

# Henry George Newsletter

High School Edition



Issue 27, Oct. - Nov. 1995

## How the West is Run

Although the concept of private property is one intrinsic to the ideological foundations of our economic system, over one third of U.S. land is considered public and in the hands of the federal government, which plays the role of caretaker. However Republicans, as part of their Contract With America, want to return those public lands to state control and ultimately into the hands of private corporate ownership. This article can be used with the Land & Freedom series # 17 (*The Changing Frontier*) and # 20 (*Land: Our Natural Heritage*).

## Redefining the Wealth of Nations

In the eighteenth century, Adam Smith wrote the *Wealth of Nations*, a book in which he refuted the then prevalent idea of mercantile colonialism which saw the hoarding of gold and silver as the measure of wealth. In spite of Smith's influence, we still tend to think of a nation's wealth as being based solely upon such tangible assets as per-capita income of its people. The World Bank, however, has recently released a study which redefines national wealth according to other factors. This article can be used with lesson #13 (*Gross National Product*) in the Economic Series.

## Cartoons

The cartoons on the last page are appropriate for American History Series #11 (*Irish Immigration*) and Economics Series (*Factors of Production*) and World History Series # 6 (*The Enclosure Movement*).

## Free Materials for Teachers

The U.S. Forest Service offers a packet containing a lot of information, mostly about trees; both about the economic role they play (in the production of building materials and paper products, etc.) and their vital importance to the global environment's eco-systems. The lessons can be adapted to classroom use for teaching economics, language arts, and science. Also included - *Leave No Trace*, a pamphlet that helps students conceptualize the impact people have on undeveloped areas. Write to: U.S. Forest Service, Information Office, 324 25th St. Ogden, Utah 84401



The U.S. Environmental Protection Agency offers a story book on the effects of pollution on the environment. Along with this book, they send a poster depicting the wetlands and the wildlife that inhabit them. Also included are various pamphlets on the effects of toxic chemicals, the function of the EPA and how environmental laws are enforced. Also: Teaching activities about the ozone layer and the effects of various chemicals upon it. Write to: U.S. Environmental Protection Agency, Washington, D.C. 20460

The Egyptian Tourist Authority has two items that they make available to teachers. One is a map of Cairo, in English, which pinpoints locations of many hotels, airports, banks, embassies and museums and provides a descriptive list of them on the back. They will also send a packet-folder which details in some depth Egyptian history (both ancient and modern), culture, archeology, modern travel to and within Egypt, sight-seeing tips and addresses for many other agencies that you write to for additional materials. Write to: The Egyptian Tourist Authority, 630 Fifth Ave., New York, NY 10111



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# How the West is Run

-by Acton Bell

Ashland, Oregon - A political struggle is building over ownership of wide-open spaces in the West - one that could lead to the biggest changes in federal ownership in more than a century.

At stake are lands controlled by the United States Bureau of Land Management, a combined expanse bigger than Texas and California that is rich in natural resources and natural beauty.

These holdings would be made available to the states if legislation now being considered in the house and senate is approved.

Many Western lawmakers, governors, and local officials (not to mention ranchers, miners, and other resource users) favor bringing control of these lands closer to home. Wild-life managers, environmentalists, those wanting to reform U.S. grazing and mining policy, and Clinton administration officials are adamantly opposed.

What everyone agrees on is the scope of the proposal.

"If enacted, this legislation would represent the most sweeping change in federal land ownership since 1867, when the U.S. bought Alaska from Russia," says Robert Dewey, director of habitat conservation for the environmental group Defenders of Wildlife.

The Bureau of Land Management controls 272 million acres in the 11 western states and Alaska. And since the nation's chief landlord oversees mineral rights on other public lands as well, the agency has at least partial jurisdiction over nearly one-third of the U.S. land mass.

Vast resources, as well as major political turf, are involved: one third of U.S. coal reserves, 12.5 trillion cubic feet of natural gas, 1.4 billion barrels of oil, 170 million acres of grazing land, 48 million acres of commercially valuable forests, 35 percent of the nation's uranium reserves, 80

percent of U.S. oil-shale reserves, billions of dollars of ore deposits.

Assets that are less tangible include wildlife areas, archeological treasures, and recreation sites.

"There should be no doubt that the land and mineral transfers this bill would authorize would irrevocably change America and the American West," Assistant Secretary of the Interior Bonnie Cohen told a House subcommittee recently.

Most BLM land was either rejected by homesteaders or returned to federal control when settlers couldn't make it because the territory was so harsh and dry. Laws passed since then (such as the Taylor Grazing Act of 1934 and the Federal Land Policy and Management Act of 1976) confirmed federal ownership, but left open the possibility of transferring those lands to the states.

Westerners say they're in the best position to use and take care of those lands.

Others here grumble about the frequent turnover of land managers in the BLM and other federal agencies, and they argue that states could manage such lands far more efficiently and cheaply than Uncle Sam.

