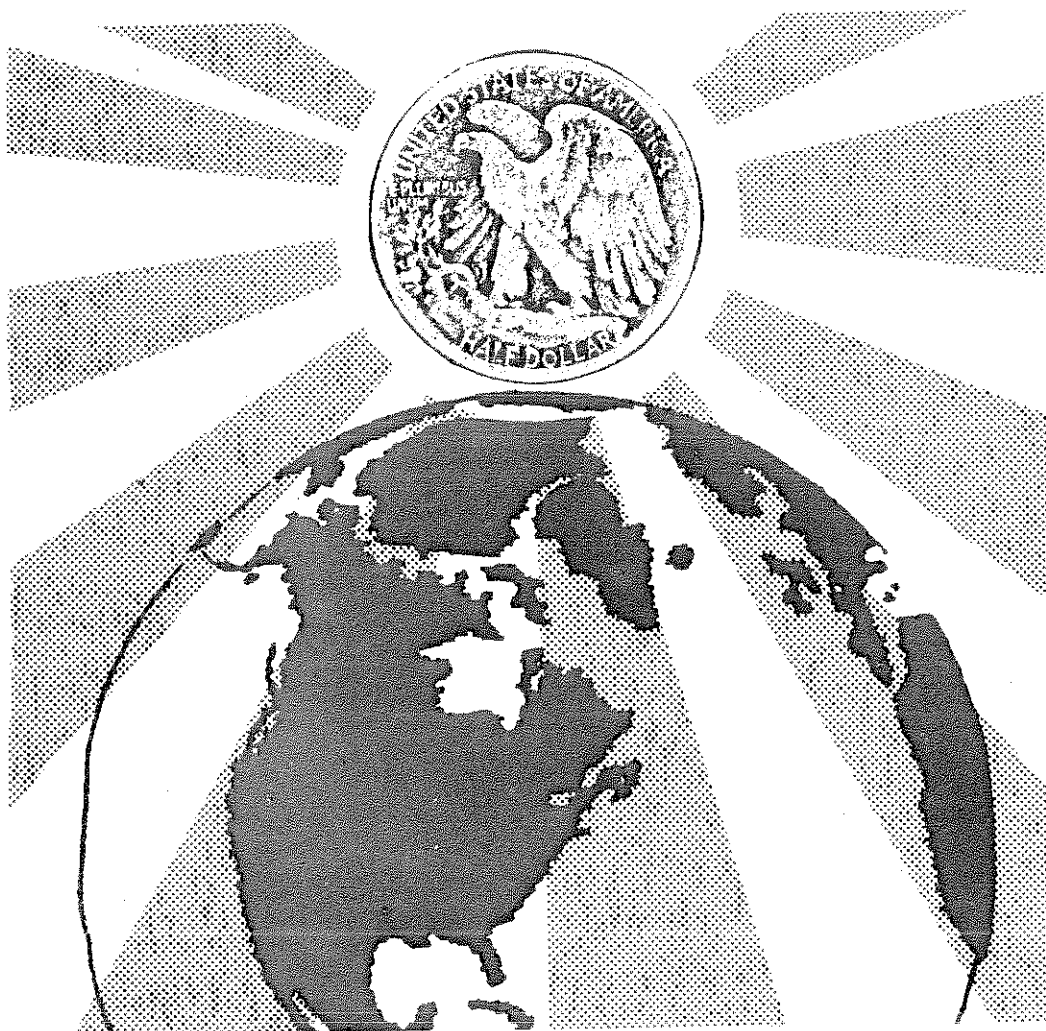


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CLARIFYING

THE ECONOMICS

OF PEACE

- Mildred J. Loomis

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What Are Specific Causes of War?

Back of War are basic economic mal-adjustments. Most people know this, but few clearly understand the real nature of, or can explain, the specific mal-relationships which bring on international conflict. Thousands of protestors are vaguely aware of "economic causes of war," yet admit their confusion. Economists, in and outside of earnest reform groups, present varying and opposing economic programs for peace. Vagueness, perplexity and economic illiteracy predominate.

In this confusion one often hears that the *other* nations — particularly "communist" nations — are the enemies, the aggressors who are responsible for war. Persons who suspect mistakes on "our" side share at least two unsemantic habits: they may indict some big, general *abstractions* ("capitalism," "the Establishment," "exploitation," "imperialism") as war's chief causes. Or at an opposite extreme, they condemn a particular *person* or group of persons — "the President," "the Administration," "the millionaires."

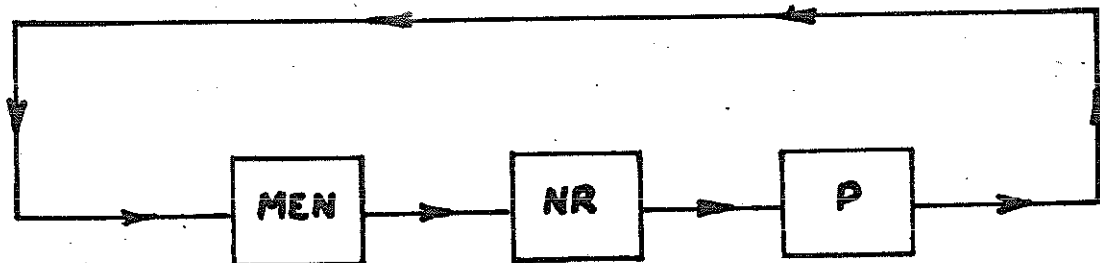
All these by-pass and fail to uncover the basic assumptions and factors in our western, "democratic" economic system (or *any* system) which make the Vietnam War and similar wars, *inevitable*. What is it in our U.S. economy or any economy, which produces such persistent conflict within it, that it necessarily spreads beyond its national borders? Sometimes persons attempting to isolate war's economic causes name such activities as "unemployment," "foreign investments" or "armament production." But what causes these? Unemployment, foreign investments and armament are indeed part of the war-process, but not initial causes. Where do they start? When we find their beginnings, we can more likely replace them with basic and adequate programs for economic health and world peace.

