities themselves see fit to make it.

What is rather more interesting is the publication's stance on the question of the morality of paying taxes. This is interesting for three reasons. First, because being largely a moral issue it is a matter on which the church can reasonably

Author's Note: I am grateful to Tom Rymes for helpful comments. Standard caveats apply.

claim some authority. Second, because it is a matter concerning which there is explicit biblical precedent. And third, because the particular stance *Changing Australia* takes is in some ways interestingly at variance with positions that the general style of the document might lead one to think the authors might support.

The relevant section of the document is worth quoting in some detail:

> Taxation pays for the community services that contribute to our quality of life: health, education, housing . . . All members of the community benefit directly and indirectly from these services. So paying tax is like buying goods or services - we receive something in return. And avoiding tax is theft - the services provided by government are still enjoyed but someone else has to pay for them. In a fair taxation system, services are paid for by members of the community according to their means - the richer members pay more and the poorer pay less . . .
>
> The major concern about the Australian taxation system has been the widespread practice of evasion and avoidance. There is not simply a legal obligation to pay taxes; there is also a moral obligation - to pay for services and to enable the sharing of wealth. When taxes are not paid, either necessary services are not provided or else other people have to pay more. Either way, a moral obligation arises. (CA, pp 20-21)

As I can see it, all this goes a good deal further than Jesus' own rather clever way of avoiding the tax issue, with his 'render unto Caesar' response to his questioners. For Jesus does not delineate, except by implication, exactly what things **are** Caesar's. Moreover, Jesus' response suggests that the obligation to pay taxes is to be seen merely as one aspect of a general obligation to recognise temporal authority - to submit to civil governance because it is 'appointed by God' (a theme adumbrated by Paul in *Romans* 13).

In the *Changing Australia* account, by contrast, the implication seems to be that the moral obligation to pay taxes transcends the legal obligation. 'There is not simply a legal obligation to pay taxes; there is also a moral obligation'. In fact, 'it is quite unacceptable to exploit loopholes in the tax laws or to erect artificial structures to avoid tax laws' (p 21). If indeed the use of entirely legal procedures of tax reduction is 'quite unacceptable', it seems clear that moral and legal requirements with respect to the law must be distinguishable and to some extent independently operating: otherwise, to obey the law should be sufficient.

Indeed, the term 'tax avoidance' covers a wide range of phenomena, some of which are, on the face of things, entirely morally innocuous, and some even explicitly encouraged by the tax law. The claim that 'avoiding tax is theft' therefore seems much too strong as a general statement, and may well be inadequate even for those cases where avoidance is neither encouraged nor intended by the law. Part of my object in what follows is to argue this position.

But there are in the *Changing Australia* statement suggestions of a line of reasoning other than the 'avoidance is theft' one. First, there is some appeal to considerations of 'fairness' - by which the authors mean payment 'according to means'. This is a consideration that deserves some detailed investigation in the particular context in which *Changing Australia* uses it. Commonly, fairness is seen as a criterion for appropriate design of tax institutions: in the *Changing Australia* formulation it becomes a consideration for determining the individual's moral response to the tax law. Second, there is some implication that avoidance is theft because 'all members of the community benefit directly and indirectly from [government] services'. But if this is the argument, then the moral force of the obligation to pay taxes must be moderated, if not removed, to the extent that some members of the community do **not** so benefit. That is, the prior factual claim must be investigated. And then its precise justificatory role must be examined.

One question that arises in this connection is the ethics of the peace-tax movement - the conscientious refusal to pay taxes on the grounds that tax revenues contribute to activities of which the taxpayer disapproves. This too is a matter on which tax evasion/avoidance bears, and in this connection at least the position taken by St Paul seems clear. For St Paul, the obligation to obey the law is seen to be independent of whether one approves of what the authorities do.

In what follows, I want to explore these considerations and expose some possible problems with the *Changing Australia* position. I begin, in section II, with some preliminary issues of definition. If we are to 'unpack' the claim that avoidance is theft, we need at the very least to have some acceptably clear notion of what avoidance is, and of what it would mean to say that avoidance involves stealing. In section III, I examine the question of fairness as a basis for moral conduct in the face of the tax law. In section IV, I consider the issue of conscientious objection to taxes, and the relation suggested by the *Changing Australia* stance between the refusal to pay tax and theft. Section V offers a brief conclusion.

II. DEFINITIONS: AVOIDANCE, EVATION AND THEFT

In tax literature, evasion is usually defined as activity designed to reduce (in the limit, minimise) tax liability in violation of the law. Under-reporting of income, claims for tax-deductible expenditures not actually undertaken, fraudulent activities of various kinds - all these are samples. Because evasion involves violation of the law, a moral obligation to abide by the law, however derived, would make evasion *prima facie* immoral.

Tax avoidance, by contrast, is activity undertaken to reduce tax liability **not** in violation of the law. In some cases tax avoidance is explicitly sanctioned; in some cases avoidance is even the purpose of the tax provision. In other cases avoidance is clearly not anticipated by the tax authorities and reflects some forgotten or unforeseen attribute of the tax law. In all such cases, the taxpayer's motives and the consequences of his action are the same: the taxpayer **intends** to reduce his tax burden, and the effect is that he pays less tax than he otherwise would given prevailing tax institutions.

A simple example may help to clarify. Consider the government's imposition of an excise tax on petrol. Assuming this tax is fully passed on to consumers - probably not an unreasonable assumption - the price of petrol per litre will be higher than it would otherwise have been by the amount of the tax. The individual, in confronting the higher with-tax price, will tend to buy less petrol than he would have bought if the tax had not been imposed. The consumer response will be more or less the same as if the price increase had occurred as a result of an OPEC price hike: total consumption will go down. In the tax case, this means that tax revenue will be lower than it would have been if individuals had not reduced their consumption levels: individuals have avoided tax. That is, they have moderated their behaviour so as to reduce their tax liability.

In the same way, the individual who reallocates her charitable contributions when donations to some particular charity become tax-deductible is avoiding tax: she is responding to the incentive structure that the tax system establishes. Gifts to deductible charities become relatively cheaper in the sense that it costs only 68 cents of private consumption forgone (or of other charitable giving forgone) to give one dollar to a tax-deductible institution. Put another way, the government now matches her gift to the tax-deduc-

tible charity by roughly one dollar for each two she gives: she will naturally tend to respond by giving more to the deductible charity than she would in the absence of deductibility. To the extent she does so, she is avoiding tax.

Now, of course, in the charitable deduction case, tax avoidance so defined is explicitly intended (presumably) by the tax law. In the petrol excise case, tax avoidance is not necessarily intended - except perhaps to the extent that it is designed to discourage driving with the hope of relieving congestion on crowded roads - but it is clearly expected by the tax authorities and is entirely acceptable practice under the law. We should be clear therefore that both are tax avoidance in any normal professional usage of the term. The taxpayer adjusts behaviour until the benefits from an extra dollar spent in avoiding tax (including the value of petrol or other charitable gifts or other things forgone) exceed the costs.

Essentially the same issues arise when an individual consults a tax lawyer or tax accountant to discover whether there are legal ways of reducing tax liability under the income tax. The individual who establishes a trust so that expenditure on her children will be taxed at the children's marginal tax rate (and not her own); the man who makes transfers (subject to possible gift taxation) to his spouse so that all interest and property income is taxed at her (lower) income tax rate - all these (and like) practices are entirely legal under prevailing tax institutions, and in that sense are analogous to reducing one's petrol consumption. That is, people do things in response to the tax law that they would not otherwise have done, and the object of the exercise has been to reduce the taxes the individuals pay.

Of course, the law is not always entirely clear on what is and is not permissible. That, presumably, is why people employ tax advisors. Individuals may make genuine mistakes in this respect; and it is presumably possible to err in both directions. That is, one may pay too much tax; or one may pay too little, in which event one will be prosecuted if discovered. And one may rightly criticise those whose tax practices incline them to err systematically in their own favour. But the tax law does not require one to maximise one's tax payments - nor indeed to make gratuitous transfers to the public purse of any magnitude. If avoidance is legal - as it is by definition - then the law itself requires nothing more, and a moral obligation to abide by the law is not sufficient to condemn avoidance.

This of course is not to deny that some individuals may get away with **evading** tax: there **are** successful criminals. The mere fact that one is not prosecuted does not mean that one has fulfilled the requirements of the law. But where a tax practice is clearly legal, it requires a rather stronger ethical norm than the mere requirement to abide by the law in order to find such a tax practice unethical. In rendering unto Caesar what is Caesar's it is not obvious that one is required to provide anything more than Caesar himself claims. To require this is to argue that 'Caesar' be an object of our Christian charity, a proposition we shall need to examine in greater detail below.

So much for the definition of avoidance, and the distinction between avoidance and evasion. What of 'theft'? An act of theft is perpetrated when one person steals something that properly belongs to another. A clear distinction should be drawn between an act of theft so defined, and the failure on the part of any individual to fulfil his obligations to others. If A is deserving of B's charity, B has an obligation to make transfers to A. However, this is not necessarily to say that A has a **right** to that charity, or that B's failure to make the transfer is an act of theft - taking what truly belongs to A. I am here making the simple point that to fail to do something good towards A is not to steal something that belongs to A. For consider the following line of reasoning:

1. B should do what is good;
2. it would be good if B gave money to A;
3. therefore, B should give money to A;
4. therefore, if B fails to give money to A, he is effectively stealing from A.

It should be clear that no such argument goes through. Even if we were to agree that it would be good for the taxpayer to make genuine gifts to the public purse (the analogue of proposition 2) - that avoidance involves failing to do a good deed - this does not mean that the taxpayer who does not make such gifts is involved in stealing. In order to make the latter claim, one needs to explain why A has a **right** to money currently possessed by B. In other words, and merely as a matter of definitional clarity, the argument that tax avoidance is theft is much stronger than the argument that tax avoidance is a failure to do something good: the notion of theft is applicable here only if it can be shown that the citizenry at large (or their agent, the government) has a **right** to taxes that you legally refrain from paying, which right is similar in kind to the rights individuals have in those things that are genuinely their property.

III. FAIRNESS AS A CRITERION FOR TAX CONDUCT

I have argued so far that, because avoidance is legal, the moral obligation to refrain from avoiding tax liability cannot be derived simply from a general moral obligation to obey the law. I have also argued that accepting a moral obligation of the former kind does not at all involve accepting the proposition that avoidance is theft. But such arguments are not by any means sufficient to reject the *Changing Australia* proposition that avoidance is theft. For theft is a moral as well as a legal concept. Stealing from a foreigner, from an outlaw, or from one's own child may not be illegal (and in some countries at some times has not been). But, presumably, the **moral** obligation not to steal in such cases remains. And so it may be that tax avoidance is indeed theft, even though tax avoidance is entirely legal. For this reason, we need to explore the moral issues raised in paying taxes a little more fully.

One suggestion in the *Changing Australia* document that seems relevant here relates to the concept of 'fairness'. Is one not, one might ask, under an obligation to pay one's 'fair share' of the total tax burden, even if one can get away legally with paying less? Does not the moral obligation to pay remain? And if someone else's taxes go up as a result of your (perfectly legal) avoidance activities, have you not effectively stolen their resources from them? Such an argument is sufficiently plausible to merit close examination. It turns out to be an interesting argument because it has several slightly surprising implications - one concerning the morality of taxpaying directly, and one concerning a possible source of the obligation to obey the law.

Considerations of fairness are familiar to public finance specialists because they weigh in the design and reform of tax institutions. That is, fairness in its most familiar guise is a criterion for evaluation of laws (and tax laws in particular). Can fairness also be used to evaluate the alternative actions of an individual operating under given laws? Consider the following line of reasoning:

1. the law should require people to do X;
2. if the law were to require people to do X, I should do X because it is right to obey a good law;
3. therefore, I should do X whatever the law says.

