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Sharing the Ocean Wealth

by LINA M. KELLER

THERE is a time and place for everything, from a Henry George "sharing the bounty of nature" theory conceived of for continental land, to the "benefit to mankind" principle implemented through a revised United Nations charter and the newly exploitable land surface comprising 80 percent of the planet. Coming events cast their shadow before and it may not be easy to fit together the time and space aspects of deep sea control from theory to practice.

It was Henry George who developed a theory of ground rents as a means of "sharing the bounty of nature" in his *Progress and Poverty* of 1879. It was President Harry Truman who issued the unilateral proclamation of 1945 which laid claim to a coastal state's submerged lands and which was later enacted into international law by the Convention on the Continental Shelf. Although there is no observable separation at the subsoil level, the seabed is now divided for convenience into continental shelf and deep ocean territory. The first, because it belongs to the coastal states, places at a disadvantage one-fifth of the sovereign states of the world—the second is still no man's land.

Just as President Truman had been pressed by industrial interests to lay claim to the shelves in 1945, so the

Lina M. Keller took a course in Fundamental Economics some years ago at HGS headquarters in New York but it did not impress her deeply until she entered into research on oceanography. She is working towards an M.A. in public administration and now regards the "George idea" as a modern discovery for enriching impoverished nations.

Readers' comments are invited on this or any subject mentioned in HGN.

General Assembly of the United Nations was pressed by humanitarian interests to lay claim to the ocean in 1967 as the only piece of real estate on the planet still free of national sovereignty. This was brought to the attention of the General Assembly by Malta and is due to come up for consideration during its 23rd session, now convened.

At this point it might be helpful to compare Henry George's "sharing the bounty of nature" idea with the United Nations "benefit to mankind" formula for developing the environment on a piece-meal basis with aid-allocated funds from rich nations.

Between the Henry George idea and the developed nations aid program there is all the difference between a profit-sharing solidarity approach and an aid-donating patronizing approach. According to a comment in *Business*

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(1) I propose that students be offered a partial scholarship of, say, \$500 to any college they choose, on the condition they take a course in economics at college at an early date.

(2) I propose that this partial scholarship be offered only to students of college age.

(3) I propose that a campaign be conducted immediately among dedicated Georgists in the hope of getting at least 100 Georgists to contribute a minimum of \$100 each toward this scholarship fund. This will provide \$10,000 as a starter. My \$100 is herewith pledged.

Twenty Georgist-oriented students in 20 economic courses on 20 campuses on a \$10,000 fund can create quite a ruckus! I know I created a ruckus in my economics class at the university 40 years ago when the professor gave me an A for my term paper on land value taxation, even though his course was completely removed from the Georgist thesis.

In 1883, an obscure German refugee writer died in a London slum. The writer was Karl Marx and the friend who supported him over the years was Friedrich Engels, son of a wealthy industrialist. Certainly no "prophet" died a more complete failure. Twenty years later in 1903, which was just 65 years ago, Lenin launched his Bolshevik revolution with 17 supporters.

In 30 AD a Gallilean carpenter was crucified at Jerusalem by the Roman governor to appease the populace. He

had 12 disciples. Despite the most systematic persecution, the church which built upon these 12 became the official religion of the Roman Empire. The teachings of this man Jesus spread far beyond the frontiers of the then civilized world.

In 632 AD an illiterate Arabian camel driver died. Ten years before he had escaped from Mecca when his neighbors refused to listen to his new religion. This would-be prophet, Mohammed, was received with enthusiasm away from home, and lived to see his new faith triumphant in Arabia. Within his lifetime the followers of the prophet had won more territory than Rome at its height.

And so may the New Economics of Henry George also come — even to a sophisticated 20th century people.

I remember, back in 1939, when Frank Chodorov was director of the Henry George School at the old 29th Street location, and he and I were roommates at 30th Street, just around the corner. And in one of the bull sessions late into the evening, over the coffee cups in the snack room, Frank said: "The purpose of my work here is to make it no longer necessary for the job — and that it be liquidated. But to liquidate the need for the Henry George Schools, there will have to come some Messiah like Father McGlynn."

Maybe among that 2% of activists a Father McGlynn will be a student rebel at Berkeley, Columbia, or Rochester—who knows!

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Week, "The part that is most controversial is that Malta wants to give the needs of poor countries preference if any financial benefit comes from exploiting underseas resources."¹

In a world geared to profit-making

but compelled into aid-giving what light does the Henry George theory throw on this matter? It is assumed that the crux of the George idea is that the life, liberty and pursuit of happiness theme of the Declaration of Independence is contravened when "the equal right to land—on which and by which man alone can live—is denied.

Equality of political rights will not compensate for the denial of the equal right to the bounty of nature."²

At the risk of being simplistic it would seem that credit should be given to nature for creating land and to man for recovering a resource from land. If this differentiation were made both nature and man could receive a wage in accordance with the work done. At the place where man sets about the business of recovering this resource he should pay a wage to nature in the form of ground rent. Nature's wage, if applied to development funding at a unitary level of ecology, would understructure a "benefit to mankind" principle, and man's wage would accrue to him through a profit-oriented market as justified increment.

Writing almost a century ago, George was limited to consideration of a dry land area to which man had come first as an occupant and only secondarily as an entrepreneur. Taken as a whole, man's physical presence alone worked against change in already developed territory. His idea had to wait for a new land surface on which man had no desire to live but which he wanted to exploit. The opening of the ocean through advanced technology furnishes this opportunity.

Interestingly enough, when a land surface appeared which had commercial but not residential value, the United States government lost no time in assuming its role as landlord, and the entrepreneur lost no time in offering to pay ground rent. In FY 66, for example, the Department of the Interior leased 400 million acres of submerged land for a return to the United States Treasury of \$428 million in ground rents.³

The George idea emphasized more the sharing of the bounty of nature than the integrity or ability of government to improvise machinery which would implement this principle. This

is still the problem, due to the fact that government sees itself as a policeman rather than a landscape architect, concerned with bringing together air, sea and land into one operational whole.

This could come about only if ecology were elevated to a position of leadership, understructuring man's economic and social organization. The League of Nations kept the nations at arms' length. The United Nations has brought them together at a scientific and legal level, as witness the development of oceanography and a ratification into law of four conventions on law of the sea. There remains the need to develop an eighth organ within Article 7 of the United Nations charter—an Environmental Research and Development Council (ERADCO). Even its alphabet designation is euphonistic.

Control of weather, balance of the oxygen-carbondioxide base, recovery of enough protein to feed 15 or 30 billion people annually,⁴ learning the meaning, significance and perhaps control of volcanic action which would probably open the sea to human habitation—these are dreams on a world scale. Financing could be provided through a ready-to-be-exploited minerals regime, provided it could be done under a scientifically-controlled technology so as to protect the ocean from inadvertent effects.

The reality is a willingness to re-invest in nature in proportion as we exploit the resources of the planet developed as priority and not sub-priority. The result as Henry George pointed out, would be a profit-oriented society whose need for aid-giving would have been reduced to a true rather than affected level of humanitarianism.

¹Business Week, Nov. 11, 1967, p. 67.

²Progress and Poverty, p. 545.

³U.S. Congress, House Committee on Foreign Affairs: The United Nations and the Issue of the Deep Ocean Resources—Hearings, p. 68.

⁴Marine Technology Society, Exploiting the Ocean, p. 530.