In economics is our survival. In the area of living which we call "economics," persons produce goods from the earth and exchange them with one another. Essentially economics is production and distribution. "The Earth is a well-provisioned ship," said an American economic-philosopher, Henry George. If production and exchange are fair and honest, everyone can survive without conflict. But if at the center of either production or exchange (or both) some persons have privilege, not shared by others, the privileged benefit unduly and others may starve. From this disparity comes conflict. This conflict-process, continued for years and multiplied into an industrial complex, expands across the globe. Could we now re-state the problem at the head of this article: What are the specific causes of war? to ask, "Under what conditions can production and distribution of material goods be done without privilege and conflict?"

The five graphs below, with brief explanations, attempt to get at economic roots. Basic economic factors are named; their nature examined; their labels defined. They are essentially obvious and simple. They may not be familiar in the sense that they are subjects of general conversation,

but economic factors are not complex and obscure. Any reader can test the adequacy of these definitions and explanations by his own personal observation.

A Peaceful Flow of Goods



GRAPH 1

This first graph shows the simple, peaceful flow of goods in which there is *no conflict*.

Three factors exist: Men, Natural Resources (NR) and Products (P). Each by nature is very different from the others.

Men. Human beings are the active, creative, energy systems. They, by nature, must use the materials from the earth to sustain their lives. They must get to, have access to, use natural resources.

Natural Resources. Land, seas, harbors, minerals, forests, oil. These are natural, uncreated. They are "given" — not produced by men. They are *limited*, and yet *necessary* to every person's survival.

Products. When human beings use their energy on Natural Resources, they get something entirely different: houses, cloth, tools, food. All these include human labor. They are called products, wealth, capital. Because of his labor in it, one who has produced them (or exchanged value for them) can call these products his *own*. He can consume, save, sell, let it spoil, destroy it and no one will be harmed but himself. It is of course of his interest to use it wisely.

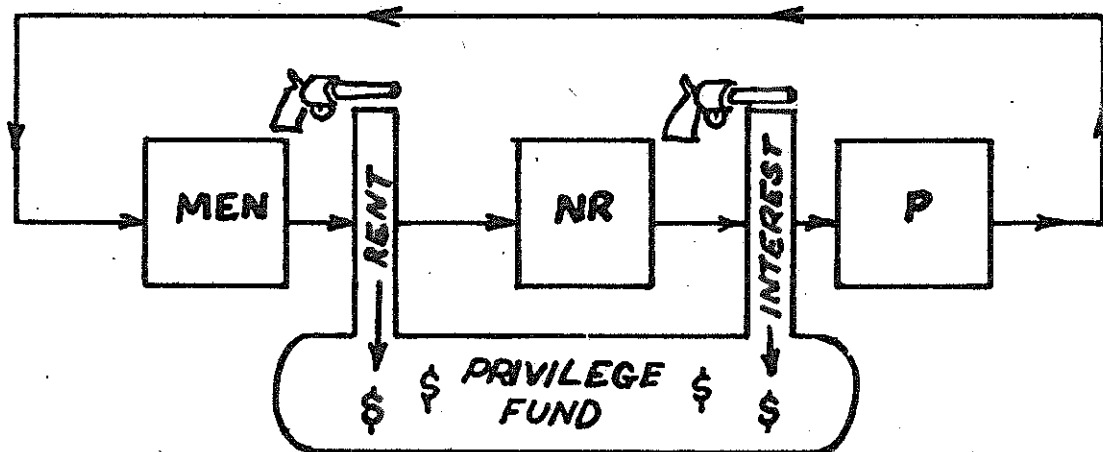
So long as all men *can* get to natural resources on an equal footing, there is no conflict. (Not every person may choose to produce on the land directly. Many may prefer to work in the secondary level of processing or manufacturing. But access to land is open to him on equality with all others.) So long as each man can own and use the products he produces there is no basis for conflict. A system where nothing obstructs access to resources nor interferes with the flow of their products back to Men, *could not produce organized war*.

Who Owns What?

Since Natural Resources are not produced by Men, it can readily be seen that NR cannot be called "private" (mine) to be owned and sold like the things which one produces (P) from natural resources. Ethically one can "possess," (have title to) natural resources so long as he occupies and uses them. Long ago, natural resources were recognized as free to all. Land

was held in common. But the Romans figured out a system whereby the ones with power could force others off the land. In England, land was common. But after the Norman conquest, the Nobles took over the Roman system, and one day passed Enclosure Acts. These laws gave the Lords the protected legal (coercive) right to claim as much land as their own as they could enclose or fence in, even though they were not actually using it.

The early founders of our American system were both victims and beneficiaries of the Enclosure Acts. Men forced from the land by these laws (and their dependents) fled to America for greater freedom. Some of them made a valiant effort to establish a common-possession of land in this country. (Witness Boston Commons) But European heads of government and business were desperate in their lust for virgin resources. They in effect "legalized" the private, absentee-ownership of land in America. In the early American struggle "political" independence was won from foreign nations, but economic freedom was not fully won. Nothing in the U.S. Constitution separated natural resources from "Property"; nothing protected citizens from predatory land-owners and banking interests. On the basis of Roman-English law, they erected a legal obstacle, called Rent, in Graph 2. The revolver signifies the support of law, courts, police, the army, i.e. coercion.



GRAPH 2

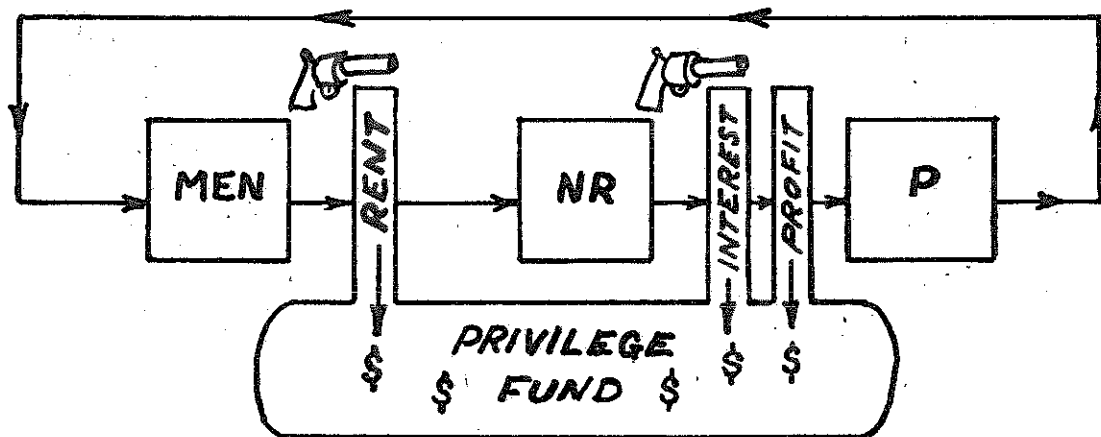
Now comes many men toward their essential source of livelihood (NR). But as Graph 2 shows, a toll gate has now been set up in front of NR. A man stands there who says, "Pay me." "Pay me for access to Natural Resources." Henry George's *Progress and Poverty* gives insight into how much each landowner will decide he can claim as land-rent and how such decisions are made.