The tax case provides us with a particular instance of the general proposition that 3. does not necessarily follow from 1.

and 2. The reason it does not is that what the law actually is provides part of the relevant context within which morally proper conduct is decided: what I **should** do is not in general independent of what the law says.

Consider a simple tax example. Suppose there is general agreement that capital gains (and losses) should ideally be taxed in the same way as other property income. Suppose however that capital gains and losses are not so taxed, in fact. Should I, whenever I receive capital gains, send the Treasurer a cheque for the tax that I ought to be required to pay? Let us suppose that total revenue collections are being held constant by compensating increases in the tax rates on ordinary income. In this event, for me to insist on paying capital gains 'tax' voluntarily, in addition to my other compulsory taxes, will involve me in paying **more** than my fair share, if I receive capital gains in roughly the same proportion to other income as others do. My action is an affront to fairness - for if everyone is avoiding tax about equally, then all may indeed be paying their fair share. In other words, 'fairness' of shares in taxation is a relative matter, and cannot be decided independently of what others do.

Specifically, 'fairness' in taxation is normally taken to require that those who have identical taxable capacity (however precisely defined) pay identical taxes - and that those who have higher taxable capacity pay appropriately more. If total revenue is held constant by compensating increases in tax rates, and if everyone avoids taxes in such a way that each pays, say, 20 per cent less than in the absence of any behavioural adjustment, fairness is achieved. Fairness problems arise only with differential avoidance and evasion - that is, when taxpayers with identical taxable capacities evade and avoid in different amounts. An individual motivated solely by considerations of fairness to other taxpayers would, therefore, when she found herself paying more than her share, have a moral obligation to pay **less**, to avoid or evade tax to the appropriate extent.

We should, of course, concede at this point that it is virtually impossible to know what other taxpayers are paying as a share of their total tax-paying capacity. Consequently, no taxpayer can know whether he ought, on grounds of fairness to other taxpayers, to be paying more or less. This fact in itself suggests a notion of a function that the tax law performs - it provides information to citizens about the taxes others are paying. To the extent that the tax law expresses, tolerably accurately, the community standards as to what is a 'fair thing', all those who acknowledge that they ought to pay

their fair share do what the law requires because they know that others who have similar fairness norms will be doing likewise; the fairness norms will indeed be fulfilled. On this reckoning, the law both expresses fairness norms and creates the possibility of fair tax conduct: in the absence of the law, uncertainty about the behaviour of others would mean that no one could behave fairly even if he or she wanted to. It is only when it becomes widely known that avoidance and evasion are widespread that this sort of informational function of the tax law breaks down. For then, affection for fairness norms dictates that one pay the share one **believes** others are paying, and this will deviate significantly from what the law indicates.

This understanding of the role of the law presupposes that most individuals are motivated by considerations of fairness, so defined, to a considerable extent. There is mixed evidence on this question. It is certainly the case that individuals have a strong predilection against being 'taken for a patsy' - for paying the legislatively implied level of taxes when they believe that most others are not. No one likes being taken unfair advantage of, and there is an instinct to reciprocate when one feels that this is happening. Usually, Christian morality indicates that the instinct to reciprocate ought to be suppressed: one's standard should not depend on the immoral conduct of others but on the purity of God's law. If the underlying moral norm is based on the concept of aggregate fairness, however, the instinct to reciprocate becomes an expression of one's moral norm and ought to be indulged. Equally, however, if individuals obeyed this norm widely, very few would ever evade or avoid in the first place. Taxpayer morality would not be in danger of unravelling - as it is now alleged to be. Personal greed presumably plays some role.

The appropriate conclusion here seems to be that both motives are at work. Individuals have both an inclination to keep as much as possible for themselves for familiar reasons of self-concern, and an inclination to play the tax game 'by the rules' if they believe that others are doing likewise: there is, in other words, a deep-seated predilection towards fairness. It is presumably for this latter reason that, in countries where rule-bound behaviour is common, a semi-voluntary tax system based on self-reporting of taxable income has worked so well for so long.

In this context, the Christian obligation to pay one's fair share as indicated by the law could be seen not so much as a means of promoting aggregate fairness in tax **result**, but rather as a means of promoting motives of fairness in the

conduct of others. For example, suppose the community divides itself into two classes - the F's, for whom fairness is the relatively strong motivation; and the G's, for whom greed is the relatively strong motivation. Suppose that the G's are nevertheless influenced by fairness considerations to some extent, and will avoid and evade less to the extent that the F's pay what is nominally required. Then even though it may promote fairness in the aggregate if a **single** F pays less because that single F has negligible influence on the behaviour of the G's, when **all** F's pay less the G's abandon fairness considerations altogether and pay only what they can get away with. The last state of the world is worse than the first. On this reckoning, the pursuit of fairness in tax **result** by all moral agents serves to reduce the level of fairness. Fairness can, then, be a justification for rule-bound behaviour - in this case, obedience to the tax law - but it cannot be entirely satisfactory as a motivating force, because actions taken by individuals to achieve greater fairness will result in less fairness being achieved. One requires, it seems, some independent motive in order to induce the F's to pay the nominally 'fair share'. The quest for fairness by individual taxpayers may indeed make the whole system unravel.

All this raises a further interesting moral issue. Suppose you discovered that evasion and avoidance were in fact rather more widespread than people commonly believed. Should you broadcast the fact? If you do, you know that everyone will feel the implicit moral constraints of fairness to their fellows to be greatly loosened: evasion and avoidance will instantly become much more widespread - even than currently is in fact the case. Indeed, on such grounds, you should perhaps broadcast information that indicates taxpayers to be more moral than they actually are in the interests of inducing desired behavioural changes. In this way, hypocrisy becomes more than the compliment vice pays to virtue: it becomes the means whereby we enjoy such measure of public virtue as we do. A noble lie, indeed, if it keeps us all more moral than otherwise. In the light of this, what are we to make of *Changing Australia's* uncalculated lament over 'the widespread [*sic*] practice of evasion and avoidance'? Is the offering of such lamentation itself moral conduct? Conceivably not.

Let me summarise the argument in this section to this point. I have been concerned to enquire how far the notion of fairness can take one in establishing a moral obligation to pay one's taxes. On the face of things not far at all, according to my argument. For the pursuit of fairness to other taxpayers,

in the normal sense of paying one's fair share, can as well persuade individuals that they ought to evade or avoid as that they ought not to: A's paying more than B is an affront to fairness no less than B's paying less than A, and can be corrected by A paying less as well as by B paying more. At the same time, it may be that only by A paying as much as A does is B induced to pay as much as B does, and that if A reduces his tax, B will reduce **his** still further. In such a setting, A's paying more can be said to contribute to the level of fairness that obtains - but the desire for fairness does not seem to be an appropriate motive for A's behaviour. It would seem necessary for A to have reasons other than the promotion of fairness for paying the taxes he does.

All this is predicated on the assumption that revenues lost by avoidance and evasion are made up by tax rate increases. It is this that permits us to talk of fairness as applying **within** the set of taxpayers. If evasion and avoidance lead to reduction in aggregate revenues, so that public programs that would otherwise proceed fail for lack of funds, then issues of fairness arise between taxpayers as a class and (potential) beneficiaries of public expenditures. When A avoids taxes in such a way that he saves himself ten dollars in total taxes, that sum of ten dollars does not fall to C who would otherwise have received it. In this case, one cannot judge the fairness or otherwise of A's avoidance activity independently of the moral force of C's claim. In fact, *Changing Australia*'s exposition rather dulls the sharpness of this question by insisting that A himself benefits from the taxes he pays. It is to this latter aspect that I now turn.

IV. REVENUE USE AND TAX MORALITY

Changing Australia's point of departure in the discussion of taxpayer morality is the observation that paying taxes is like buying goods. To fail to pay taxes is to refuse to pay for what you buy - which is taking without paying, or stealing. But the question naturally arises as to what the moral story would be if the prior assumption were not met. Suppose you **don't** benefit from the public expenditure that is forgone when you don't pay. Perhaps you don't have children at schools, are never sick, purchase housing in the private market, and do not wish to pay for anyone else's consumption of these things. Perhaps you do not wish to make transfers to the beneficiaries of public programs, either because you do not want to make transfers at all or because you wish to

make the transfers to beneficiaries of your own choosing. Are you then entitled not to pay tax?

This is not by any means an idle question. For the claim that various good purposes would justify the government's use of the taxing power does not at all imply that governments will in fact use tax resources for those purposes. Many would doubt that 'all members of the community benefit', either 'directly' or 'indirectly', from much that governments do. Indeed, there can be little doubt that many of the things governments do actually harm a significant number of people - a point that *Changing Australia* seems to recognise in criticising political arrangements in Australia elsewhere in the document. We are told, for example, that: 'organised crime has acquired . . . political power' (p 8); that 'corruption among public officials occurs frequently' (p 8); that 'for many years, there has been insufficient moral and ethical leadership in Australia's . . . political life' (p 8); that 'All views are not represented in the parliament because of the electoral systems' (p 18); that 'Australians . . . lack . . . the political will to share their wealth' (p 19); and so on.

Let me take a difficult case for which I suspect the authors of *Changing Australia* may have some sympathy, but which strains the 'avoidance is theft' claim. I refer to the practice of withholding one's tax payments from the government in the light of public expenditures on military activity. Bishop Hunthausen in Washington State, as I recall, achieved some notoriety (and some unpopularity in the local industries that are somewhat defence dependent) in the US by refusing to pay his Federal taxes. There is, indeed, an organised world movement that seeks to emulate his stance. Some less celebrated cases have arisen in Australia, in which individuals have refused to pay that proportion of their income taxes represented by the share of defense spending in total federal government spending.

Now, to be sure, such cases are not exactly avoidance or evasion. They are more like conscientious objection than they are like draft-dodging. They involve an explicit, and indeed widely advertised refusal to pay - hardly analogous at all to the surreptitious evasion/avoidance practice of the reluctant taxpayer. Nevertheless, the question of the moral legitimacy of the refusal to pay tax raises three issues about taxpaying more generally.

First, are Hunthausen and his kin, when they refuse to pay tax, properly to be understood as stealing something that truly belongs to other citizens? Is their action equivalent to taking money that tax authorities have accumulated from

other citizens to pay for defense, or indeed taking money from me that I had intended to use to pay my tax bill? Is the conscientious objector actually taking something that truly belongs to the state when he refuses to fight? I would say not. The obligation that I have to obey the law can be overridden by other moral obligations. But these latter moral obligations are not necessarily sufficient to justify my preventing someone else from obeying the law if he or she wishes to. In this sense, Hunthausen has a moral stake in his **'own'** tax dollars that he does not have in mine, and equivalently that I do not have in his. I conclude that his tax dollars do not **belong** to me and his other fellow-citizens in any normal sense. Refusal to pay taxes may be wrong, but it is not clear that it constitutes theft.

Second, if a moral case can be established for refusal to pay taxes because of an antipathy to defense spending, cannot such a case be mounted in principle for refusal to pay taxes for other public purposes - or indeed for public use in general? Could not the libertarian extremist claim a conscientious objection to tax payments in principle? Or a 'minimal state' proponent (one who believes in restricting government's role to that of umpire in the socio-political game) refuse to pay more than her share of the cost of minimal-state services? Such conduct could not necessarily be said to fail to give Caesar his due: it simply removes the question to that of what Caesar's due is. Therefore, the attempt by *Changing Australia* to link the legitimacy of tax to the fact of benefit received necessarily opens a Pandora's box: what does one make of the legitimacy of taxes imposed on those for whom - for whatever reason - the perceived marginal benefit from public spending is zero, or negative?

