

Clancy: cont. from P.120

of Independence include "Life, liberty and *property*" as natural rights, Jefferson argued that property was not an inherent right but an arrangement made by society (in Thomist language it is of the *bene esse* rather than the *esse* of human dignity).

While the teachings of the social encyclicals have improved since the days of Leo XIII, they have the same defect in that "property" is not defined. When it is defined correctly, it can be seen that the right kind of property does derive from inherent rights. The later encyclicals (perhaps Jefferson too!) need the same answer that Henry George gave to Leo:

"The right of property, originating in the right of the individual to himself, is the only full and complete right of property. It attaches to things produced by labour, but cannot attach to things created by God."

If I were to elaborate on this, I might as well give you the whole of George's argument; so I can only recommend that you read (or reread) *The Condition of Labour* to get the full beauty of his thesis.

Land hunger - the threat to Mugabe

LAND was the rallying cry for the rebels who fought the war of independence against Ian Smith's illegal regime in Rhodesia.

But independence following the Lancaster House settlement has left many black Africans landless, writes Ian Barron.

Robert Mugabe's socialist government plans to resettle 35,000 families over the next three years. But that still leaves at least 185,000 families - about 1m people - without the land to which they believe they are entitled.

Under the peace agreement, white farmers - they monopolise most of the best land, which was grabbed from the African tribes during the early colonial period - are entitled to full compensation.

At present, the government is being offered more land than it can buy at market prices.

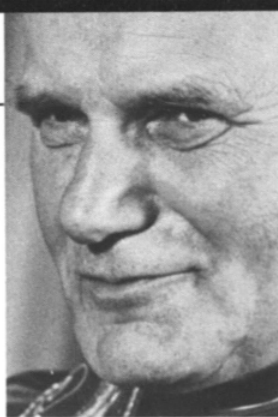
About £60m is available for the three-year resettlement programme.

The government is also confronted with an ideological problem. It favours the communal living/cooperative farming model.

But the peasants are demanding land which they can farm as individuals, the model so far adopted by 1,200 families.

Impatient squatters have started taking over farms, and government officials fear that unless the resettlement programme is speeded up, rural unrest could undermine the stability of Zimbabwe's first independent government.

● A House of Commons foreign affairs select committee has urged that Britain should increase her contribution to the land resettlement programme, and that European land held for speculation should be reallocated to black farmers.



Pope John Paul II

'Exploitation by landlords'

IN HIS latest encyclical, *Laborem Exercens*, Pope John Paul II states:

"In certain developing countries, millions of people are forced to cultivate the land belonging to others and are exploited by the big landowners, without any hope of ever being able to gain possession of even a small piece of land of their own.

"There is a lack of forms of legal protection for the agricultural workers themselves and for their families in case of old age, sickness or unemployment. Long days of hard physical work are paid miserably.

"Land which could be cultivated is left abandoned by the owners. Legal titles to possession of a small portion of land that someone has personally cultivated for years are disregarded or left defenceless against the 'land hunger' of more powerful individuals or groups.

"In many situations radical and urgent changes are therefore needed in order to restore to agriculture - and to rural people - their just value as the basis for a healthy economy, within the social community's development as a whole."

Although the Pope identifies a major problem in the global economy, he fails to identify the countries to which he alludes - or to explain why he exempts the rest; nor does he specify the mechanisms for a practical solution, beyond insisting that private property should not be regarded as sacred.

The constitution of fiscal policy

Monopoly in Money and Inflation, by Geoffrey Brennan and James M. Buchanan, Hobart Paper 88, London: The Institute of Economic Affairs, £1.50.

EVEN THE strongest advocates of free enterprise usually concede that the currency is the business of the state. Partly this is because the medium of exchange does not seem to lend itself to competitive provision, but acceptance of a monopoly in the issue of money is also founded on a belief in government benevolence. The authors of *Monopoly in Money and Inflation* not only challenge this belief but assert its antithesis, that governments will always act to maximize their revenue, even if this entails breaking promises.

The case is overstated - and in a theoretical and at times rather technical manner - but the authors succeed in making their point that the issue of the currency should be subject to constitutional restraint. To maintain the value of the currency it is essential to control the money supply, but the will to do so is undermined by the persistent temptation - lasting far beyond the life of any government - to enjoy the benefits that inflation confers through lower real interest liabilities and higher real tax revenues. Thus it is not enough to seek changes in immediate policy; it is necessary to regulate the monetary power itself.

The paper lists four ways in which this could be done: by establishing a completely free market in money, with no government participation; by permitting government issue of money but authorizing private issue as well; by linking the value of paper currency to a commodity such as gold; and by retaining the government monopoly but applying restrictions on the amount of money to be issued. The authors commit themselves to none of these alternatives. They plead only for the adoption of some form of monetary constitution.

This is an important perspective to the problem, but the argument can be taken a great deal further. The tendency for governments to maximize their revenue is to be seen throughout history. It is not confined to debasement of the currency, common though that has been, but appears also in burgeoning taxation and in the resort to borrowing which leads on to inflation. Once the legitimacy of the state's power to raise revenue as it likes is acknowledged, all else follows, and the attempt to impose constraints at any stage - to make taxes fair, to limit borrowing, to keep inflation down to a modest level - does not reach to the root of the trouble.

The fundamental constitutional restraint on government should be that it spends no more than its income. Its proper income is the revenue from the rent of land. It should not inflate, for inflation, in addition to its direct economic effects, is a major destabilizing force in society. Nor should government itself borrow (though publicly owned industries may do so). It should not even tax, for taxation is the expropriation of private property.

This is to preach an ideal, of course, an ideal that demands for its fulfilment a world of peace, of prosperity, and of freedom from past debts. The remoteness of that ideal need not and should not prevent us from proclaiming it.

Tony Carter