So now Men are compelled to take from their first labors to pay another, the landlord. The landlord now lives by privilege rather than by labor. Here begins the conflict of desires. The graph shows the

rent-payment dropping into an unearned privilege fund, under the protection of legal power. To the degree that some men's production slips through the rent-leak into the Privilege Fund below, there is less going round the flow, back to the hands of the producers (Men).

Later producers (another generation) are now without funds to pay rent, or construct shelter, or start a business. They must ask for loans from some of the Haves. These privileged persons, or Haves, set up a lending system and charge for the loan of money or capital. A second great block to the free flow of goods is now installed (Interest), which producers must pay to a banker or money-lender. This too goes into the Privilege Fund, legalized by force and law. Now the conflict between the Haves and the Have-nots is rooted in two exploitive practices. Now there is less goods flowing than before, round the cycle to the producers.

The Increment Called "Profit"



GRAPH 3

Rent and interest deprive the Producers. But "interest" on money helps create another unearned increment called profit. Some producers can produce without borrowing money. Other producers must borrow at interest. They add this interest to the cost of producing and raise the selling price to recover it. But producers who had their own capital sell at this higher cost too, and thus gain in "profit" an amount equal to the interest others were required to pay. Thus a third block or hurdle to a free flow of goods is introduced. These three great leaks inflate and swell the Privilege Fund (Graph 3).

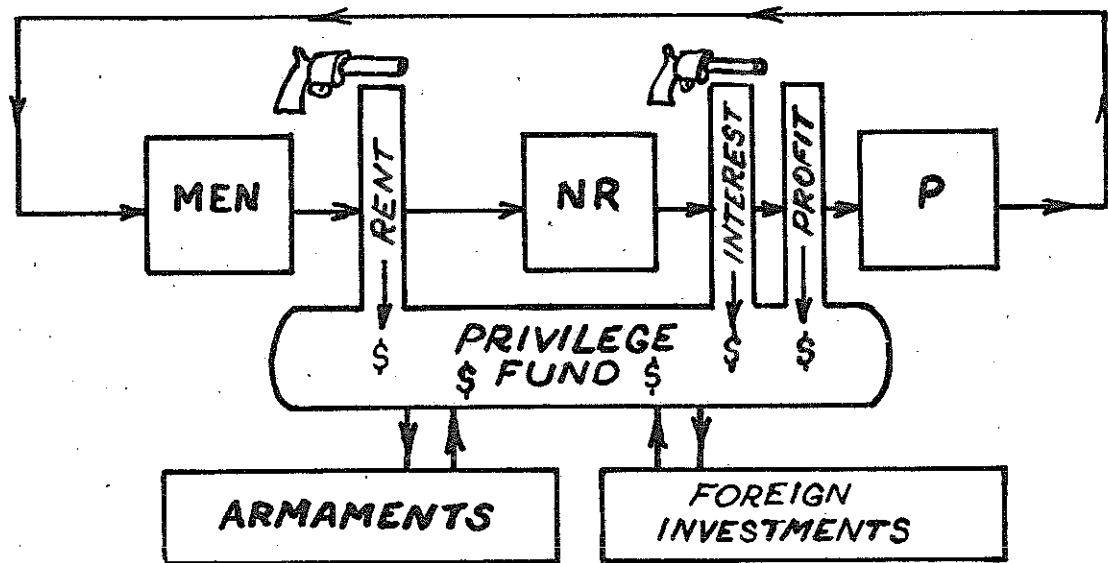
A great imbalance develops. Managers of the Privilege Fund become richer; the Producers become poorer. Some always live at bare subsistence. Yes, managers of the privilege fund invest back into the flow. But the imbalance remains. Certain producers find it increasingly hard to sell all they produce. Why? It is not hard to see. The Men back at home haven't enough coming back from the flow of goods to buy all the goods which they have produced. Too much of their produced portion (or wages) has been leaking away from them via this triple leak into the hands

of those who have not actually produced the goods. (In fact "taxes" become the *fourth* leak. Government — which protects the privilege which starts the imbalance — is called on to "help" the under privileged, to pay Social Security, pensions, put up government housing, etc. All such tax costs which do not produce new goods into the flow, are paid for largely from taxes on production.)

Makeshifts to Keep the Flow Moving

What shall producers and suppliers do? They can offer their goods on installment: "No need to pay for it all at once." This way goods can be kept moving. (But in the long run, interest payments on installments slow down the process.) Or they can make cheap, shoddy goods — cars, washing machines, etc. — that wear out in 5 or 10 years, so that Men will have to buy new ones. Or get the government to "create" money and pump it into the stream to inflate buying and prices. But even with all these make-shifts there is still too little going back into the hands of Men to buy all the goods which are produced.

Men in charge of the big bag or Privilege Fund are hard-put to find places to invest and use their funds. Business is "slow"; buyers (producers) have too little to spend as it is. Not long until Privilege Funders discover another "out." They see opportunity in the undeveloped countries. Here is



GRAPH 4

a way to "use" their huge "surpluses." They invest in Cuban sugar plantations, South American rubber, Asian ores, Arabian oil, and in the resources of Australia, Kenya, Vietnam, South Africa. What a relief! The Privilege Fund is "working." Very little capital and savings in those countries. Good — we'll loan them "ours." Out there 50, even 90%, of the natives are "serfs" and renters of land...Western investors start their

back-home system abroad. Rent, interest and profit road-blocks are set up in the flow of goods in undeveloped countries. The Privilege Fund increases. Natives protest, rebel, revolt at not getting their share of the new "prosperity." Investors call for arms from home. Sometimes they call it "freeing" the natives. The war system is well under way.