Third, suppose we accept some such argument for the refusal to pay taxes (Hunthausen's anti-military cause will do well enough). Are we not now obliged to conclude that the consequences of others' avoidance-evasion activities (however tawdry their motives) may be desirable? Suppose, that is, that Hunthausen's refusal to pay taxes does reduce the military build-up (a highly implausible supposition, one should add), and that this is a 'good thing'. Is not Joe Smith's understatement of his income, or Bill Block's devising of some shrewd tax-reducing scheme, not equally a 'good thing' to the extent that these activities too reduce total military spending? To put the same point a different way, the fact that many US draft-dodgers slipped quietly over the border into Canada during the Vietnam War undoubtedly inhibited the war effort no less than did the conscientious objectors who stayed

to take their lumps. The latter may have acted more 'appropriately' in some moral-legal sense; the former may have gone to Canada for motives that seemed dubious to some (the mere desire to save their own skins, for example). It seems to me that if Hunthausen's and the peace-tax-movement's actions are held to be morally defensible, the moral defense is also applicable (though not perhaps to the same extent) to the actions of evaders/avoiders. The justification for Hunthausen's actions are related to their consequences, and evasion and avoidance have similar consequences. This is not, of course, to deny the moral relevance of motives or of symbolic action: it is simply to insist on the moral relevance of consequences.

A faithful rendering of St Paul might seem to rule this out altogether. One should pay taxes because governments are appointed by God. Leave it then to God to judge the morality of governmental action. This may, in fact, be one's only alternative under authoritarian regimes - though it seems to me that this is **not** so, and that Paul is wrong here. Does a German's obligation to Hitler include the uncomplaining, conscientious construction of gas ovens? In any event, under democratic institutions where individuals are presumed at some level to be collectively responsible for political outcomes, the Pauline analysis may need some modification.

V. CONCLUSION

For the ordinary citizen, the periodic confrontation with the tax system represents a, perhaps **the**, major point of contact with the state. Apart from traffic violations, compliance with the tax law involves the most common context for the citizen's obedience (or otherwise) to state rule. For the Christian, just as for other taxpayers, the self-reporting features of the Australian income tax provide widespread opportunities for evasion of taxes, and the complexity of the law offers scope for avoidance practices of varying shades of legality. What is the Christian required to do?

Changing Australia offers an answer to this question. It is a good straight hard-line answer. And it is an answer that has, for me at least, some genuine presumptive appeal. The answer is that 'Avoidance is theft'. On reflection, however, it seems to me that this answer is inadequate, if not plainly wrong.

It is inadequate because many cases of avoidance are actually encouraged - and all are sanctioned - by tax law as

interpreted and practised. It is inadequate because in some cases failure to avoid or evade increases rather than diminishes unfairness. It is inadequate because, to the extent that government actions have moral consequences themselves, the payment of taxes either inhibits or facilitates those actions, and cannot be satisfactorily evaluated on a moral level independent of the purposes to which revenue is put.

This is not to say that tax avoidance is presumptively good. In at least some cases, avoidance is sufficiently morally dubious that one does better to err on the side of generosity. But it seems clear that the whole issue of the morality of tax evasion and avoidance requires quite a rich theory of the morality of the law and one's obligations to it - a theory that goes well beyond the suggestive but ultimately rather primitive notion of avoidance as theft.

BETWEEN GOSPEL AND POLICY: THE CATHOLIC AND SOCIAL PROBLEMS

Hugh Henry

Brother Hugh Henry is a member of the Missionaries of the Sacred Heart, a Roman Catholic Congregation. He is currently completing his Bachelor of Theology Degree at The Yarra Theological Union, Melbourne, in preparation for ordination to the priesthood.

BETWEEN GOSPEL AND POLICY: THE CATHOLIC AND SOCIAL PROBLEMS

Hugh Henry

I do not intend to evaluate specific approaches taken by *Changing Australia* to social problems. This task seems to me to be properly undertaken by the qualified specialists who are speaking before and after me. Instead I shall address what are to me more important theoretical issues raised in the publication of this document. Can **some** Christians properly claim to speak on behalf of **all** Christians on specific issues of public policy? What contribution can those in authority in the Churches rightly claim to make in the arena of policy debates? If I may bring the perennial question up to date: What hath Rome to say to Canberra?

What concerns me as a Catholic is the answer *Changing Australia* seems to make to this question. 'Seems' I stress, because as I perused the document I occasionally found statements that contraindicated the overall trend.

Let me discuss the overall trend first. I will deal with it in terms of two specific themes upon which *Changing Australia* reflects at some length: power and wealth.

According to this document, the problem with power in Australia is that it is restricted to a few hands. There is inequality in decision-making, and this very inequality constitutes an injustice. For it is, so says *Changing Australia*, contrary to the spirit of the Gospel, insofar as the Gospel calls for mutual service and an end to domineering relationships. In other words, Christianity demands a sharing of power. And this Christian imperative translates into specific policies: reform of electoral laws, greater access to information about government and businesses, increased use of lobby groups, protection of human rights by reinforcing the Human Rights Commission or by creating a Bill of Rights, formation of co-operatives, devolution of power to community action groups, and so on. In essence Christianity demands a redistribution of power.

The second theme is the inequality associated with wealth in Australia. Wealth, like power, is in the hands of a few. And, as with power, the inequality is in itself unjust. Why? Because inequality is essentially the result of deprivation. And then, isn't there the Christian call to share wealth and the means of its creation? Specific proposals are made to eliminate wealth inequalities. A necessary condition is the 'political will' (CA, p 19) to share. This is to manifest itself in two forms of government policy: first, the redistribution of wealth through modifications of taxation and social security systems; and second, the 'sharing' (that is, forced redistribution) of the means of wealth creation through increased 'community ownership' (nationalisation?) of resources, capital and industries. A final demand is that everyone in our society share in poverty. Somewhat paradoxically, this state of affairs is called a 'no poverty society' (p 19). It makes sense only in the light of the above-mentioned theory that wealth inequality necessarily arises through the deprivation of some by others.

Now I take it that *Changing Australia* intends that its discussions of wealth and power be the subject of its remark (made incidentally) that 'Christians quite properly differ on what policies should be adopted by governments' (p 26). Nevertheless, I am left wondering if the authors are aware of the full impact of this crucial qualification upon their document. For it seems to me that the views expressed in *Changing Australia* about power and wealth (among other issues) contain little that is specifically Christian, even when they are related to scripture.

For: might not a Christian disagree with this document that the **inequality** of power distribution is the problem? Many political scientists argue that it is not so much the **distribution** of power as the **amount** of power ceded to the state that is our chief cause for concern. Christians who concur with this theory regard the Gospel as seriously as do the authors of *Changing Australia*. Are they not free to interpret the Gospel's passages concerning the abolition of authority and the call to service as compatible with their desire for a drastic reduction of political power rather than a mere redistribution of that domination? Is their distrust of all forms of political power, which leads them to question the effectiveness of the types of power redistribution proposed in *Changing Australia*, an unChristian instinct? Might not redistribution serve merely to relocate the evils associated with excessive political power? A concrete example: is it necessarily a sign of justice when community action groups

begin to exercise more political muscle? What are the chances of these groups behaving as genuine committees, rather than as narrow, selfish, self-righteous advocates of their own special interests? How typical of many Australians are those residents in North East Camberwell who recently almost enjoyed political success in preventing the establishment of a centre for the intellectually handicapped in their neighbourhood (Yallop, 1983)?

Furthermore, why is equality of wealth as such a value to be sought after? Undoubtedly the Gospel calls for a sharing of wealth. But does it demand that all wealth be **equally** shared? Anyway, what has 'political will' got to do with the Christian concept of sharing? And might there not be other, more effective means of alleviating the lot of the poor than through government programs of taxation and social security? What of the arguments of many economists that government action to relieve poverty often has the opposite consequences?

It is not my purpose to respond to these particular questions. I simply want to make the observation that in any discussion of contemporary political or socio-economic problems these questions cannot be ignored. Propaganda may be defined as the urgent assertion of a political conviction in the absence of such discussion.

But even if a genuinely critical inquiry - which in *Changing Australia* is characterised by its absence - were to be undertaken, the end product of the exercise would be a conclusion in the realm of the social sciences. That is to say, a conclusion that is of its nature provisional, fallible and corrigible. What disturbs me as a Christian about this document is that it invests its socio-economic and political convictions - however well or badly argued - with a religious significance. *Changing Australia* speaks with the approval of Church authorities. Yet its 'Christian' vision of a just society is articulated in the terms and presuppositions of a partisan political and socio-economic framework. And isolated statements to the contrary notwithstanding, the document effectively excludes alternative approaches to the complex social issues it discusses. So Christians cannot read the document without the feeling that on account of their religious affiliations, they are being shunted into specific economic or political positions.

Such a feeling is alien to a proper relationship between Christianity and politics. Let me illustrate why in terms of my own Church's concept of that relationship. I will leave it to the members of the other denominations present to assess the applicability of my remarks to their own situations.

POLITICS AND THE CATHOLIC CHURCH

The Catholic Church has always faced a dilemma when it came to deal with politics. As it conceives itself, the Church is the People of God, a divinely established community on a pilgrimage through history to eternal life. As such, it sees secular realities - nations, empires and all humanly constructed institutions - rise and perish with the tides of history, and it views these realities *sub specie aeternitatis*, 'in the light of eternity', with a certain detachment.

On the other hand, the Church cannot but require a deep involvement in the concrete historical action of which human life is composed. Explicitly through its hierarchy, the Church claims to be concerned for the essential realities of human existence, including political realities. It seeks to guide its faithful in the complex moral choices that lie at the heart of life. It claims as well to be able to improve the lives of people here on earth - especially through the activity of the laity, whose vocation it is to 'sanctify' temporal realities. Admittedly, this last claim is made with the caveat that it is an incidental effect of the Church's pursuit of its eternal goal, and will be achieved much more imperfectly. But the Church's concern for the secular is in no way lessened by this fact.

The tension between the claims of the Church concerning the eternal and the secular, the spiritual and the temporal, have committed it to a sort of perpetual tightrope act. One group of extremists within and beyond the Church wish that it would confine itself exclusively to religious questions - or at least, when it came to deal with 'mixed' questions such as those in politics, to abstract, general principles that would have no direct impact on the realities of life in the world.

In the past century these 'quietists' in the Church have been severely frustrated by the activities of the official hierarchy. In 1891, Leo XIII issued 'Rerum Novarum', an encyclical that boldly confronted the social problems stemming from the advent of the Industrial Revolution. Leo argued the relevance of Catholic principles to the search for solutions to the new social problems. Since that time, the attention of the Church to social questions in the form of official encyclicals and addresses has become a regular event, not only for the papacy but also for Synods of Bishops, National Bishops' Conferences, and for its duration the Second Vatican Council. Clearly the Church has been deter-

mined to demonstrate its relevance to all aspects of human life. The spiritual cannot be divorced from the temporal as some would wish. The 1971 Synod of Bishops' statement 'Justice in the World' firmly stated that 'Action on behalf of justice and participation in the transformation of the world fully appear to us as a constitutive dimension of the gospel' (Gremillion, 1976:514).

At the opposite extreme to quietism, there are a number of groups that emphasise the temporal role of the Church at the expense of the spiritual. There are those who would reduce the mission of the Church completely to the human project of seeking justice. They envisage the Church as a secular humanist organisation of one political colour or another. Others want to place the quest for justice on the same level (at least) as the sacramental and evangelical activities of the Church. Finally, there are those who, while accepting the primacy of the spiritual role of the Church, wish to politicise it by identifying the Church's temporal concern with a partisan political position.

It is against politicisation - which as I have indicated above is the tendency apparent in *Changing Australia* - that the conciliar document 'Gaudiem et Spes' issued a warning when it stated: 'Even against the intentions of their proponents . . . solutions proposed by one side or another may easily be confused by many people with the gospel message. Hence it is necessary for people to remember that no one is allowed . . . to appropriate the Church's authority for his opinion. They should always try to enlighten one another through honest discussion, preserving mutual charity and caring above all for the common good' (Gremillion, 1976: 279). Elsewhere the document resumed this theme: 'The role and competence of the Church being what it is, she must in no way be confused with the political community, nor bound to any political system' (1976:312).

