

Before Christmas two British bankers in San Salvador were kidnapped and held for ransom. To some, their captors are "terrorists": to others, "freedom fighters" . . .

Terror & the fight for Liberty

IDEOLOGY is at the heart of the battle for economic justice. But the material conditions usually preclude rational argument, writes P. E. Poole.

Dictators in countries like San Salvador and Nicaragua¹ use the spread of communism as an excuse for hideous atrocities. But Right-wing politicians invite the growth of Marxism by perpetrating the maldistribution of natural resources.

Ideally, the debate on social and political institutions suitable for changing societies ought to take place in a calm way, the outcome of democratic processes. A dynamic system has to be an open one within which incremental changes can take place in appropriate directions.

The reality is totally different.

Liberty

Most people are peasants struggling for a living: they are confronted with powerful elites who monopolise the land and so enjoy derivative power over developmental capital.

The peasants have little or no chance of articulating their grievances on the world forums in such a way as to influence cultural change as a direct result of their arguments. Political power is hoarded by minorities who shape events to suit their selfish ends: disinterested — moral — considerations are not allowed to prejudice their prospects.

These generalisations apply to the

industrialised countries as well as the Third World. If there is a difference in the structure of income distribution within these two groups of countries this is the result of the emergence of countervailing power (e.g., powerful trade unions).

Impoverishment in Third World countries invites violent reactions among frustrated peoples who find it increasingly hard to work a living out of their tiny plots of land . . . and the number of landless workers continues to grow alarmingly.

Ideally, the dispossessed peasants ought to be promoting a liberal ethic which enabled everyone to enjoy equal access to natural resources and therefore job-opportunities. This would entail the recognition that some of them ought to leave land which could then be amalgamated into economically viable units. To secure their agreement for this, however, it would be necessary to assure them that economic rent — the portion of value created by the inter-action of the community, and not exclusively by land users — would be redistributed through the fiscal system. For a tax on land values is the foundation for a reformed social system which would encourage economic development in the urban sector.

Practically, such a programme has not commended itself to land monopolists. Peasants therefore have to organise themselves politically and/or militarily . . . and here, Marxism proves to be attractive. For it preaches egalitarianism without complicating qualifications. Most important of all, however, it requires the discipline essential for badly-equipped and ill-organised peasants who hope for success.

Individualism, for example, is considered a sin among Thailand communists,² which is not surprising since no army can tolerate behaviour which detracts from the primary goal — victory over the enemy.

The suppression of individual behaviour indicts a system, yet we have to be careful to understand what compels such coercion. But it is an irony of history that the use of force has been corrupting and has never led to a principled society. Which is why it is vital, for those who are able to do so, to insist on using every platform available to rationally disseminate the ideas which can be adopted to formulate social institutions based on justice.

REFERENCES

1. *Land and Liberty*, Nov.-Dec., 1978.
2. Where the Reds rule in Thailand, *The Observer*, 24.12.78.



◆MASKED MEN take to the streets in Nicaragua: frustrated peasants are driven to guerrilla warfare in the absence of effective democratic processes.

POLITICAL COSMETICS

THE ELECTORAL thumbs-down to Gen. Ernesto Geisel's Government in Brazil's elections has had some effect. The outgoing Government — power is handed over to Gen. Baptista Figueiredo in March — has decreed tax reforms aimed at appeasing the country's poor.

Brazil has millions of families eking out a subsistence on marginal rural land and in the urban slums around Rio de Janeiro and Sao Paulo (about 25m. live outside the cash economy).

Statistics cannot effectively portray the extent of misery; for example, the estimate that 15m. children have been abandoned by parents who cannot afford to bring them up is a conservative one.¹

Land speculation and public corruption are rife, and Diana Smith has revealed how they merge — at the taxpayer's expense — into a single enterprise.² Special funds which are supposed to subsidise low-cost housing, small businesses and agriculture have been diverted into high-speed buying and selling of properties; but some of

these investments have been retained by owners, who then charge "cut-throat rents."

Property speculation has pushed up the cost of house-buying to prohibitive levels in recent years, with more people — not just the professionals — getting in on the act.

Which is why 25% capital gains tax has now been introduced on property worth over £99,000. The rate diminishes each year that the owner hangs on to his property, until the tax is wiped out after 10 years.

This cosmetic operation will have no measurable impact on speculation, however, but it successfully shifts the debate away from an effective solution. For while it might deter capital improvements on land, it will not thwart the speculators who can still make huge profits from their shark-like deals.

1. Michael Field in *Daily Telegraph*, 28.6.78.
2. 'Geisel Bites into property', *Financial Times*, 14.12.78.