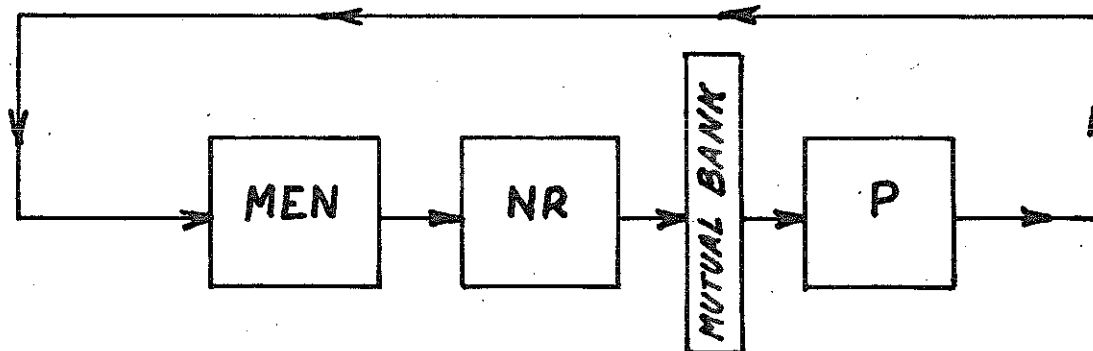
Soldiers and ships, air craft and bombs are sent from home to control the shipping, protect American "property" (privilege?) and sustain the system. The government back home needs munitions, ships, bombs and men. Other Privileged Men and Average Americans invest in war stocks, munitions and armament. The "system" becomes *active*; money and goods flow, producers are busy, men are employed, youth are trained to kill. Men, women and children are burned and bombed. *The war system is in full swing.*

Evaluation and Reconstruction

Is this analysis true to fact and experience? Uncovered, are the central relationships open and observable?

Someone has suggested that this analysis stems from "19th century thinking." This may be a way of disposing of wisdom from the past. But are not some economic relationships *universal* — for all time? Do technology, automation and cybernetics do away with the fact that Men must produce from the Earth the goods needed for everyone's survival? Do they relieve the pressure for access to land, with increasing value to those who hold the land, and increasing cost to those who must pay for, or are denied access to it? Does anything change the fact that Land is a Given, not produced by Man? Does anything revoke the threat in Meyer Amschild's statement: "I care not who makes the laws so long as I can control the money system?" The Twentieth Century has not revoked or outdated these elementary economic relationships. But it has brought new ethical insights to reconstruct them for the good of all.

Flow of Goods Once More Unrestricted — Passing Through Mutual Bank as Suggested Exchange System



GRAPH 5

Flow of Goods Once More Unrestricted —
Now Passing Through Mutual Bank As Suggested Exchange System —

Must we not conclude that for justice and peace to become realities, all produced goods must circulate in the main flow? Are not at least two changes needed for such a peaceful flow?

(1) Urban and rural land (all Natural Resources) must be equally available to all. Title must be based on occupancy and use. Title to land or natural resources may be validated by coercion or agreement. Agreement-contracts between participants can be developed to give users title during their use of land, with any advantage in land sites shared by everyone in the community.

(2) The medium by which goods are exchanged must accurately measure the value of objects and services exchanged; with such medium *issued* on goods going to market. Here too several ways are possible to implement such practices. One is through a mutual bank, owned and operated by its depositors or members.

An organization to teach and promote constructive economic changes is the International Independence Institute.* The Independent

Institute exists to teach land users to form themselves in a land-holding Association which holds title to the land but agreeing to hold it in Trust, never to put it into a private, selling, speculative market. Member families of the Association would be allotted plots on Association land on payment of a small annual, long-term fee to their Association. This approximates the village-holding of land in the Gramdan system of India, and that of the Jewish National Fund in Israel.

The International Foundation for Independence (Exeter, N.H.) is a fund to be loaned at cost or at very low rates to small scale business and other decentralist projects.

Seen in this perspective, is the major challenge to peacemakers in protest marches, political parties, or some far-off land where war is being fought? Is there not need for energy at our very doorsteps in reconstructing the handling of those crucial economic areas, land and exchange?

Bibliography for an Economics of Peace

General

Property and Trusterty, Ralph Borsodi, \$1.00 — 80 pages clear mimeographing. A careful examination of the Things in the world from the angle of what (ethically) should be owned and what held in trust; of who should own and how. One of a series of Ralph Borsodi's life time studies and action on major aspects of living. In this Possessional Problem, one finds Borsodi's usual exact distinctions and precise definitions.

General Idea of the Revolution, P. J. Proudhon, \$9.95 (Recently published by Haskell, 280 Lafayette, NYC and in many libraries — ask for it.) A penetrating analysis of basic principles of association, of authority, of contract, and how social organisms develop from ethical economic relationships. Includes banking, debt, prices and government. A challenge to both radicals and conservatives to understand and create an orderly, contractual society.

Land

Progress and Poverty, Henry George. Complete and condensed editions, \$2.00. Integrates ethics and economics; separates land from property; calls for the community use of a community-produced value in land-sites. So well written that it is part of a Classics Book Club; so carefully developed that it has been used as a text in logic at Johns Hopkins University. Though written in 1879, it speaks to modern conditions because George said that land values increase, and poverty intensifies (so long as rent is privately used) *in proportion to technical and industrial development*.

Land Trust, Increasing Practice for Social Change: reprint — \$.25, by Mildred Loomis. A summary, in Jan. 1970 *Henry George News*, of modern trend to place land in trust for users of it. Includes brief report of Jewish National Land Fund, Independence land-trust and community-backed money, and other individual and intentional community use of land as a trust.

Money

Wealth, Virtual Wealth and Debt, Frederick Soddy, 1961. A statement of the misconceptions and realities in exchange, money, and debt. Helps in understanding why the ignorance and confusion in money, banking and credit is relevant to economic health and world peace.

Community-Based Money; Erick Hansch, mimeographed 10 pages, \$.25. A clear evaluation of several types of changes in money and exchange, with a brief explanation of the nature and need for issuing money on local goods going to market. A part of the research study of the International Foundation for Independence.