The condemnation of politicised notions of the Church is a frequent focus in the official documents that address social questions. The Church is concerned to acknowledge that on the level of politics, economics and the sciences in general, pluralism is valid. Thus, 'Octagesima Adveniens' stated: 'In concrete situations, one must recognise a legitimate variety of possible options. The same Christian faith can lead to different commitments' (Gremillion, 1976:510).

Behind her condemnation of politicised religion and her affirmation of pluralism in matters connected with politics is the recognition given by the Church to the autonomy of scientific knowledge. 'Quadragesimo Anno' stated that the

Church may use her authority 'not . . . in matters of technique for which she is neither suitably equipped nor endowed by office', but only in 'things that are connected with the moral law' for 'economics and moral science employ each its principles in its own sphere' (Cronin, 1959:22). 'Divini Redemptoris' put it thus: 'in the sphere of social sciences the Church has never proposed a definite technical system, since this is not her field' (cited in Cronin, 1959:22-23).

This principle of the autonomy of scientific knowledge enables an important distinction to be made in the Church's teaching between evangelisation, catholic social teaching, and specific policy statements. Evangelisation is the proclamation of the life and teachings of Jesus Christ. Catholic social teaching - formed in Papal encyclicals and addresses and several of the documents of Vatican II - is composed of the guiding principles underlying the social, political and economic aspects of the Christian life (for example, the dignity of the human person, the common good, rights to a living wage, private property, and so on). Statements of specific policy are applications of catholic social teaching to particular issues. Such statements depend not only upon a firm grasp of social doctrine, but also upon expertise in the independent sphere of the social sciences.

The Church has constantly judged that the best contribution made by the hierarchy to the affairs of the political order is through evangelisation and education in catholic social teaching. The more concrete task of applying general social principles to political and social life is essential to the mission of the Church. But it is fulfilled primarily by the Catholic laity in their capacities as family members, professionals and citizens, with considerable scope for disagreement.

Thus, against those who want the Church identified with political viewpoints, the Church itself has affirmed the autonomy of the social sciences and its own inability to lend religious authority to concrete policy proposals. In matters of policy debate, the Church recognises pluralism as legitimate.

This affirmation of pluralism on the level of policy debate is not without firm historical foundation. In the long tradition of Catholic social thought there is contained a wide variety of attitudes adopted by Christian scholars to political and economic matters.

It is true, for example, that as a whole the Church Fathers condemned trade. Tertullian argued that there would be no need of trade if there were no desire for gain, and that

there would be no desire for gain if man were not avaricious. Jerome thought that one man's gain in trading must always be another man's loss. Augustine proclaimed all trade evil because it turned men's minds away from seeking the true rest, which is found only in God.

Yet in the fifth century, Leo the Great pronounced that trade was neither good not bad in itself, but was rendered good or bad as it was honestly or dishonestly carried out. And even in the third century, Clement of Alexandria produced a justification for the manufacture of wealth. Prompted by the gospel story of the rich young man, he set out an answer to the question, 'How might the rich be saved?'. Clement concluded that wealth itself was not a barrier to heaven, but one's attitude to wealth might be: 'We must not, therefore, put the responsibility on that which, having in itself neither good nor evil, is not responsible, but on that which has the power of using things either well or badly, as a result of choice' (Butterworth, 1978:299).

Showing considerable economic insight, Clement asked, 'And how much more useful . . . when by possessing a sufficiency a man is himself in no distress about money-making and also helps those he ought? How could we feed the hungry, and give drink to the thirsty, cover the naked and entertain the homeless if each of us were already in want of these things?' (1978:295-296). He concluded, 'We must not then fling away the riches that are of benefit to our neighbours as well as ourselves . . . because they have been prepared by God for the welfare of men. Indeed, they lie at hand and are put at our disposal as a sort of material and an instrument to be well used by those who know' (1978:299).

One wonders how Clement would react to the concept of a 'no poverty society' as defined in *Changing Australia*!

In the early medieval period, the general view was that trade could be honest but that it was a great temptation for sin. Peter Lombard (1100-1160) denounced trade as a sinful occupation. But with the growth of trade and commerce after the 10th century, Christian thinkers began to perceive the merits of trade and exchange. More benevolent views were expressed by Albert the Great, Thomas Aquinas, Bonaventure and Innocent the Fourth. Against Lombard, Aquinas argued that the services of merchants were indispensable to the preservation of the commonwealth, which had to supply the needs of its citizenry. Aquinas denounced covetousness, which he defined as seeking to accumulate wealth for the purpose of improving one's station in life. But his famous commentator, Cardinal Cajetan (1469-1534), declared this to

be erroneous. For were it true, the result would be to freeze everyone in their social conditions with the result that a peasant would remain a peasant and an artificer an artificer, which, Cajetan stated, is patently absurd.

Of all the scholastics, it was San Bernadino of Siena (1380-1444) who most appreciated the virtues associated with the creation of wealth. San Bernadino wrote of the uncommon qualities of the entrepreneur, including diligence, effort, knowledge of the market, and calculation of risk. In San Bernadino's views of trade and the entrepreneur, the occupation of trade may lead to sin, but so may all other occupations, including that of bishops!

Closely linked with the discussion of trade in Christian thought is the notion of the 'just price'. Here again one encounters a considerable variety of opinions as to how the just price might be defined. Medieval writers generally rejected a cost-of-production theory, which would have given merchants an excuse for overcharging on the pretext that they were covering their expenses. Rather it was generally considered fairer to rely on the impersonal forces of the market, which reflected the community's 'common estimation' of the worth of a good. Thus in the words of Cajetan, Aquinas believed the just price to be 'the one, which at a given time, can be gotten from the buyers, assuming common knowledge and the absence of all fraud and coercion' (de Roover, 1958:422-423). On the other hand there was the Ockhamist Henry of Langenstein (1325-97), who of all medieval scholars was the most hostile to the free market. Langenstein advocated government fixing of the just price on the basis of cost-of-production and station-in-life.

Many scholastics who accepted the market price idea were willing to accept government price-fixing in certain circumstances. But again, there were important exeptions. Some prominent thinkers opposed all forms of price-fixing. For the Spaniard Azpilcueta (1493-1587), price controls were unnecessary in times of plenty and ineffective or positively harmful in times of famine.

Within the confines of this essay, it has been possible merely to suggest the diversity on these and other aspects of politics and economics that Catholic thought displays, and that Church authority has in mind when it acknowledges the pluralism that accompanies concrete policy debate.

In conclusion, it occurs to me that perhaps some will be dissatisfied with the line of attack I have taken in response to the questions I raised initially. It has taken the form of a *via negativa*, a 'negative way'. I have barely mentioned vital

concepts of the Catholic and Christian social vision such as the common good, the family, the living wage, and so on.

Let me make three final remarks in response to this anticipated criticism. First, I repeat that the point that most disturbs me as a Christian about *Changing Australia* is the issue I have focused on: whether or not those in authority in the Churches have a right to pronounce with religious authority on matters of public policy. In this respect I hope I have shown that *Changing Australia* is at odds with the Catholic position as expressed in its recent social teaching.

Second, if by insisting that Church authorities recognise the autonomy of the social sciences I have left my audience with the impression that I am advocating quietism, let me try to correct that impression. It seems to me imperative that, at least part of the time, authoritative statements of catholic social teaching suggest concrete applications of the general principles they enunciate. The Gospel must be proclaimed to **this** age, **this** people, facing **these** social problems. But as in every age, the meaning and demands of the Gospel today are loaded down with complexity. And the more complex the problem, the more the Gospel is open to a plurality of legitimate interpretations. Therefore, authorities may raise issues, lay them out and even express to the faithful a particular stance. But they must not pontificate. They must not impose their personally held convictions as Gospel. The object of their discussion must be to quicken the consciences of the faithful and spur them on in their own personal reflection. Only an impartial treatment of social problems will facilitate the highest possible level of discussion among Christians and all people of good will in a spirit of mutual respect.

Finally, negative as my theme has been, I believe that the concept of negation is useful when trying to articulate fully the relationship between Christianity and earthly realities such as political and economic life. For in one sense, Christianity is a revelation about what politics and economics are not. The great British historian Christopher Dawson understood this well when, in 1934 (cited in Scholl, 1983:337), he wrote that Christians 'should remember that it is not the business of the Church to do the same things as the state - to build a Kingdom like the other kingdoms of men, only better - nor to create a regime of earthly peace and justice. The Church exists to be the light of the world, and if it fulfills this function, the world is transformed in spite of all the obstacles that human powers place in its way.'

REFERENCES

Bartell, E. (1962), 'Value, price and St. Thomas', *The Thomist* 25(July), 325-381.

Brennan, G. (1983), *The Christian and the State*, Centre for Independent Studies, Sydney.

Butterworth, G., trans. (1978), *Clement of Alexandria*, Harvard University Press, Cambridge, Massachusetts.

Cronin, J.F. (1939), *Social Principles and Economic Life*, Bruce Publishing Company, Milwaukee.

de Roover, R. (1955), 'Scholastic economics: Survival and lasting influence from the sixteenth century to Adam Smith', *The Quarterly Journal of Economics* 69(May), 161-190.

-----(1958), 'The concept of the just price: Theory and economic policy', *Journal of Economic History* 18(December), 418-434.

-----(1963), 'The scholastic attitude toward trade and entrepreneurship', *Explorations in Entrepreneurial History* 2, 76-87. Reprinted (1974) in *Business, Banking and Economic Thought*, University of Chicago Press, Chicago.

Gremillion, J. (1976), *The Gospel of Peace and Justice: Catholic Social Teaching Since Pope John*, Orbis, New York.

O'Brien, G. (1920), *An Essay on Medieval Economic Teaching*, Longmans and Green, London.

Rothbard, M.N. (1976), 'New light on the prehistory of the Austrian School', in E. Dolan (ed.), *The Foundations of Modern Austrian Economics*, Sheed and Ward Inc., Kansas City.

Scholl, J. (1983), 'What is true social justice?', *Social Survey* 32(December), 336-339.

Waterman, A.M.C. (1983), 'The Catholic Bishops and Canadian public policy', *Canadian Public Policy - Analyses de Politiques* IX(3), 374-382.

Wolfe, C. (1983), 'A constructive vision. Review of *The Pursuit of a Just Social Order* by J. Brian Benestad', *This World* 5(Spring/Summer), 153-159.

Yallop, R. (1983), 'Residents oppose new training centre', *The Age*, April 4, p 1.

POLITICS AND POSSIBILITIES: THE IMPLICATIONS OF *Changing Australia*

Greg Sheridan

Greg Sheridan is a journalist with *The Australian* newspaper, where he writes leaders and political features. For five years he was a staff writer with *The Bulletin* magazine and before that had worked in industrial relations for a trade union. He was educated at suburban and country catholic schools in New South Wales and at the University of Sydney. He is an occasional book reviewer for *Quadrant* magazine and the *Catholic Weekly* and has contributed to a number of Australian and overseas journals.

POLITICS AND POSSIBILITIES: THE IMPLICATIONS OF *Changing Australia*

Greg Sheridan

I. INTRODUCTION

In its own meandering way, *Changing Australia* (CA) traverses quite a bit of ground. In some respects this makes it a difficult document to answer. Its attacks are so haphazard, its targets so widely distributed, its generalisations so vague and so sweeping, that a comprehensive response would require several books explaining the basis of modern western societies, the functioning of a mixed economy, and the nature of parliamentary democracy. CA's negative, carping view of Australia, combined with its peculiar notions about politics and its very novel ideas on economics, give the document an air of eclectic, almost random, ideological engagement through which it is sometimes difficult to find a connecting thread.

