

**CLARIFYING THE ECONOMICS
OF PEACE**

by

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The first part of the paper is devoted to the study of the
 properties of the function $f(x)$ defined by the equation

$$f(x) = \int_0^x \frac{1}{1+t^2} dt$$

$$\begin{aligned}
 & \lim_{x \rightarrow \infty} f(x) = \lim_{x \rightarrow \infty} \int_0^x \frac{1}{1+t^2} dt \\
 & = \int_0^\infty \frac{1}{1+t^2} dt = \frac{\pi}{2}
 \end{aligned}$$

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."

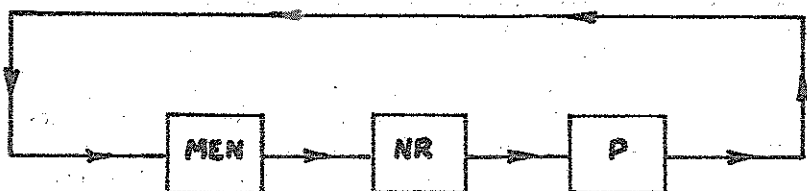
All these by-pass and fail to uncover the basic assumptions and factors in our western, "democratic" economic system (or *any* system) which make the Vietnam War and similar wars, *inevitable*. What is it in our U.S. economy or any economy, which produces such persistent conflict within it, that it necessarily 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

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 show the need for funds to be loaned at cost or at very low rates to groups of people wanting to use land. An Institute plan is to teach land users to form themselves into 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.

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

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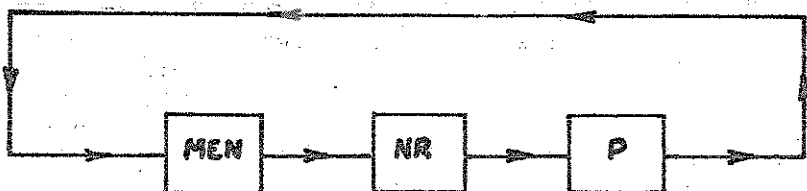
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No Treason, Lysander Spooner, \$1.50 (100 pages paperback). Another early (1869) work by a leading American individualist. Shows weaknesses in the American Constitution and refutes the validity and morality of claims of government. The right of any group to exercise legislative power over others is challenged.

NOTE: All the above books are available from Heathcote School of Living, Rt. 1, Box 129, Freeland, md. 21053. Information on other problems of living available on request.