"Elected officials at the state and local level can be held directly accountable for the effect of their decisions," Arizona Governor Fife Symington (R). "No such direct accountability exists for federal land managers."

Critics worry that turning BLM lands over to the states would open them up to excessive economic exploitation while limiting public access.

"A few greedy Western states want to weaken the entire country by grabbing trillions in land and minerals that belong to the U.S. as a whole," charges Philip Hocker, president of the Mineral Policy Center, a group working for reform of federal mining law.

"With state ownership, the pub-

lic-land livestock user, other federal lease-holders, and large corporations see this legislation as one step closer to the day when they can acquire title to the public lands," warns George Lea, president of the Public Lands Foundation, an organization of about 1,000 BLM employees.

In her testimony before Hansen's subcommittee in July, Ms. Cohen was especially harsh in her criticism. and she said President Clinton likely would veto such a measure. "The legislation is a giveaway, pure and simple," she said.

But others say it's time Western states - like those in the rest of the country - should be able to manage territory within their borders.

"Historic federal dominance has kept much of the West in a condition of political and economic adolescence," observes Robert Nelson, professor of public affairs at the University of Maryland.

"There is not doubt that any major change in land tenure would disrupt long-standing political, financial, and legal networks and relationships," says Dr. Nelson, "But in the long run, Western states would very likely be better off and the lands more efficiently managed and beneficially used."

-Reprinted from the Christian Science Monitor

## Questions

1. Which groups favor and which groups oppose the legislation?
2. What resources are involved in the proposed changes?
3. How did the federal government gain control of these lands?
4. What reasons are given for state take-over?
5. Why do some say the land should remain under federal and not state control?
6. After reading this article, give a definition of wealth.

# Redefining the Wealth of Nations

-by Mark Memmott

The way policymakers and economists think about the economic health of nations may be fundamentally flawed - and potentially dangerous.

That's one conclusion you could reach after reading a report released in September by the World Bank.

Not only does the report dramatically change the rankings of nation's wealth, putting Australia in the top spot, but it challenges the overriding goal that leaders and economic experts have always set for economies around the world.

It also raises issues President Clinton and congress will have to consider as they battle balancing the federal budget - a worthy goal, in most economists' opinion - while they also try to protect the U.S. economy's long-term interests.

The traditional quest of leaders and economists: to increase the amount of goods and services their nations produce. That means more factories, more homes, more stores - more of everything every year.

But that type of thinking could mean many leaders ignore factors that are critical to the long term health of their nations' economies.

"It's as if they're not keeping their eyes on the balance sheets," says Ismail Serageldin, vice president for environmentally sustainable development at the World Bank.

Others things Serageldin and his staff say need to be considered when evaluating a nation's wealth:

Natural capital - the value of land, water, timber, minerals and other natural assets.

Produced assets - the value of machinery, buildings and public works.

Human resources - the productive value of people.

Social capital - the value of families, communities and the other organizations that glue a society together.

A nation that ignores or fails to adequately protect and invest in any of those areas risks ruining the long-term health of its economy in favor of short term gains. It won't achieve Serageldin's definition of sustainable growth: "Giving future generations as many opportunities as, if not more than, we have had ourselves."

All that sounds like common sense. But before the World Bank report, few had tried to put a dollar

## **"OLD WAYS OF THINKING ABOUT ECONOMIES MAY LEAD TO DISASTER"**

*- World Bank*

value on those other key factors. Serageldin and his staff did that in an effort to rank national wealth and to start a discussion about which nations may need to rethink priorities.

Serageldin admits the bank's work is experimental, and that it is difficult to estimate the value of human resources, social capital and untouched natural resources. But over two years, his staff and the report's principle author - John O'Connor - developed data that show:

Buildings, roads, infrastructure and other produced assets don't determine whether a nation is truly wealthy. All of the 192 nations it studied, the World Bank estimates, draw 15% to 20% of their wealth from such assets. That holds true "regardless of whether it's Madagascar (a relatively poor nation) or the U.S.," Serageldin says.

For nations that aren't blessed

with abundant natural resources, the key to becoming wealthy lies with their people. Those like the U.S., which invest in education, training and nutrition and health programs, rank high. Tiny Luxembourg, for example, has an estimated per-capita wealth (by the Bank's formula) of \$656,000. That's the third largest in the world. Why? Because it's among those nations, the report says, where the people have good medical care, good educations and good training. Result: They can expect to earn good incomes most of their lives.

True, by the World Bank's formula, Australia and Canada are the richest nations - based on per-capita wealth - because of vast natural resources and small populations.

But the report reinforces what is becoming increasingly apparent in a global economy: Old ways of thinking about economies may lead to disaster. Resources need to be protected. People need to be invested in. And wealth isn't measured by production alone.