Overall, CA seems to resemble nothing so much as a kind of contemporary neo-Fabian pamphlet, a tract for the times. It generally follows the agenda of the 'trendy Left', although in rather a confused way and with two minor exceptions. These exceptions are the cursory mentions of abortion and family life - the only two issues addressed in CA that, it might be argued, could be drawn from a right-of-centre political agenda.

Apart from the decidedly Fabian flavour, CA certainly draws its heroes and villians from a pat ideological lexicon. Multi-nationals, the profit motive, foreign banks, the US alliance - these are the bad guys. The United Nations, resident action groups, liberation movements - these are the good guys.

My purpose in this paper, therefore, is strictly limited. I will address CA's major recommendations in the field of foreign affairs, offer a few comments on the general tone of the document, and briefly discuss the prudential and ethical questions involved when Christian churches fund the production of CA and documents like it.

II. THE UNITED NATIONS

In no section of CA is its simplistic approach to the world more evident than in the passages where it deals with questions of foreign affairs. It is instructive to look at some of CA's thoughts on the United Nations Organisation in a little detail. On page eight CA tells us:

> There are also signs of hope present in our society. It seems that never before has there been such growing commitment among people to a view of all humanity as equal in dignity and as possessing basic human rights. Whatever their shortcomings, the United Nations and its agencies are symbols of human hope; their covenants represent the highest ideals shared by the world's peoples. There is a growing cooperation among the peoples of the world, not as before in matters of empire and trade, but in movements for freedom and full human development.

This rather breathless undergraduate tone pervades the whole document, but the passage in question is particularly interesting for its apparently complete divorce from reality. If CA had dealt with reality, instead of with ideological symbols, it might have pointed out that the United Nations represents not the peoples of the world but their governments - for the most part undemocratic, tyrannical and despotic ones. The UN functions mostly as a cabal of tyrannies. This is not meant as a rhetorical, or even particularly polemical, statement. It is simply a fact. There is a real and fundamental distinction between representative democracies on the one hand, and authoritarian and totalitarian political systems on the other. Most of the world's countries are not democracies in any meaningful sense. Those countries form the bulk of the United Nations. Therefore the 'United Nations and its agencies', as well as its 'covenants', should be seen primarily as the conspirings of dictators. That is not to say that they can have no value, but considering CA's willingness to heap abuse on other institutions, such as foreign banks, or, for that matter, the Australian political system, it might have been expected that CA would take a more sober and realistic view of the UN.

However, in idealising the UN, CA echoes the first Fabians' earlier idealisation of the League of Nations, and betrays a mentality that yearns for simplistic and Utopian solutions to the messy problems of reality. The League of Nations occupied almost exactly the same place of veneration

in the world view of the early Fabians as the United Nations does for parts of the modern Left. In this sense, the modern Left can, in their delusions, their odd mixture of Utopian optimism and carping distemper, be fairly labelled neo-Fabian.

Malcolm Muggeridge, in the second volume of his memoirs in which he so hilariously and tellingly mocks the Fabian fantasies of the 1920s and 30s, comments on the Leagues of Nations:

> And the League itself, what was it but another Tower of Babel climbing inanely into the sky? Through the mist I could just see the outline of the great new Palais des Nations, then under construction. Cedars from Lebanon, marble from Italy, precious metals from the Andes; contributions of one sort or another from every corner of the globe. A Palace of the Nations as stupendous as Kubla Khan's Xanadu. Alas, as it turned out, barely was the Palais des Nations completed and ready to be occupied than the second world war was ready to begin. When Hitler's panzers were actually roaring into Poland from the West and Stalin's divisions lumbering in to meet them from the East, the League was in session in its new premises, discussing the codification of level-crossing signs. At the time I remember feeling a sort of relief. At least there would be no more compromised resolutions . . . How wrong I was! Another Tower of Babel, more tower-like and babulous would spring up in Manhattan, to outdo the League many times over in the irrelevance of its proceedings, the ambiguity of its resolutions and the confusion of its purposes. (Muggeridge, 1975:10)

All of which illustrates at the very least that Malcolm Muggeridge has a somewhat different perspective on the United Nations than the authors of *Changing Australia*. But it is worth remembering one further illustrative incident concerning the UN, to show that in the UN we are not only dealing with babulous irrelevance but also often with naked malevolence. It is a matter of which Paul Johnson (1984) reminded us recently in an article reprinted in *The Australian* on April 21 of this year.

On October 1st, 1975, President Idi Amin of Uganda visited the UN. Already he was known as a human butcher of particular ferocity, one of the most insane dictators of a century star-studded with insane dictators. A mass murderer, he had be known to eat some of the victims he had personally killed. When he visited the UN he was president of the Orga-

nisation of African Communities - a fact that should cause us to ponder the moral worth and self-righteousness of many of these third world organisations and should perhaps suggest that our own reaction of reflex guilt when dealing with the governments of third world nations is somewhat misplaced. Amin's speech to the UN General Assembly was an amazing denunciation of what he termed, 'the Zionist-American conspiracy' against the world. Predictably, lamentably and disgracefully, he called for the expulsion of Israel from the UN. What was worse, however, what was even more flamboyantly bizarre in this tirade, was his demand for Israel's 'extinction'. The third world, Arab and Communist coalition that dominates the United Nations thought the call for genocide by this fantastic African dictator was fine. In fact they gave him a standing ovation when he arrived, applauded him throughout his speech, and gave him another standing ovation when he finished. The following day a public dinner in his honour was held by the United Nations Secretary General and the President of the General Assembly. Yet when Israeli spokesmen speak to the General Assembly they are insulted and boycotted. Further, in one of its most perfidious resolutions, the UN has equated Zionism with racism - an equation that has provided the intellectual, moral and political justification for the rampant upsurge of left-wing anti-Semitism, which has been so ugly a feature of political life in recent years.

One could go on and on illustrating the moral nature of the UN, but it is not sensible to call the pathetic and malign posturings of the world's dictators 'symbols of human hope'. I only hope we can survive such hope.

III. THE US ALLIANCE

CA also has something to say about Australia's alliance with America. In a list of 'social issues which are the continuing concerns of the Christian churches in Australia', CA includes: 'disarmament and peace: Australia's strategic role, especially as it concerns the prospects of nuclear war; the alliance with the United States and its effects on the goals of neighbouring peoples for nuclear-free Pacific and Indian Oceans; the presence and function of U.S. bases in Australia' (p 6). Then CA tells us: 'The presence of United States bases makes Australia a participant in strategic policies which target cities and population centres for indiscriminate nuclear destruction. These strategic policies threatening mass

destruction of human life are contrary to the churches' understanding of Christian discipleship' (p 21).

Like most of CA these paragraphs are rather vague, and it is difficult to know whether CA actually thinks we should throw the US bases out and break the alliance. If that is the implication then it is worth remembering once again how far to the left CA stands, and how far away it is from the mainstream of Australian life in its approach to foreign affairs. For the American alliance has been the one unchangeable, bipartisan cornerstone of Australian foreign policy since the Second World War.

As recently as April 18, in an interview published in *The Australian* (1984:1), Prime Minister Bob Hawke addressed these questions. He said:

> Australia would be at greater risk if we eschewed the relationship with the US. We are an aligned nation and we have been since the last war. Labor and non-Labor governments alike, without exception, have maintained that relationship. Obviously, it is true that if you are in an alliance situation and you provide facilities for the major party in the alliance, the United States, then that carries risks. Of course it does, and it would be dishonest to say otherwise. But in this world there is nothing that doesn't carry risks, and the judgment has been made by successive governments, Labor and non-Labor alike, that the benefits outweigh the disadvantages. The most simplistic approach to the issue is to assume if Australia and the rest of the other non-Soviet bloc were to disarm, to eschew relationships, that would bring world peace. There is no evidence to sustain that at all and we would be running greater risks. We're not going to indulge in the stupidity of assuming that unilateral neutrality is going to add to world peace. It's likely to add to instability. If I could see in the Soviet Union marches of millions of people demonstrating for disarmament then this whole thing would have more impact...

The Prime Minister's commendably realistic and simple statement does nothing more than restate the basis of Australian foreign policy over the last 40 years. But if CA were really to consider the morality of foreign policy, as opposed to the pseudo-morality of ideological icons, it might recognise and pay tribute to the distinction between democracy and non-democracy.

As Norman Podhoretz has reminded us in a series of recent books (1980, 1982), the US is still in a profoundly meaningful sense the leader of the free world. The distinc-

tion between parliamentary democracies and authoritarian and totalitarian regimes is fundamental in determining the morality of foreign policy. This distinction is terrifyingly real - ask any of the world's millions of political refugees. Whatever the shortcomings of democracies like Australia or the US, their system of government is overwhelmingly freer than alternative political systems, including communist ones. In fact Australia has reason to be proud of the underlying pervasive morality of its traditional foreign policy assumptions. A moral foreign policy for Australia is one that supports and expresses genuine solidarity with democracies in their attempts to contain aggressor nations (which are invariably undemocratic), as well as supporting, where possible, people subjected to political tyranny, such as the Poles, the Afghanis, the Vietnamese, and the Kampucheans. Such a foreign policy is explicitly anti-communist. Unfortunately, anti-communism is less fashionable today than it was, say, 30 years ago, when the Australian churches had a lot to say on the subject. But the morality of anti-communism has not changed - only the success of the psychological and political intimidation of the **anti**-anti-communists has rendered the situation substantially different.

It is disappointing that church pronouncements in this area seem to be so subject to the changing winds of intellectual fashion. A Christian statement on foreign policy surely ought to state the fundamental moral cornerstones of preference for democracy over any of the alternatives, explicit opposition to communism, and the recognition that the Soviet Union is the main totalitarian super power whose military and other activities constitute the major perpetual menace not only to world peace, but also to the liberty of hundreds of millions of people across several continents.

IV. PEACE AND DISARMAMENT

On the issues of peace and disarmament CA says:

> Australia must make a significant contribution to world peace and disarmament. A commitment to peace means an end to violence and threats of violence and a start to re-form our values and lives for peace. New institutions are needed - such as a Peace Research Institute, a Ministry for Peace - and more positive responses to disarmament proposals in international forums. (p 21)

It seems appropriate in 1984 that someone should call for a Ministry for Peace. The fact that such institutions almost

invariably end up in the hands of unilateralists, or sometimes more obvious pro-Soviet stooges, and never address the question of what is a prudent, effective deterrent defence strategy for western nations to follow, seems lost on CA. Once again, in connection with peace and disarmament as with the American alliance and the UN, the moral path for Australian foreign policy to follow is to promote democracy and democratic values against totalitarianism and totalitarian values.

In a speech to the Inter-Parliamentary Union conference in Geneva in April 1984 Dick Klugman, the ALP member for Prospect, pointed to the connection between political authoritarianism and war. His simple point was that modern democracies do not start wars because their rulers must ultimately face the judgment of the people. Authoritarian rulers are under no such constraints. Citing such conflicts as the Soviet invasion of Afghanistan, the Vietnamese invasion of Kampuchea and the Iraqi attack on Iran, he made the point that a democracy could not have started any of those conflicts.

CA's language when dealing with peace and disarmament is a peculiar mixture of sententiousness and vagueness. What, for example, are we to make of the statement: 'A commitment to peace means an end to violence and threats of violence' (p 21)? When was the last time Australia ever threatened anybody with violence? Democracies are not prone to gratuitous threats of violence. Indeed they are extremely reluctant to get involved in military conflict. On the other hand, merely bearing arms is some kind of threat of violence. One of the reasons countries have armies is to issue a general, undifferentiated threat of violence, letting others know that if attacked they might respond with force. But it has never been a mainstream part of the Christian tradition to suggest that a threat of violence on this level is immoral. Pope John Paul II has said: '... people have a right **and even a duty** to protect their existence and freedom by proportionate means against any unjust aggressor' (1982, emphasis added). The very concept of deterrence involves a 'threat of violence', otherwise potential aggressors would not be deterred. And as Pope Paul VI pointed out: 'Disarmament is either for everyone, or it is a crime of neglect to defend oneself' (1976).

