

Economics for a Peaceful Planet

by E. Robert Scrofani



Edward Hicks, *The Peaceable Kingdom*

This morning, I heard

on the news that a cease-fire had been had been declared between the Israeli forces invading Lebanon and the P.L.O., which follows the cease-fire between the Arab nations of Iraq and Iran, and the cease-fire and state of non-war between the governments of Argentina and the United Kingdom over the Falklands. While we are heartened by these efforts, is this peace? A cease-fire? Or is peace a desire not to use force to solve international conflicts, a desire to cooperate, to share the bounty of the earth for all its citizens. What is peace but the milieu that will permit man, through cooperation and participation, to enjoy his brief existence on a planet which is generous with its bounty?

Henry George wrote that man reaches his greatest heights through cooperation. Societies reach their zenith when numbers of people come together to produce a quality of life through cooperation. If peace is that special quality, within which man can grow and prosper, what then is economics? Economics comes from the Greek word “eco” for house; ecology for the study of the home or environment and economy for the management of the house. For us, our house is this planet. In a well-managed house:

- ✧ no one kills one another.
- ✧ there is trust.
- ✧ everyone eats.
- ✧ everyone who can and wants work can work.
- ✧ land is accessible for life, with labor at decent wages and capital at decent return.
- ✧ the productive members of society are allowed to produce.

But this planet of ours is not a well-managed house:

- ✧ millions go to bed hungry.
- ✧ vital forests are being destroyed.
- ✧ the poor are flocking to cities where there are no jobs.

To solve these problems, some say we must:

- ✧ take from the rich members of society and give to the poor.
- ✧ use birth control methods, and family planning, to cut down on population growth.

But we know that in order to have a well managed house, we must first recognize that we are all land animals; that without land we cannot exist. As Henry George said:

If you would realize what land is, think of what men would be without land. If there were no land, where would be the people? Land is not merely a place to graze cows or sheep upon, to raise corn or raise cabbage. It is the indispensable element necessary to the life of every human being. We are all land animals; our very bodies come from the land, and to the land they return again.

Therefore we must focus on the key problem of mismanagement of this planet — the land tenure problem. The Presidential Commission report on Global 2000 lists all of the effects of our mismanagement. It is a grim and troubling picture. In his lucid World Watch monograph, “The Dispossessed of the Earth ... Land Reform and Suitable Development,” Erik Eckholm, a world authority on ecological problems, writes:

Many of the international community’s widely shared goals — the elimination of malnutrition, the provision of jobs for all, the slowing of runaway rural-urban migration, the protection of productive soils and ecologically vital forests — are not likely to be achieved without radical changes in the ownership and control of the land. It is a delusion to think that the basic needs of the world’s poorest people will be met without renewed attention to the politically sensitive land tenure question. It is even a greater delusion to think that the dispossessed of the earth will watch their numbers grow and their plight worsen without protesting. The issue of land reform will not go away.

As Eckholm points out, the patterns of land ownership shape patterns of human relationships. They help determine the possibility and pace of economic change. To ignore

the land tenure question — and in fact, not to give it the primary focus of our energy — will guarantee that our efforts will fail.

Man has a continuous relationship to land, in agrarian as well as industrial societies, in poor as well as rich nations. Changing the relationship of the people to the land is the stuff of revolution — political, economic and ethical. For even the most economically advanced countries, land ownership remains a significant source of wealth and influence. Eckholm further illustrates this point:

In the US, where only one in every twenty-eight people live on a farm, changes in the size and the ownership of farms today are generating questions about the implications for employment, resource use and community welfare. In Africa, Asia and Latin America, where three-fourths of the world's people live, the control of farmland remains the principal key to wealth, status and power. Hundreds of millions of families are struggling to improve their lives through agriculture without secure access to the basis of agricultural life: farmland.

It is to this three-fourths of the world that we must direct our efforts. A landless peasant who is born and dies in debt, who sees half of his children die before the age of five, who lives on the edge of survival, will not be reconciled to less than access to the land for his survival in the future. It is this issue we must deal with, immediately, at home and in the world, or face the continuous hemorrhaging of nations.

The global development process has bypassed the landless laborers, sharecroppers, and marginal farmers who constitute the majority of the rural residents of the world. Pope John Paul II stressed this point in Mexico in 1979 when he said: "There is

always a social mortgage on all private property.... The land is held in stewardship for humanity.”

We cannot divide the resources of the earth equally among the billions who will be here in the twenty-first century and beyond. But we can divide up the wealth of the land more equitably so that the individuals in society, as well as the entire private sector, may solve the critical problems of mankind. Many studies have shown that improvements in social and economic conditions reduce many of the pressures on the land.

There are many different roads to successful land reform. In Taiwan, for example, after a carefully articulated land reform program, population growth rates fell from 3.8% to 2.2%. An extensive system of farm cooperatives provide credit, markets and new technology. Not only have the farmers doubled their output, they have provided employment for rural dwellers, lessening the burden of the cities. As James Grant, former president of the Overseas Development Council and current Director of UNESCO stated:

There is probably no country between Japan and Israel where there has been such an improvement in the material and social well-being of the little man as in Taiwan, or where he has greater control over the important decisions affecting his immediate livelihood. The rural progress of the farmers has not been subsidized by taxes on the urban and industrial sectors but paid out of the farmer's increased productivity.

The productive farmers of Taiwan had gained access to their own land, a promise made a quarter century before by Sun Yat Sen. The productivity and the incentive

generated by land being held in the hands of the tiller meant that the income of the lowest fifth of the population could increase. The ratio of income from the richest twenty percent to the poorest twenty percent declined from 15 to 1 in 1950, before land reform, to 4.5 to 1 in 1969.

These results or similar ones have been generated by many different programs throughout the world, in free economies and planned economies, but the Taiwan model is unique in that it employs many of the facets proposed by Henry George:

The way to secure equality is plain. It is not by dividing the land. It is by calling upon those who are allowed possession of pieces of land giving special advantage to pay to the whole community, the rest of the people, and including themselves, to the whole people, a fair rent or premium for that privilege as using the fund so obtained for the benefit of the people. What we would do would be to make the whole people the general landlord, to have whatever rent is paid for the use of the land to go, not into the pockets of individual landlords, but into the treasury of the community, where it could be used for the common benefit.

If we retain the paradigm that land tenure systems must gratify ownership without effort, then our hopes for the future will be dashed on the record of the past. Inequitable land tenure systems, which allow monopoly of nature's resources and deny access to the land to labor, guarantee injustice, poverty, and the accelerated population growth we see in all the undeveloped countries. Without economic justice we cannot have peace. Without access to land, we cannot have economic justice.

Further Investigation

More about Henry George, the Single Tax movement, and Georgist economic theory can be found on the website of the Robert Schalkenbach Foundation at:

www.schalkenbach.org

or write for a free catalog:

Robert Schalkenbach Foundation
90 John Street, Suite 501
New York, NY 10038



Distance-learning courses on political economy and Georgist thought are offered by mail and on the Internet by the Henry George Institute:

www.henrygeorge.org

or write to:

Henry George Institute
121 East 30th Street
New York, NY 10016



The Henry George School of Social Science offers tuition-free courses at the above address. Learn about their program in New York and in other US cities at:

www.henrygeorgeschool.org

or call (212) 889-8020.

E. Robert Scrofani (1932-1992) was a high school teacher, and served for many years as the Director of the Henry George School of Northern California. This speech was given at the Westminster Conference on Economics for a Peaceful Planet, June 1982.



Robert Schalkenbach Foundation
90 John Street, Suite #501
New York, NY 10038
(212) 683-6424
www.schalkenbach.org