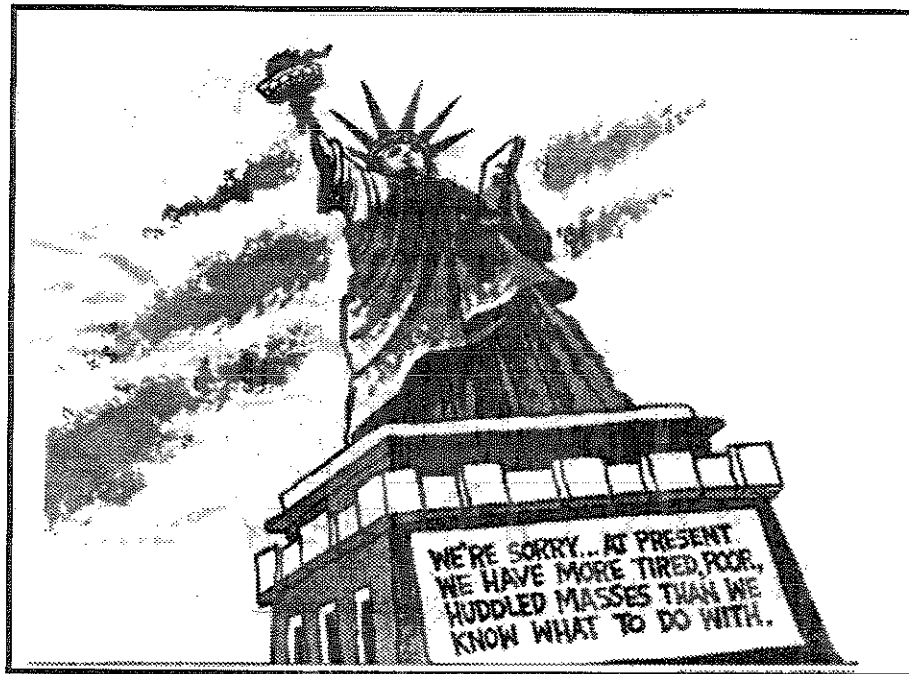
*-Reprinted from USA Today*

### **Questions**

1. What do nations usually do to better their standard of living?
2. What methods are suggested by the World Bank for gauging a nation's wealth?
3. What might happen if new factors are not considered?
4. What data did World Bank use to make their case?
5. After reading this article, define wealth.

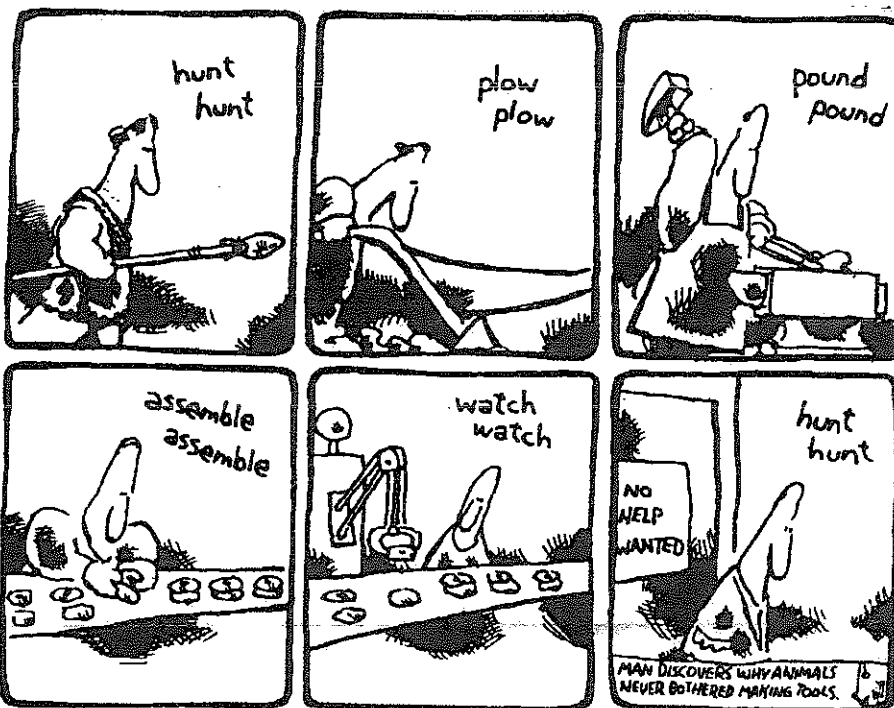
## Questions

1. What is the meaning of this cartoon?
2. What phase of history does each panel represent?
3. Are tools (or capital) the reason for unemployment?
4. Name some of the relationships between man and capital.
5. How does the first panel differ from the last?
6. What is different about people working for themselves and working for others?



## Questions

1. Give a title for this cartoon.
2. What does the cartoon mean?
3. Give examples of the various groups referred to.
4. What is the real inscription on the Statue of Liberty?
5. Do you agree with the cartoon inscription?



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