What can CA possibly mean therefore by its call for an end to threats of violence? If its words are taken literally they must constitute a call for complete pacifism, which has never been a position seriously entertained by Christian policy makers in this or any other country. Once again CA seems to be detached from reality and to be floating in the mysterious ether somewhere above the Earth.

V. INTERNATIONAL AID

CA also has the predictable things to say about international aid. We are told: 'On a world scale, the inequality in the distribution of wealth is a scandal: about 6% of the world's people use 80% of the non-renewable resources consumed each year. In 1982, the richest fifth of the world's population had 71% of the world's product while the poorest fifth had 2%' (p 8). Then CA says: 'Both the quantity and quality of Australia's development assistance should be increased' (p 21).

In the real world the question of international aid is both complex and vexed, but even in CA's simplistic presentation it is not clear whether its aim is to eliminate poverty or to eliminate inequality. Obviously they are not the same thing. Yet CA seems to regard the mere existence of inequality as a scandal. In the Christian tradition there is no totalitarian prescription of absolute equality. The authors of the gospels did not attend the London School of Economics. It is not at all clear that equality must be regarded as the primary social virtue in all circumstances at all times.

But the question of whether the aim is to eliminate international poverty or international inequality is not merely theoretical. Different strategies will flow from the different objectives. There is a good deal of evidence to suggest that the best way of helping poor third world countries is to trade with them. The analysis of P.T. Bauer (1981) and others has shown that those third world countries who trade most with western developed countries tend to have the least poverty. If CA had wanted to make a practical suggestion on these matters, therefore, it might have suggested lowering Australia's tariffs, which prevent goods from Asian countries being sold to the Australian market. Given CA's general hostility to all commercial activity it is not surprising that this suggestion was not made. No, for CA the world is simply divided between the haves and the have nots and the answer is a simple redistribution of wealth from the former to the latter. CA shows no awareness of recent critiques of international aid, from, for example, writers like Kenneth Minogue, which demonstrate that international aid can often be destructive. This follows from the fact, noted before in this paper but ignored by CA, that most of the world's governments are tyrannies of one kind or another, and that aid goes not to the impoverished peoples of the world but to their generally tyrannical governments.

Indeed international aid can often be used to prop up a tyrannical government or to wage war. It can distort or even destroy a local food market with consequent destructive effects on long-term local food production. It can be used to finance the expulsion of highly productive ethnic minorities, thereby destroying a country's entire economic infrastructure. But no, for CA the whole question is ever so simple: redistribute capitalist wealth and the world will be made just.

There is also the implication in CA that we in the west are somehow **responsible** for the poverty of much of the rest of the world. Not only does this hoary old Marxist cliche stand up to no economic analysis at all, in many cases it is not even remotely arguable. Uganda is the way it is largely because of the action of Ugandans; Zimbabwe's economy is suffering because of the undemocratic policies of its government; Kampuchea is the way it is because a tyrannical Kampuchean government, closely following a collectivist ideology based on Chairman Mao's cultural revolution, inflicted genocide on its own people, who were subsequently invaded and subjugated by the Vietnamese. Even Tanzania, which has received such vast amounts of aid and has been so favoured by the western world, has an economic record similar to that of Uganda.

None of this is to suggest that we don't have responsibilities to the people of these countries. But the situation is not helped by simplistic apportionments of blame, or calls for more aid.

VI. WEALTH AND ALIENATION

The intellectual sloppiness and carping, undergraduate left tone of CA in its discussion of foreign affairs continues more or less throughout its discussion of Australian society generally. Ross Gittins (1983), economics editor of the Sydney Morning Herald, commented in response to CA: 'Why is it that when the Church turns its mind to economics it so often simply accepts uncritically the prejudices and half-baked thinking of the trendy Left?'

CA is very fond of alienation, which seems to be a general word for badness. Of course, in the Christian tradition the most important form of alienation is alienation from God, and this is brought about by sin - that is, real sin by real people, not some sociological cop-out like a lack of 'right relations'.

CA argues for greater 'shared control' of the means of creating wealth, and goes on to say that this may require 'increased ownership and control by the community as a whole' (p 19). This is all presumably designed to decrease alienation, and fits in nicely with the Marxist notion of alienation as arising from the lack of ownership of the means of production. For those of us who inhabit the real world, a certain amount of straightforward empiricism will help to evaluate these ideological claims. Are the factory workers of East Germany, where 'the community as a whole' owns the means of production, less alienated than the well-paid workers of West Germany? The Berlin Wall suggests not.

To support my contention that the language of CA is sloppy, vague, sometimes meaningless and occasionally totalitarian, I will cite just two further statements from it. First, CA tells us that: 'there is an urgent need for a commitment to a no poverty society. That may mean a society in which the resources available are so fairly shared that no one is considered wealthy but all have some share in poverty' (p 19). Well, really, what does CA want? A no poverty society or a society in which everyone has a share in poverty? In two sentences it manages to contradict itself completely.

Winston Churchill wanted to characterise socialism as an equal share in misery, but then he was a political opponent of socialism. CA is breaking new ground in being perhaps the first pro-socialist document to use Churchill's anti-socialist rhetoric as a justification for socialism. Consider too the controls that would be necessary to ensure that no one was considered wealthy and everyone had a share in poverty. Perhaps this could be a function of the Division of Right Relations, part no doubt of the Ministery for Peace, to ensure no outbreaks of wealth, and no slacking in shared struggle. If CA's words about the elimination of wealth are to be given any meaning at all they can only require an absolute, centralised, totalitarian control of the economy. (Not that even these totalitarian controls have ever been able to achieve a no-wealth society in reality.)

Second, CA tells us that Australia must develop 'a social wage - a more extensive range of public services (housing and health especially) that guarantee an acceptable standard of living for the jobless and enable those with jobs to maintain their living standards without wage and salary increases' (p 20). This passage is another bit of breathtaking voodoo economics. For how are those with jobs to maintain their living standards without wage and salary increases? This would be possible if inflation were completely abolished,

although unfortunately CA doesn't give us any indication of how this would be accomplished. Another way to maintain living standards without wage increases is to provide tax cuts equal to the level of inflation each year, but elsewhere CA argues against tax cuts.

The only remaining possibility therefore is that CA envisages an increased provision of social services to all wage and salary earners, whether they need them or not, equivalent to the level of inflation, in lieu of wage rises. Such an increase would be entirely impossible to finance, and any attempt to implement this bizarre scheme would have disastrous effects on the productive capacity of the economy. With strong economic growth substantial increases in social service provisions could be a possibility, but no one could accuse CA of showing any predisposition towards strong economic growth.

So what do the words 'enable those with jobs to maintain their living standards without wage and salary increases' actually mean? It is impossible to say.

This sort of radical mish-mash is unfortunately all too common in Australian tertiary education circles, and it is interesting to ponder why western intellectuals and bureaucrats have become so profoundly disgruntled about their own societies, which have treated them so generously, and why their perceptions of those societies are so often so distorted.

Patrick Morgan explores this question in an important and perceptive essay (1983:20). He writes:

> David Holbrook has described . . . a process in which 'moral scepticism is combined with moral indignation, despite the logical incompatability'. This is the same diagnosis as Ionesco's 'mixture of ingenuousness and ferocity' and the 'curious, modern undifferentiated anger' described by Michael Arlen. There is a feeling of generalised antagonism, there are plenty of targets, but no beliefs. It must always take the form of an opposition. As Irving Howe has said: 'Modernism must always struggle but never quite triumph'. There are many countervailing pressures, but one day these ideas may triumph. Their advocates may convince us to change ourselves and the free societies we have today, and then they will literally get what they asked for.

Although CA does attempt to provide an alternative for Australian society, the alternative is so vaguely described, and often in language both Utopian and totalitarian, that in effect it has little to offer but the kind of silly, reflex criticism that Morgan so effectively derides. Elsewhere in the same essay Morgan comments:

> Today's Western societies, more than any in the past, allow their citizens to live free from tyranny over their lives, over their physical survival and over their beliefs. This needs acknowledgement, which it often doesn't get. The role of thinkers is not just to criticise, but to say what is true, which sometimes means criticising and sometimes affirming, and usually some mixture of both. But many analysts still automatically adopt an adversary stance and never look at what they are commenting on. For example a sociologist, Peter Dwyer, in *How Lucky Are We?* writes of migrants in Australia as 'an exploited workforce - one that would work long hours under heavy pressure in poor conditions for low pay'. Nobody could claim this is a balanced view of migrants' conditions in Australia - a comparison with Japanese car-part assemblers or German guest-workers would show that most migrants here have wages with high buying power, both relatively and absolutely. It is not a true judgment since it continues, when no longer warranted, the old position of compulsory criticism of society. The valuable tradition of liberal critique of tyranny can, if continued as unthinking dissent, turn full circle and erode the freedoms it was inaugurated to protect. (Morgan, 1983:21)

Morgan's comments are very relevant to a consideration of the general tone and direction of CA.

VII. WHY THE DOCUMENT?

Finally there is the question of how Australia's Christian churches come to be producing a document like *Changing Australia*. It springs from a no doubt worthy desire on the part of the churches to involve themselves in the broadest range of human experience and contemporary issues. Yet in truth the Christian religion does not give us specific social and economic rules by which to run society. It gives us principles. The applications of those principles are prudential questions on which Christians of good faith can and do differ. Why then should the church, from money donated by the faithful who hold a variety of legitimate political beliefs, finance one set of political beliefs over other legitimate political beliefs?

The churches might answer that their documents are meant only to provoke discussion, or to act as statements of general concern. However, even discussion documents and

general statements of concern should demonstrate some awareness of the complexity of the fields they discuss, such as economics or foreign affairs. Moreover, CA makes quite specific policy recommendations that go well beyond a general statement of concern.

In a recent issue of the US *National Catholic Register*, Nikolaus Lobkowicz, while commenting on the American Catholic bishops' statement on nuclear disarmament, addressed himself more generally to the question of Church leaders and bureaucracies speaking on political questions. He wrote:

> When they hear that the Canadian bishops have spoken about economic problems (and that the US bishops intend to do the same), many European Catholics wonder whether the Church in the United States is not exposing itself to the danger of focusing on subjects about which no Catholic has a competence superior to that of any other reasonable and prudent man. Papal encyclicals on socio-economic issues are addressed to the whole world; thus they do not spell out anything beyond the bare essentials of social ethics. But when the bishops of a single country, and a hugely prosperous one at that, begin to meddle with issues about which every industrialist or even government official knows more than they do, they risk alienating a great number of the faithful. They might argue that their statements are not meant to be authoritative, that the faithful ought merely to consider them, no more. But how can the church teach convincingly that some of its statements are authoritative and others are not? There's a danger that when the church speaks about abortion, divorce or the Eucharist, many faithful will feel that these teachings too have as little binding authority as the Canadian bishops' adherence to 'small is beautiful'.

This is a serious and difficult question for the churches. Why should they use money donated by people of one perfectly legitimate political persuasion to finance the promulgation of views those people find offensive? Why should the churches lend their moral authority, in however attenuated a form, to one competing political program of dubious practicality and competence?

It would be better for the churches to finance a string of competing social justice bureaucracies - one for the trendy Left, one for the moderate Right, and so on. Social policy thinkers of these conflicting ideological proclivities would have no difficulty informing their policy positions with a Christian commitment because, as we have noted above, the

Christian religion gives us only broad principles for social ethics.

