

The Older America to the South

PICTURE a land, rich or poor in natural resources, where all territory belongs to the community and is merely loaned out for use by its citizens; where the individual has secure tenure of the produce of land but not of the land itself; where taxes on the expected produce of land provide enough value to maintain far-reaching political empires, good roads, strong armies, bridge and irrigation projects, and even to increase stored surpluses of food for emergencies.

Thus began the economic history of South and Central America—a beginning governed by a universally prevalent natural law, it would seem. For this type of land holding was not unique to our hemisphere—Europe, Asia, almost all the world in its so-called “primitive” phase—went through the same development. In America, an area isolated from the feudal economics of Europe, collective landholding continued in the empires of the Aztecs, Mayas and Incas until the *discovery* of the New World in the 16th century.

Thereupon *Latin* America became subject to all the harshness of the European economic theories. Spain, acting by mercantilist principles, removed great quantities of gold from American shores, restricted native production so it would not compete with the mother country, issued monopolies and licenses on almost all production in order to gain revenue, prohibited trade among the colonies and with other European powers.

After these Latin-American colonies declared their economic, social and political independence from Spain in the early 1800's, they switched their allegiance in economics to the French and British theories of *laissez-faire* and free trade. But these theories, although theoretically much more beneficial than

the mercantilist ones to the welfare of each nation as a whole, could not prevent, and may even have aided, the development of further inequalities in landholding.

For such inequalities had arisen *as soon as* the Spaniards set foot on the shores of the New World, claiming land for their church and crown; and as soon as their well-meaning administrators took the natives off their land and placed them in *encomiendas* under the control of Spaniards for spiritual and practical training. This process of “civilization” left tribal lands free to be appropriated by triumphant Europeans for their private use, or to be given out by the Spanish government under temporary tenure that was controlled by the Royal Council 6,000 miles away. That turned into private appropriation which has continued to modern times.

This short history of Latin-American economics may help to explain the critical situation there, on which Communist economists are now busily at work. In the History of Political Economy course, ably taught by Professor Edmundo Moya, we studied economic theories of the past to see objectively what the past mistakes were, and how erroneous judgments have carried over to the present.

The climax of our class effort is to be, if possible, a booklet in Spanish composed of lecture notes and reports of our members from Cuba, the Dominican Republic, Colombia, Peru, Chile, etc. We hope this may help people in Latin-America, where the need for clear economic information is so pressing, to understand Henry George's political economy.

Joan Silverberg gave this report at the summer graduation at New York headquarters for the Spanish class, *Forum Economica*.

(Continued from page 1)

their lessons every week to be graded and then returned, and to pass a final examination of more than 30 questions, before receiving their certificate, in the belief that they would appreciate it more if they worked for it.

Forty-two students completed the first basic course and the ceremony, reported in the press, was at the Aristi Hotel, one of the city's finest. About 150 people came and listened with interest to talks by a college economics professor and a senator. Thirty-five of the graduates then enrolled for Applied Economics taught by Peter Patsakos.

The second semester of the Fundamental Economics course began in mid-June and has just terminated with a class of over 100. Mr. Sanin expects to take this group through his course in Reforma Agraria, along with the graduates of Applied Economics. This course is very successful, since it deals with and demolishes the concept of land subdivision as the solution to the economic underdevelopment of Latin America, and it offers a fiscal reform that can abolish both the "latifundia" and "minifundia" peacefully for the benefit of the whole community.

The Cali extension now boasts an advisory committee composed of several graduates who meet regularly with the director. One member has generously offered his spacious, centrally located office to serve as headquarters for the extension. The Alumni Committee helped arrange for a conference which Messrs. Sanin and Patsakos gave in Palmira, a city near Cali, where over 100 persons heard talks on agrarian and tax reform. The great interest generated there resulted in an invitation to Mr. Sanin, who is an agricultural engineer, to teach Agricultural Economics at the University of Palmira, and he has accepted.