A Community's Need for An Economy, Griscom Morgan; mimeographed, \$.25. Of especial help for intentional communities to develop a sound exchange system. Griscom Morgan is part of Community Service, Yellow Springs, Ohio, a clearing house for community; he is also a founding-member of the Vale Community there.

Government

Instead of a Book, Benjamin Tucker, (late 1969 Haskell reprint) \$15.95. (Also in many libraries.) The famous compilation of discussions from *Liberty*, one of the most cogent journals ever published in America by the leading individualist-libertarian of the 19th century. Unsurpassed for analysis of voluntary association, including the handling of land, credit, banking and exchange.

FOUR WORLDS IN ECONOMICS

Mildred J. Loomis

a paper at Fourth World Conference, London, August 2, 1981

Many people commonly identify nations by their geographical location, along with their degree of industrial development. In this naming, the Western "advanced" industrial nations (U.S. Canada and Europe) are the first world; Russia and her satellites are the second world; and the third world includes the relatively undeveloped countries in Asia, Africa and South America. Organizers of the Fourth World conference refer to nations small in size or which hopefully can be made small, if they are now large. In this paper I use another method for numbering worlds 1, 2, 3 or 4.

I propose a nation be identified by the essence and nature of the economic structure under which differing peoples live. Economics is the science of survival--SOS an old distress signal. Economics almost everywhere today is in distress, facing sink or swim; life or death. A more explicit definition is "Economics is the science of the production and distribution of wealth"; it deals with land, the surface of the earth; with labor, i.e., the physical-mental energy which produces and distributes goods; and with capital, or the tools and equipment which assist that production and distribution. From my lifelong studying, observing and experimenting in economic practices, it's clear that there are at least four distinguishable ways of dealing with land, labor and capital. One of them is capitalism.

Capitalism

Much of the world is influenced by the Western world's capitalism. They welcome the remarkable technology and affluence it has produced. Many nations in the rest of the world envy it, and want to copy it. Other people criticize and deplore it.

Any serious student of economic affairs knows that freely choosing one's life is

needed, and should result from economic arrangements. Any serious student of Western capitalism recognizes that (while independence and liberty are said to attend Capitalism) fundamental freedom is in shambles. Most of the Western world--assuredly the United States -- has become increasingly governmental. More laws, more regulations, more bureaus, more federal control coming from Washington DC at the loss of local and direct-community action. Why?

Why did this trend appear (circa 1800s) and why has it proliferated since the 1900s and 1930s? Largely because the capital-individual approach to economics and survival did not extend its comfort and affluence to everyone. Involuntary unemployment appeared; bank failures, economic depressions and failure to find jobs were part of every decade. Too many families were without a pay check or lived in fear of being without a paycheck.

What can a person do who is unemployed; --who has no regular source of work or survival? Most people prefer to work and earn --but when this is not available in an "economic collapse", what then? Such victims have three options--1) turn to stealing and crime, personal violence; 2) he can be assisted by charity, 3) but if charity-benevolence is not adequate, then government support is turned to. This, a perceptive reader will point out, is legal violence. A legal agency, government, taxes and takes by force from those who have, and turns it over to those who haven't a means of survival.

Some people approve this third system, noting that recipients of charity or government pensions and social security welcome it. Is this true? Many --most-- Americans resisted early social security. Their pride and integrity were threatened. Dependence was an insult; they wanted survival of course, but they wanted it

by their own efforts.

But necessity made it a habit. Necessity and repetition can even change self-confidence. So in America, Government-help has to a notable degree, become the accepted, even the desired, the sought-after, along with its drop in integrity. A whole school of thought now supports the governmental answer. In many parts of the world, people think it is a good and proper answer to "How shall people survive?" They say, "In a complex world, government help is necessary. Justice can and should be attained by laws, regulating the distribution of wealth."

Some countries have moved full-scale into that pattern. The Russians did it by fiat, government edict and violence. They call it Communism. In my list, I name it the "second world in economics". Most of Russia's people accept, praise, promote and presumably enjoy it. They feel that its resulting guaranteed livelihood is better than the enforced poverty and riches under the Czars. Books and journals the world around explain, extol and criticize it. Enforced, collective ownership of land and capital, i.e. Communism, is a second answer to the universal problem of "How shall a human being survive?"

A Third Economic World

Another alternative moves in a similar direction. It would do this by vote of the electorate and first teaching the people the means and methods of public ownership of survival goods and services. They avoid armies, violence and government edict. This more gradual and temperate approach to the governmental answer to survival, many call Socialism. A dozen kinds of third-world Socialism exist: Domestic Socialism, Workers' Socialism, Peoples' Socialism, etc. Many countries have organized their economic and political systems socialistically --in Europe, Asia, Africa, South America and some in the Western continent, including some provinces in Canada.

Let's return to the first world, Capitalism. From its beginning Western capitalism was geared to avoid governmental action. America's founders fled the tyranny of a monarchical system where rulers and parlia-

ments controlled and owned the land and goods. Western capitalism stressed individualism, attained through private property, i.e., one's own title to land and earnings; to business and factories; title to capital and wages. They had come to the land of the free; they wanted both independence and security; and essentially they had it until about 1800.

What went wrong? Why the bank panics and economic depressions? Why the Great Depression of the Thirties, followed by whole sale turning to government to bail out banks, businesses, farms and home-owners from debt? Why the failure of the American Dream? Why has capitalism changed to a predominantly government-oriented "socialistic" system? Why the welcome to this system by so many people? Why is a strong opposition developing to it? What are ethical alternatives?

Analysis of Ethical Alternatives

A fourth way is available, long espoused and championed by a few great American economists and philosophers. Let's carefully note the root aspects of the economy by underlying a fourth and more ethical handling of land, labor and capital. For this let's agree on definitions of these terms.

Every person in the world is affected by the way his society handles land, labor and capital. Most people see but two ways --to treat everything individually (including cooperative), or to treat everything governmentally.

Factor No. 1 Land, of course, is the natural world--the earth, water, air; plains, valleys, seashores, mountains from which all food and shelter are attained by labor. Labor is No. 2--the mental and physical energy people use with No. 3, the tools or capital, on the land. Who should own (have title to) these things?