Of course, church authorities are notoriously slothful and bureaucratic in enacting this kind of reform, or facing up to this kind of question. A less expensive option for them would be to abolish church social justice bureaucracies altogether. Bishops and other church leaders who had researched a particular issue and felt strongly about it could then speak out on it in their own names. If they felt they needed to do more than this they could, from time to time, commission Christians with competence in a particular field of public policy to write a paper on the area, giving full weight to their Christian convictions. This would be the most intellectually honest and effective way of provoking useful dicussion among Christians on public policy issues.

There is no evidence that documents like *Changing Australia* have any effect on government policy. What they might contribute to is the perpetuation of a disgruntled and destructive sub-culture within our society. It is time the churches told us why they think this is a role they should play.

REFERENCES

The Australian (1984), 'Hawke rejects Hayden's attack on ANZUS treaty', 18 April, p 1.

Bauer, P.T. (1981), *Equality, the Third World and Economic Delusion*, Weidenfeld and Nicolson, London.

Gittins, R. (1983), 'Soft in heart and head: An economic appraisal of the statement', *National Outlook* September, p 8.

John Paul II (1982), 'Message for the World Day of Peace', 1 January.

Johnson, P. (1984), 'Stalin helped set up the Jewish State', *The Australian*, 21 April.

Klugman, D. (1984), 'Speech to the Inter-Parliamentary Union Conference', Geneva, April.

Lobkowicz, N. (1984), 'A letter from Europe: Have US catholics lost their senses?', *US National Catholic Register*, 11 March.

Minogue, K.R. (1984), *UNCTAD and the North-South Dialogue*, Centre for Independent Studies, Sydney.

Morgan, P. (1983), 'Explanations of the adversary culture', *Quadrant* 27(8,September), 20-28.

Muggeridge, M. (1975), *The Infernal Grove*, Fontana/Collins, Glasgow.

Paul VI (1976), 'Message for the World Day of Peace', 1 January.

Podhoretz, N. (1980), *The Present Danger*, Simon and Schuster, New York.

-----(1982), *Why Were We in Viet Nam?*, Simon and Schuster, New York.

AN EXCESS OF EQUALITY

Lauchlan Chipman

Lauchlan Chipman was educated at the Universities of Melbourne and Oxford. He is now Foundation Professor of Philosophy at the University of Wollongong and Visiting Professor in Jurisprudence at the University of Sydney. Professor Chipman is President of the Australian Society for Legal Philosophy and President of the Australian Council of Educational Standards. He has published numerous books and papers on the law, freedom and liberty, and philosophy.

AN EXCESS OF EQUALITY

Lauchlan Chipman

Changing Australia is an important document. That is not to say that it is a good document. Indeed, it is important precisely because of its failings. It has been produced by four bodies whose social philosophies are, to say the least, contentious. They are the Anglican Social Responsibilities Commission, the Catholic Commission for Justice and Peace, the Australian Council of Churches, and the Commission on Social Responsibility of the Uniting Church. It is intended for, and has already received, a very wide distribution. It is aimed particularly at young, literate, and compassionate Australians. It has already served as the focal point for Sunday School classes, and for general school discussions where it is used as a resource in social studies classes. Although aimed at a literate and compassionate young audience, and in particular a Christian audience, it does not warn that its many pronouncements on theology, economics, sociology, politics, and moral philosophy are denied or disputed by many whose expertise in some or all of these fields is at least as great as that of the unidentified individuals principally responsible for 'the Statement' (as the document describes itself), and whose sincerity and compassion are at least as genuine.

It is important that the generation to which this document is directed is not led to the belief that the analysis of Australian society it contains, the diagnosis of Australia's ills and the prescriptions for treatment put forward, are the received wisdom and the unchallenged orthodoxy among those who have thought long, hard, and sensitively about the subjects. In other words, it is important that the aim of this document is defeated. The document is in essence a sugar-coated neo-Marxist one, the motivational force of which flows from harnessing the language of compassion to the psychology of envy, and the language of love to the powerful drive of hate. The hate objects are familiar from the politi-

cal literature of the extreme left. Thus we are told (CA, p 18) that 'we have already seen . . . how the exercise of power in Australia is dominated by a small number of people'. In fact we have 'seen' this only because the document earlier equates the possession of power with the possession of wealth, and displays economically misleading but envy-generating graphs (pp 8,19) to show that 20 per cent of the people get 43 per cent of the income, and 10 per cent of the people own about half the personal wealth. We get the predictable line about peace and disarmament to the effect that 'the presence of United States bases makes Australia a participant in strategic policies which target cities and population centres for indiscriminate nuclear destruction' (p 21). 'The multinational corporations' are consistently treated as the baddies (e.g., being responsible for unemployment, unlike those unions whose insistence on real wage maintenance in times of recession has apparently not caused unemployment).

To strengthen the involvement of people in government (it seems that the right to vote, join a political party, seek endorsement as a candidate for office, and join the public service judged solely on criteria of merit do not give 'citizens . . . access to the political process') the Commissions recommend 'the promotion and funding of community lobby groups' (p 18). Where is the money going to come from? Their answer is clear. 'By international standards, Australia is lightly taxed' (p 21).

Law reform does not escape the attention of the Commissions. In a section titled 'Australia As It Could Be' (pp 16-17) a 'Sydney school boy' is quoted (presumably with approval) as follows: 'I think there should be some new laws. I have written some laws down. Make a path alongside the road for people on bikes. Help the prostitutes and make a home for them. Don't sell bombs or anything like that. Ban guns. So please make some of my laws to real laws.' I suppose we should at least be grateful that the document did not refer to him as a 'school student' or a 'kid'. Law reform, motivated by justice, means, in the view of the Commissions, 'the need for genuine land rights [for Aborigines] throughout Australia' (p 6). It seems to have escaped their attention that Aborigines are not denied land rights. Aborigines have the same rights to land as other Australians. Such land rights are normally exercised by exchanging money for the land in question, which money is in turn commonly acquired by working. What the Commissions want are further extensions of the practice of granting large tracts of land to Aborigines on terms and conditions not available to Australians of non-Aboriginal

origin - a privilege that is difficult to square with their call for 'an end to discrimination' (p 6). While there may be special considerations relevant to the peculiar problems of tribal Aborigines, they are not singled out in this document.

The document notes that 'power sharing by people is dependent upon the whole society respecting basic human rights, especially the rights to free speech, to free assembly and to political protest' (p 18). And what is the position in hapless Australia? The document continues, 'These rights are not even protected by statute in Australia. They rely on the unwritten legal tradition inherited from English law and so they can be restricted or abolished as Parliament wishes' (p 18). Now this really is illuminating. Are the Commissions of the opinion that a **statute** cannot be restricted or abolished as Parliament wishes? Are the Commissions of the view that these rights are better respected in the Soviet Union (where they are given statutory recognition) than they are in England (where they are not)? Have the Commissions forgotten that McCarthyism had its home and its greatest strengths in the country that enjoys the protection of the United States Bill of Rights?

The moral hypocrisy and logical inconsistency of this whole section are as transparent as they are depressing. The rights of the people are to be protected by entrenching them constitutionally, if the Commissions get their way, so that they cannot be amended or 'restricted or abolished as Parliament wishes'. In the name of protecting public involvement in government, certain rights are to be placed beyond the capacity of the people's elected representatives to change! It is most difficult to think of anything more arrogantly anti-democratic than the determination by spokespeople for one generation to so entrench their values as to make it well nigh impossible for the elected representatives of subsequent generations to legislate to implement what are then judged to be the most important and relevant values.

The offhand reference to the reliance on 'unwritten legal tradition inherited from English law', as well as falsely equating unlegislated with unwritten (the common law traditions are written in hundreds of volumes of law reports), coincides interestingly with even more disparaging references to the common law that appear with monotonous regularity in the Newsletters of the Human Rights Commission, which is busily carving out a niche for itself in the administration and implementation of a Bill of Rights by panicking ethnic minorities and disadvantaged groups into thinking that they cannot expect justice under 'English' common law. Indeed it is fair

to say that, on a national basis, we are seeing an increasing tendency towards having important values (such as non-discrimination, equality of opportunity, and so on) administered not through courts but rather through laws that hand power over to bodies composed of enthusiasts and staffed by zealots, in proceedings that are parodies of proper courts and look far more like the People's Courts of the Chinese Cultural Revolution. (I take this point further in 'The Zealots - Australia's Thought Police' in *Quadrant*, May 1984). One effect of *Changing Australia* is to instil in the minds of young people a negative attitude towards our legal traditions before they have acquired the knowledge or capacity to understand them and then, quite properly, critically evaluate them.

It is when the document turns to the distribution of wealth however that its moral vacuity and its barely concealed appeals to envy come into greatest prominence. 'The co-existence of wealth and poverty affronts human dignity. Most Australians have more than they need while others have less than is necessary' (p 19). What should be done about it? The Commissions give the following (predictable) answer: 'The ownership and control of resources and capital would not be an issue if our society guaranteed the fair distribution of the wealth created. But because fair distribution is so unreliable [*sic*], questions arise about sharing ownership and control' (p 19). And what is fair distribution? 'A fair distribution of wealth can be achieved through the complementary use of taxation and social security systems: the first to collect surplus [*sic*] wealth and the second to distribute it according to need. Higher social security pensions and benefits are necessary' (p 19). Just as it is easy to allocate land you do not own to people for whom you feel sympathy, so it is easy to allocate money other people have earned to people you believe deserve it more. Never mind that the person who is judged to have surplus wealth may be in no historic sense responsible for the poverty of those in need. It is the capacity to meet the need that generates the obligation to meet it and, moreover, an obligation that you are quite happy to translate into a legal obligation. The successful and the wealthy are thus depicted to the young readers as having special responsibilities for the poor and the needy, which justifies the forcible transfer of resources from the former to the latter.

How far should the distribution be changed? According to the Commissions, 'there is an urgent need for a commitment to a no poverty society. That may mean a society in which the resources available are **so fairly shared that no one**

is considered wealthy but all have some share in poverty. It would be a society in which justice is done. Because of the equality of shared struggle, it may become a society in which there is peace' (p 19; emphasis added). Now this goo is of such mind-slipping wetness that a rational response is difficult. Nonetheless response must be attempted because this document is used in an educational context under the imprimatur of a quartet of Christian Commissions. First, it is empirically false that a society in which poverty is shared universally is more peaceful than a society in which this is not the case. Second, it is patently untrue to represent a society in which poverty is universally shared, and which is structured to ensure that it is evenly shared, as therefore 'a society in which justice is done'. A society in which misery is universally shared is not therefore a more just society than one in which misery is shared less than universally. Indeed it is impossible to evaluate the justice or injustice of a society solely by reference to the distributive outcomes.

Third, the Commissions are simply wrong in thinking that a society in which 'all have some share in poverty' would necessarily be one in which there would be 'equality of shared struggle'. There are too many differences among individual human beings for this to be guaranteed. To see this let us suppose that, at midnight tonight, by some miraculous stroke, there is an egalitarian redistribution of wealth throughout Australia so that, tommorrow morning, we all wake up to find that we have equal wealth in holdings and equal incomes. Moreover, let us further suppose that by this same miraculous stroke we are all imbued with equal good will in the sense that none of us is ever again tempted to deceive, hurt or steal from another. Each of us respects equally the person and the property of others, and none of us is even tempted to violate the personal integrity, by deed or word, or the property (which has now been distributed equally) of any other.