In August there was a conference on birth control in Cali. This was the

first public discussion of this topic in Colombia, and the press covered it to a point of saturation. Latin American leaders attended and many of them defended birth control as a national policy in the interest of economic development. Mr. Sanin took advantage of this publicity and offered a series of lectures and panel discussions on the fallacies of Neo-Malthusianism. These talks attracted delegates from the birth control conference, and controversy is still raging in the press over the views expressed by Mr. Sanin against the "new panacea."

Ecuador and Peru

On leaving Cali, Peter Patsakos went to Guayaquil, Ecuador, where he met a student who had taken the Fundamental Economics course in Puerto Rico—Alfonso Loaíza, a government economist and banana expert. He also teaches economics and statistics at the University of Guayaquil, and there Mr. Patsakos was invited to speak on basic economic reform. Mr. Loaíza hopes to start a Henry George extension in his city.

In 1963 Peter Patsakos had taught economics at the Catholic Santa Maria University in Arequipa, Peru. This year he was invited to teach there again, and also at the public San Agustin University. The previous year's economics majors at San Agustin were taught Agrarian Reform, and the third year majors at Santa Maria studied Fundamental Economics. The textbooks used were *Reforma Agraria en America* by C. P. Carranza, an Argentine Georgist; and *Progreso y Miseria*, respectively.

Mr. Patsakos believes he found a capable and enthusiastic prospective director in Arequipa, Ernesto Borda, who will graduate in a year and a half from the University of Santa Maria where he is majoring in economics.

Having taken the basic courses in 1963 with Mr. Patsakos, he has now completed the advanced class, Reforma Agraria.

Throughout his trip, Mr. Patsakos was cordially received. While there are criticisms of "Uncle Sam," individual Americans of good will are heartily welcomed. In Panama, where Mr. Patsakos also stopped, John Morales, a good friend of the school, arranged for nation-wide radio and press interviews.

Both Cali and Arequipa are the second largest cities in their countries and both have experienced large population increases, mainly due to immigration from nearby towns and the countryside. In both, especially in Cali, there is a great deal of land speculation caused by the increase in population and commerce. Both cities are examples of the way an increase in wealth can decrease the standard of living of many—land prices and land rent have risen enormously with relatively little rise in wages and interest.

Centralization is unpopular in Latin America, as people see revenue going to the capital and very little coming back. The Georgist system, with collection at the local level, would act as a natural break against repressive governmental power.

There is general sympathy among the students for socialist or Marxist ideas, although most of them are really anti-monopolist rather than pro-communist. The only groups that speak out strongly against privilege are Marxist-inspired, and socialist ideas are therefore winning by default. The Georgist philosophy shows that private monopoly and state monopoly are wrong. Both systems violate the natural rights of property by failing to dif-

ferentiate between the product of individuals (wages and interest) and the product of the community (land rent).

Puerto Rico

Enroute to South America, Peter Patsakos met Arnold Weinstein, Trustee of the Henry George School, and together they visited the extension in Puerto Rico and arrangements were made for William Camargo, International Secretary at New York headquarters, to make an extended visit and assist the director, Edwin Rios Maldonado, in the school's expansion program. This extension has been subdivided into six regional areas covering the island. Courses in Fundamental Economics will be given this fall in Ceiba, Isabela, Mayaguez, Ponce and San Juan, serving rural as well as urban centers. Carlos Munoz Rivera has been named Assistant Director and will be in charge of promotion. He is a leader in the consumer cooperative program and has arranged for classes at various island cooperatives. Mr. Camargo, having spoken with many of the school's leaders, feels there is a great potential in Puerto Rico.

Another prospect for a Henry George School is in the Dominican Republic. Dominican graduates of the school in New York are planning to return to their country and start classes. Within the United States there are plans for Spanish courses in another city with a large Spanish-speaking population—Los Angeles. After only four years the Spanish language work of the Henry George School is showing impressive results. Will Latin American acceptance out-rank that in the States?

Miss Nehama Eisenstein, who recently became Mrs. Damary, has been busy with the Henry George School's correspondence course in Hebrew. The Damarys are returning to Israel and Nehama will continue working for the school there, contacting our growing number of Israeli students.