We can quickly agree that humans own our own Life, our energy. It belongs to us; we say we have 'rights' (title) to our own energy--that is, to our own labor. Then it follows that what we produce from and by our own labor is also ours. Do not the products of labor belong, by eth-

ical right, to those who produce them? Would it therefore be wrong--unethical--for one person to claim what another produced?

O.K. Labor (human energy) and capital (tools) belong to the individual. No wonder American forebearers had such strong devotion to private property. It was their base for getting out from under tyrants, rulers and government to their own independence and security.

Rights to Land?

But what about land? What about rights and title to natural resources? Did any humans produce them? Think carefully here. Sure, people produce from and on the land, in both urban and rural settings. But the land itself? Who has natural title to that?

Here's where promoters of a fourth alternative economic system make obvious and ethical conclusions. They emphasize that all natural resources are Nature- (or God-) created. By their differing fertilities, natural resources yield differing amounts to the same labor on differing sites. Non-man-made fertility makes a difference.... Land and its value responds, too, to community factors. The value and yield of land goes up when it is near good streets, sewers, schools, fire and police protection. Did the holder-owner create this value in his land? Obviously, no. Should he then pocket this value in sale or rent of that land? Watch your answer. For centuries the Old World said "Yes".

The Old World, especially Merrie England, has been the historic scene for struggle around this problem. Before the Roman conquest, in the early days, English land was free. Sheep could graze anywhere. But lords and nobles changed that. Especially after the invention of the spinning wheel and loom, were their changes crucial. They passed the Enclosure Acts, giving possession and title to any person of all land which he could claim, fence or "enclose" with boundaries. Then a sheep-owner must pay rent for its use to a land-lord. Many of them were forced to move into cities to become weavers and wage-workers in factories. Rack rents increased; wages fell. After payment for access to the land, how much

production is left to pay for labor and capital? It was this economic oppression, not primarily religious domination, that early dissidents were fleeing in coming to America.

In America, for the most part in the early days, they found a new freedom. Why? They had all the land they could use and more. Some tried to practice "common land" --witness Boston Commons. But the old habit of profit and property in land asserted itself. Individuals "bought up" land (more than they needed) to hold and sell to newcomers. Private property in, and sale of, land became an American ideology.

As land values soared in Eastern cities, people could "escape" to cheap or free land farther west. Cheap and free land were the root of liberty. For how long? For so long as any free land remained. But land is a limited resource. More people need and demand it than the supply can meet. That time is now. All American land is held -- much of it, sad to say--held idle, awaiting a higher price.

The sorry land holding statistics in America show, to the informed, an exploitative situation. Here in the U.S. a handful of corporations own a land area larger than Spain and Japan. About 5% of the population own 55% of all American land. The top 1% owns more land than the rest of the population together. During the past 50 years, 40% of the farm population has been squeezed out of their livelihood by land prices, mortgages, taxes and insurance. Today small and medium-sized farmers are leaving their land at the rate of 2,000 per week. 25 landowners hold over 16% of California's private land. All this because land is considered property, subject to private title, buying and selling.

A Fourth, Property-Trusterty System

Perceiving the crucial difference between land and products of labor, promoters of a fourth solution to economic survival arrange treating land as a common heritage. They separate land and land-value from the value in the products from the land. These

persons suggest that the unearned value from natural fertility and the land value due to the community-services available to the land, be turned to the use of the community. Leave the value of the products of labor--crops, trade, wages, etc.-- to the producers and workers. The community-land-value would then pay for the community's common needs -- the streets, schools, protection, sewers, etc. The value of the buildings, equipment, wages, income--would be private, subject not even to taking by taxation.

With good results, citizens and voters in many places have implemented this system --in Alberta, Canada; in New Zealand, Australian cities, partially in Denmark. in Scranton, Pittsburg and other Pennsylvanian cities. Their salubrious effects are widely discussed; articulate promoters urge its wider use.

Observers note that a confirmed American pattern of separating land from improvement in assessment and taxation is in this fourth dimension. Agreed; this partial approach accounts for much of the existing democracy and independence in American history. Its extension and increase would be a welcome, ethical and crucial step.

The Community Land Trust

A group of American decentralists implement the common heritage of land in another fourth-approach via the Community Land Trust. The Community Land Trust is a cooperative association of persons who are convinced that the land should be held as a trust for future, as well as present, generations, free of buying and selling. They join in a non-profit corporation, procure an urban or rural land-site, and in charter and by-laws, dedicate it to trust-use. Contracting parties use the land for an agreed-on annual rental (to the trust) rather than a sale price.

Ralph Borsodi, founder of the School of Living, in a life-time (1886-1977) of work initiated the community land trust as early as 1932; repeated it in 1935-45 at the Suffern, N.Y. School of Living and several intentional communities. In 1968, the concept was internationalized and registered at Luxembourg. Borsodi recognized

the validity of private property in labor products; similarly he recognized the trust-nature of land. He named trust-holding of land, "trusterty". The fourth economic-political system of property-trusterty is welcome, and is being implemented. Hundreds of groups are studying and working toward it; some thirty community land trusts are guided by The Institute of Community Economics, 120 Boylston St., Boston, Mass.

Books and Literature, from School of Living, RD 7, York, Pa. 17402

<u>Who Owns The Earth?</u> Robert Scrofani	\$1.00
A study of Appalachia	
<u>The Community Land Trust</u>	\$5.00
By Borsodi and Swann-definition, models, legal forms	
<u>Progress and Poverty</u> , Henry George	\$5.00
A seminal book, condensed	
<u>Henry George, World Citizen</u> , 25 pg.	\$1.00
summary by M. J. Loomis	
<u>Effective Wider Social Action</u>	\$1.00
Book lists - M. J. Loomis	

For further information on the ideas of Henry George, and their application, contact:

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BORSODI'S PEACE PLAN

by MILDRED LOOMIS

CIVILIZATION DESTROYING ITSELF

Borsodi's dismay turned to alarm as he watched the spread of World War II. In the spring of 1940 Germany attacked Denmark and Norway, invaded Belgium and Luxembourg. On June 22, France surrendered to Germany, and Italy invaded British Somaliland and swept into Greece. Hungary, Romania and Bulgaria joined the Axis, and their forces invaded Greece, Yugoslavia and Russia. The axis attempted to take over the Middle East to cut off Britain from oil sources there.