Would this be a society of 'equality of shared struggle'? Would this be a society of perpetual 'fair distribution' (even assuming that the nocturnal rearrangements are, and are accepted as, fair)? The answer is plainly no. Given that people are generous to varying degrees, a certain amount of giving motivated by affection would certainly produce inequality. So, will gifts be taxed out of existence because they result in an unfair distribution? Given that some people live longer than others, they and their associates (e.g., family members, if families are not considered unfair) will tend to accumulate more over time than others whose expenditure patterns are comparable. Will longevity be judged an unfair

basis for having more? What of differences in motivation? Some people are perfectly content with little and do not want much in the way of possessions, or derive greatest satisfaction from things that do not cost very much. Others derive greatest satisfaction from things that are very expensive (international travel, yachting, and so on). Do we redistribute from those who have more wealth than they need (because their tastes are inexpensive) to those who can only obtain comparable gratification with expensive pursuits? Or do we allow those with expensive tastes to struggle harder (thus violating the principle of equality of struggle) - without violating the personal integrity or property of others - to afford to implement their dreams?

Two implications are clear. The first is that those who talk of redistributing wealth in society towards an ideally equal distribution are committed not to a single act of redistribution but to a perpetual process of redistribution. Every act of giving, every difference in life expectancy, every difference in motivation is going to upset the pattern. The second is that although inequalities of wealth may, and in the real world often do come about because there are some who do not stop at deceit, violence, or straight out theft in the pursuit of personal enrichment, this is not to say that a perfectly virtuous society would therefore be one in which inequalities of wealth would not occur. There are sufficient differences of a perfectly natural and morally acceptable sort among human beings to cause a perfectly equal distribution of resources to change in a quite inegalitarian direction. Indeed one of the main differences is in the scope and degree of love. The fact that each of us loves some individuals more than others does not to imply a callous indifference to the rest of humanity, but it does point to something that motivates us in our enthusiasm for the acquisition of wealth and the pattern of distribution we engage in. Perhaps it is the view of the Christian Commissions that we should not be allowed to express our love for others by providing them with things we believe will give them special satisfaction, things we obtain for them through our own honest labours.

The emphasis on equality, and the equation of justice with distributive equality throughout the document, indicate that poverty is not the only thing the Commissions regard as economically wrong in our society. For it is possible to be committed to the elimination of poverty without being committed to equality in a distributive sense. To see that this is so, consider the following four hypothetical societies and apply your intuitions to them. Assume that in each society

the purchasing power of one dollar is the same, and assume that the laws and institutions of the societies are also the same. Assume further that the poverty line in each society is represented by an annual income of $10,000. In Society A the poorest person earns $8,000 a year and the richest $500,000. In Society B the poorest earns $8,000 a year and the richest $9,000. In Society C the poorest earns $10,000 a year and the richest $14,000. And in society D the poorest earns $14,000 a year and the richest $14,000,000. The ludicrous thinking of the Christian Commissions as embodied in *Changing Australia* may be demonstrated by considering how, on their principles, these four societies would be ranked in terms of justice. In their view the most just society is Society B, in which poverty is most equally shared. The least just is Society D, in which wealth is most unequally distributed. The second most just is Society C, in which the gap between poorest and richest is $4,000 a year; and the second most unjust is Society A, in which the gap is $492,000. Thus the Christian Commissions would rank the societies as follows, from most to least just.

	Lowest	Poverty Line	Highest
1. Society B	$8,000	$10,000	$9,000
2. Society C	$10,000	$10,000	$14,000
3. Society A	$8,000	$10,000	$500,000
4. Society D	$14,000	$10,000	$14,000,000

Now this is surely a *reductio ad absurdum* of principles designed to express a commitment to a 'no poverty' society. For if we ranked the societies in terms of the absence of poverty, our ranking would be:

1. Society D	Gap $13,968,000
2. Society C	Gap $4,000
3. Society A	Gap $492,000
4. Society B	Gap $1,000

Society D is the one in which the poorest have most. Yet because it is the most inegalitarian society, the Christian Commissions' thinking would rank it lower in justice than a

society in which everybody subsists below the poverty line (their 'most just' society) and a society in which people subsist on the poverty line. Their principles commit them to the view that if Australia has a choice of moving towards becoming one of these four societies, it is toward Society B that the ship of state should be steered.

What this all goes to show is the familiar point that eliminating poverty in society is not the same as making society 'more equal' in wealth. It has nothing to do with equality; it has everything to do with an adequate floor. If the poorest members of the community had their needs met to an adequate level then we would have a 'no poverty' society. Unless, of course, one is really using poverty as a comparative notion, in which case it is true by definition that we can never achieve a 'no poverty' society unless there is a perfect and perpetually enforced distributive equality.

I cannot see any case at all for equality of wealth, although I can see a case (not argued for in this paper) for ensuring that an adequate floor level of resources is in some way guaranteed to all in society. The only glimmer of an argument for equality of wealth in *Changing Australia* is, as already mentioned, the equation of inequalities of wealth with inequalities of power. If, of course, what is meant is purchasing power, then that is more or less true (depending upon the form the wealth takes), but then the question becomes what is wrong with inequalities of purchasing power, assuming an adequate floor? But one senses in reading the document that the authors have in mind their old enemy political power, which is unequally distributed with inequalities of wealth. This would certainly square with the Marxist orientation of the document.

It also squares with the psychology of paranoia and the motive of envy. It is easy to say that huge wealth means huge political power, and easy to get an acknowledgement of one's profound sagacity. But translating that into real cases, real evidence, and a substantiated generalisation are more difficult tasks. Huge wealth gives one the resources to achieve political influence by corruption. But how extensive is this in Australia? To what extent do the very wealthy achieve political objectives through the corrupt use of their huge resources? It is important that we do not simply reinforce the seductive fantasies of the young that this is how it all works without real evidence, and more real evidence than just a couple of cases. And what of those who are not rich? Do they have no power? Do trade unions languish for lack of the wealth that is so simplistically equated with power? Are

the Women's Electoral Lobby and other pressure groups effective only because they are wealthy? Do individual writers and commentators change public opinion only if they are wealthy? It is easy and in a curious way comforting to believe that the wealthy are using their resources to achieve all sorts of political and other objectives that are out of reach for the poor or the average. However, ease and comfort of belief are not good tests of truth, and those who wish to condemn by implication the very wealthy as manipulators of the political system for their own special advantage, or whatever other abuse is implied in the equation of wealth and power, owe us the evidence.

I suspect that what many people find unsatisfactory is the simple idea that some people are very much richer than they are. They would still find it unsatisfactory even if poverty were eliminated. They would still find it unsatisfactory even if they were convinced that these people had acquired their wealth entirely in a virtuous manner, respecting the personal integrity and property of others all the while. They would still find it unsatisfactory even if they were convinced (if they ever could be) that these people were not surreptitiously using their wealth to achieve their preferred political objectives or in some other way 'against' the interests of those with less wealth. In other words, I suspect that envy is what really makes the call to distributive equality so appealing. Envy is one of the most destructive human motives. Envy leads one to say: It is better that you do not have it, even if nobody benefits from your being deprived of it. Envy lies behind calls to 'soak the rich' and strip the wealthy of their 'surplus' wealth, even if that wealth could not be used effectively to help anybody else.

Changing Australia is a distressing document because of its sloppy reasoning, its lack of moral consistency, and its confusion of purpose. It is not a document that reflects well on the social philosophies of the Catholic Commission for Justice and Peace, the Social Responsibilities Commission of the Anglican Church, the Commission on Social Responsibility of the Uniting Church, and the Australian Council of Churches. Rather, it confirms what many Christians believe: that these organisations are having a questionable effect on the moral, intellectual and political dispositions of young Australians. One can only hope that those Christians are right who say that these bodies do not represent considered Christian thought about Australia's future.

INDEX

CIS PUBLICATIONS IN PRINT

READINGS

1. **Wage-Price Control, Myth & Reality**, edited by Sudha R. Shenoy.
(1978) ISBN 0 9596485 0 X $6.95
2. **Rent Control: Costs & Consequences**, edited by Robert Albon.
(1980) ISBN 0 9596485 7 7 $9.95
3. **A New Financial Revolution?** edited by Malcolm Fisher.
(1982) ISBN 0 949769 04 5 $7.00
4. **The Constitutional Challenge**, edited by Michael James.
(1982) ISBN 0 949769 01 0 $7.95
5. **Occupational Regulation and the Public Interest**, edited by Robert Albon and Greg Lindsay.
(1984) ISBN 0 949769 13 4 $8.95
6. **Chaining Australia: Church Bureaucracies and Political Economy**, edited by Geoffrey Brennan and John K. Williams.
(1984) ISBN 0 949769 18 5 $8.95

RESEARCH STUDIES IN GOVERNMENT REGULATION

1. **Domestic Airline Regulation: The Australian Debate** by Michael G. Kirby.
(1981) ISBN 0 9596485 9 3 $5.50
2. **Rationalising Rustic Regulation** by E. Sieper.
(1982) ISBN 0 949769 02 9 $5.50

POLICY MONOGRAPHS

1. **On Buying a Job: The Regulation of Taxicabs in Canberra** by Peter Swan.
(1979) ISBN 0 9596485 5 0 $2.00
2. **Lessons from the Ord** by B.R. Davidson and Susan Graham-Taylor.
(1982) ISBN 0 949769 03 7 $3.95
3. **The Politics of Multiculturalism** by Raymond Sestito.
(1982) ISBN 0 949769 06 1 $3.95
4. **Free to Shop** by G.R. Hogbin.
(1983) ISBN 0 949769 09 6 $4.95
5. **The Resource Rent Tax: A Penalty on Risk-Taking** by Ray Ball and John Bowers.
(1984) ISBN 0 949769 15 0 $3.00

POLICY FORUMS

1. **The Economics of Bureaucracy and Statutory Authorities** by Gordon Tullock, A.S. Watson, Peter L. Swan, Warren Hogan, G.W. Edwards, P.E. Rae and Geoffrey Brennan.
(1983) ISBN 0 949769 10 X $5.95
2. **The Entrepreneur in Society** by Barry Maley, Malcolm Fisher, Michael G. Porter, Neville Kennard, Israel M. Kirzner.
(1983) ISBN 0 949769 07 X $4.95

OCCASIONAL PAPERS

1. **Liberty, Equality & Unhappiness** by Lauchlan Chipman.
(1978) ISBN 0 9596485 1 8 $2.00
2. **Social Justice, Socialism & Democracy** by F.A. Hayek.
(1979) ISBN 0 9596485 3 4 $3.95
3. **The Profit Motive** by Antony Flew.
(1980) ISBN 0 9596485 8 5 $2.00
4. **Taxation, Inflation and the Role of Government** by Milton Friedman.
(1981) ISBN 0 949769 00 2 $3.50
5. **The Rhetoric and Reality of Income Redistribution** by Gordon Tullock.
(1981) ISBN 0 949769 08 8 $2.50
6. **Liberty, Justice and the Market** by Lauchlan Chipman.
(1981) ISBN 0 949769 05 3 $2.00
7. **The Christian and the State** by Geoffrey Brennan.
(1983) ISBN 0 949769 11 8 $3.00
8. **Democracy in Crisis** by Michael C. Jensen and William H. Meckling.
(1983) ISBN 0 949769 12 6 $2.00
9. **UNCTAD and the North-South Dialogue** by Kenneth R. Minogue.
(1984) ISBN 0 949769 14 2 $3.00

(Prices are subject to change without notice)

CHAINING AUSTRALIA

Church Bureaucracies and Political Economy

Geoffrey Brennan and John K. Williams (eds)

contributions by

Geoffrey Brennan, Paul A. McGavin,
John K. Williams, Hugh Henry,
Greg Sheridan, Lauchlan Chipman

The essays in this book address what the role of the church should be in secular matters of political economy and social justice. The authors include philosophers and economists, clerics and lay people.

The church holds a unique position in our society. Its pronouncements carry considerable moral force, even for those who do not attend church regularly. How far can the church legitimately go in recommending government policies?

The authors conclude that the church has the same right as any institution to be concerned about social problems and to make its views on them known. But it also has an obligation to investigate the facts and present them fairly, and to respect the body of academic research that surrounds current thinking on such problems.

ISBN 0 949769 18 5 ISSN 0156-7306

CIS READINGS 6