"The horrible insanity of War itself" Borsodi would mutter, "the terrible human misery, and waste! The monumental ignorance--the sheer irrationality of the world situation!" He dreaded what he foresaw, the involvement of the United States in the maelstrom.

U.S. citizens were reported 85% anti-war, and through 1940 kept out of the holocaust. But England desperately needed help, and Prime Minister Churchill set himself to get it from the United States. U.S. citizens must be aroused--a blow from the Pacific would do it. William Henry Chamberlain's America's Second Crusade (1963-1977) describes the Chamberlain strategy, begun during the Atlantic Charter meeting August 1941, between Churchill and President Roosevelt. The two government heads secretly laid plans to create a war spirit in U.S. citizens.

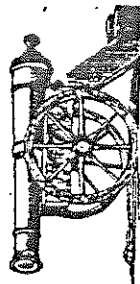
Japan had been at war with China since 1937. The U.S. would put pressure there. Most American sympathy was with China, but the U.S. sold oil, iron and other war materials to Japan. When in the summer of 1941, Japan made further conquests in French IndoChina, President Roosevelt stopped U.S. sale of oil to Japan, stopped imports from her and "froze" Japan's assets in the U.S. Japanese officials proposed to Roosevelt a Pacific conference to draw plans to

match the Atlantic Charter. It would concede to certain U.S. demands and then the Japanese government could say "We got what we wanted; we can draw out troops out of China, and call off the war."

Roosevelt's rejection of this proposal put Japan in a bind. Now they could not possibly win the war in China. To be defeated by China, a secondary country, would be a disgrace, and many Japanese leaders would be forced to Hari Kari. But if they went to war with the United States and were defeated, it would be no such disgrace.

Japanese prime-minister Konoye and ambassador Nomura, pleaded with U.S. Secretary of State Hull to accept their plans. Only in that way could they prevent a Japanese extremist group precipitating actual war. Our officials were obturate, and the Japanese war department began their move to attack.

This much was known to U.S. officials because American sources had intercepted Japanese communications, and decoded the Japanese code. U.S. officials knew the time but not the place of the attack. They could have calculated the place, which had to be either the Philippines or Hawaii. Since it would be dark at the Philippines at the time, they should have known it was Hawaii.



The Japanese brilliantly maneuvered their attack on Hawaii. Instead of approaching from the obvious route--the west, they sent their footilla to the north and moved on Hawaii from that position. Although the U.S. knew the hour of the attack, they made no use of this information. Commanders Little and Short at Hawaii were not alerted. Consequently, the attack at 7 O'clock in the morning of December 7, 1941

was a complete surprise to the defenders, who following the American practice, were sleeping on Sunday morning.

When the attack ended, at 10 A.M., five American battle ships had been sunk, and more than 5,000 American sailors and officers killed. Three other ships were damaged with scores of destroyers, mines, and target-layers in shambles. U.S. declared war on Japan the next day and on Germany on December 11th, 1941.

BORSODI'S ANALYSIS OF THE CAUSE AND CURE OF WAR

Borsodi's concern about the war and U.S. participation in it, led him to turn from problems of family and community organization to problems of global reconstruction. He saw that certain principles applied at all three levels, but structuring global organization deserved his special and careful rethinking. "Why is world conflict so continuous?" he asked himself, "and why does it so often erupt into war, nation against nation?"

To answer these, Borsodi concentrated on two other questions: "What is central to world discord?" and "Why does it result in open and armed conflict?" The first had to do with principle, the second with organization and practice. Of principles (based in economic justice) Borsodi was confident; he needed more time to think through organizing them on a world scale.

"Proper organization of families and communities come first," he told himself. "As we proceed to larger groups, we can go in either of two directions--the political into ward county, state, nation and world. Or, in more natural groupings--individual family, community, society, world."

"But 'society' is an abstraction." Borsodi observed, "not a specific definable, recognizable group of persons to which an individual relates. 'Society' has no rights and obligations, no real functions

to perform for our basic organism, the individual. We must substitute a more natural real group between the community and the world. He recognized that the natural administrative unit is a geographic region, an area of land whose topography makes it a unified system--a river basin, a natural watershed, etc. Such regions are better links between communities and the globe. Geographic regions replace nations, he decided.

As Ralph Borsodi realized the functional unity of geographic regions, the tragic absurdity of the very concept of nation became obvious and with it the irrationality of teaching devotion to "nationalism."

There's nothing except dumb, slavish acceptance of political organization," he said, "that puts Switzerland and Russia in the same class, i.e. 'nation' along with the tiny Monaco's few hundred square miles.

A nation has complete and final jurisdiction over its citizens. This must be changed. People could assign specific tasks common to a geographic area, a region, and still reserve basic functions to communities and families. Regions could do this by setting up regional authorities, governing bodies with specified and limited functions, such as administration of ports, harbors, water sheds, etc. (Examples: Port Authority in New York City). Authorities with concurrent jurisdictions would eliminate nations!

Ralph Borsodi was aware of the World Federalists and Atlantic Unionists. In 1940 Clarence Streit had written Union Now, a book proposing that the democracies form a federal union which, by other nations joining, might grow--as the United States had grown--until it became world government. The book became a best seller and was widely discussed. A national organization--later to be called Federal Union, Inc.--was formed to further the proposal, and out of it still later, developed a group called World Federalists, pushing the idea of creating a world government by reform of the United Nations.

Borsodi granted that the goal of a federation of self-governing nations was a step out of world chaos and world war--so long as both the concept and practice of

nation are retained. He granted that the federation of sovereign states in America to become the United States has eliminated--with the exception of the Civil War--open and armed conflict among them. He agreed that a federation of nations--each submitting national sovereignty to a World federation--would be an improvement. He particularly approved bringing individuals--rather than states or nations to account for their actions, in courts of law.

"But", he said, "a Global Authority would be even better--far better--than Federations of Nations." This was Borsodi's unique organizational proposal. Not a confederation of nations--eliminate nations. Let families and communities reclaim their basic functions; and distribute necessary administrative or "policing" functions to decentralized and regional groups. Reserve and give to a Global Authority, only those few functions needful to an organization of global proportions.

PRINCIPLES OF WORLD PEACE

What principles should undergird a Global Authority?

First, said Borsodi, is a rational, just/use of the earth. An agreed-on ethical method of partitioning the earth is basic to any new organization of lasting effect. Principle and practice must be joined. "At bottom," he maintained, "world peace rests on furnishing equitable access to the land and other natural resources to every individual on the earth. Secondly, it rests in protecting and enforcing such allotment."

What types of natural resources should be allotted, and protected by a World Authority? "Those types which cannot easily or rationally be dealt with by local communities and regions."

Local communities can and should allot surface sites to their members--for farms, homesteads, residences, business. Regional authorities can administer regional systems--watersheds, rivers, ports and harbors. A global authority is needed for the high seas, air and mineral deposits. A global Authority should have charge of traffic on seas; over food resources in the oceans of mineral resources under them; over air

traffic and use of air waves; over minerals--ores, metals and fuel under land and water. "No natural resource," Borsodi insisted, "calls for assignment to users by a national government."

A Global Authority would apply to world affairs concurrent jurisdiction, which has proven so successful in such federal unions as Australia, Canada, Mexico, the United States, Switzerland and others. Concurrent jurisdiction means the overlapping of agencies geographically, and separating them by function. Several agencies wield authority in a given territory, but each is restricted to specific tasks--such as custom guards, a school's truant officers, penal authority's parole officers, port authorities' port policemen; military police, forest rangers, fish and game wardens, fire marshals. Each has limited police and protective authority.

In all cases, action is brought against individual offenders. Only thus can justice be achieved. The writers of the United States' constitution saw clearly that this is essential if war is to be avoided.

Oliver Ellsworth said, "This Constitution does not attempt to coerce sovereign bodies. No coercion is applicable to such bodies but of armed force. If we attempt to execute the laws of the Union by sending an armed force against a delinquent State, we would involve the innocent and guilty in the same calamity."

Concurrent jurisdiction has succeeded in the world to the extent that it has succeeded in separating the innocent from the guilty individual, through legal procedures for the administration of justice.

When sovereignty resides in the citizens, who assign to each authority its sphere of activity and influence, competition for control or in the use of protective or penal action, is avoided. When such competition does develop it is settled in the courts through legal procedures.

"A big task remains," Borsodi asserted, "To teach human beings to extend the principle of limited Authority to the crucial mineral resources of the earth."

Minerals are either metals (iron, copper, tin, etc.) Non metals (nitrates, salt, sulphur, etc.) or fuels (coal, petroleum,

natural gas etc.) To get rid of armed conflict between groups it is necessary to universally recognize that an individual, a corporation or nation who occupies the surface area over such mineral deposits has, by this territorial accident, no private title to them. Mineral resources, regardless of their location, really belong to mankind as a whole. When this logic is recognized and implemented throughout the world, the internecine rivalry of powers of the earth for possessing and controlling such resources will end. When the policing and patrolling of such resources is given to a Global Authority, where it normally belongs, then will the "state wither away!"

If the economic rent of the mineral and oil resources of the earth were collected by a Global Authority (instead of by land owners or governments) there would be neither private nor public appropriation of unearned income. Then these great gifts of nature to all mankind, instead of being manipulated to create speculators and millionaires, would be administered for the benefit of everybody in the world.

This royalty would constitute an independent revenue adequate to enable the Global Authority to administer its tasks: assigning the land and natural resources on an equitable basis, collecting the royalties, patrolling and policing the property rights involved, checking violations and maintaining courts before which those accused of violations could be tried. Nature has created an ideal source of revenue adequate to cover all the expenses of such a Global Authority.

If free trade were universally practiced there would be no tariffs to prevent people of "have not" countries from obtaining minerals at the same price as the "have" regions.

If, in addition, free migration of people allowed, the basic conditions for freedom to all persons would be achieved.

Borsodi incorporated these three requisites into his plan for a Global Authority. On December 25, 1942, the School of Living issued in pamphlet form, his Plan for World Peace by Way of a World Patrol Force with the following three provisions:

I- A WORLD MILITARY PATROL FORCE

The immediate, universal transfer by all nations of their armies, armaments and bases--military, naval and aerial--to a World Military Patrol Force, the membership to be recruited by voluntary enlistment from among all people and nations, the officers to pass suitable civil examination.

The true function of policemen is to patrol, and by patrolling to prevent crime. This Military Force would not be to apprehend a criminal after crime of war had been committed by a nation. It's duties would be to patrol all the land and cities, seas and air; to report to the World Court any individual, group or corporation which was manufacturing armament. It would take steps, as entering and encircling (thereby preventing entry of any person to) any harbor, manufacturing plant or establishment which was making preparations for war.

By restraint, boycott and seizure, the Patrol Force would thus prevent the production of armament, and without armament there could be no war. Impartiality would be secured by each unit of the Patrol Force having membership from all parts of the world, such members having renounced their allegiance to their former country. Having pledged allegiance to the World Authority, they would be granted such seal, flag, anthem and uniform as would be symbolic of all humanity and world peace.

II. FREE TRADE, TRAVEL AND COMMUNICATION, AND FREEDOM FROM IMPERIALISM

The immediate abolition of all customs, tariffs and trade regulations and the establishment of universal free trade between the people of all nations; the ending of all restrictions upon free travel across national or political boundaries (health quarantine excepted).

The ending of all restrictions upon free communication between individuals and in groups or meetings anywhere.

The renunciation of imperialism by all governments which require armies in order to maintain their colonies, and do not therefore rule with the consent of the governed.

III. FREEDOM OF THE SEAS, AIR AND ACCESS TO THE NATURAL RESOURCES OF THE EARTH

The immediate pooling of the sovereignty over the seas, the air and the mines and mineral resources of the earth by declaring these resources the common heritage of all the people of the earth.

Any person or corporation extracting raw materials from the earth should be licensed by the Trustees of a World Fund, and required to pay to such World Fund the royalties equal to the full economic rent for the support of the World Patrol Force and maintenance of world peace.

Sovereignty over surface lands, and therefore, control of citizenship, would be reserved to the people organized in communities or states.

(This article is part of a chapter in a biography of Ralph Borsodi by Mildred Loomis.)