

The Decentralist Movement

By WILLIAM W. NEWCOMB

HERE is Rurban Corners. Rurban is that kind of community that is established outside the speculative green-belt area of our cities by a dozen or more families who have bought their land at farmland prices because they tired of paying high urban rent to landlords. Rurban is the community created by an ever-growing decentralization movement on the part of people who no longer want to live in over-crowded cities. The adult male members of this community will keep one foot in the city, taking from its sustenance that which is necessary to build houses, buy cars, and the other mass production goods that today can only be secured from monopoly. But beyond that, these people will not contribute one iota of money or population to monopoly land values. They will produce the primary necessities of life of their individual one or two-acre plots, and produce them at less cost (labor cost, mark you) than in the exchange market.

Consider the outgo of the average \$1500 to \$3000 family income. A fourth of it goes for shelter (and in New York this factor comes closer to being a third of a man's income). Food and raiment take most of the rest, leaving possibly fifteen per cent for transportation, luxuries, health requirements, insurance, and gratuities. In order to satisfy the desires of the average family it has become commonplace for the wife to take a job in industry or commerce. Startling repercussions to our social life have resulted.

Ralph Borsodi, who conducts the School of Living, at Suffern, N. Y., in the realization that most \$1500 to \$3000 families living in big cities either do not own their homes, or spend a life-time paying for them, asked the question: Why not encourage a way of life that promotes home-owning without sacrifice to other needs? Why not make it possible for the young housewife to produce at home for direct consumption what she was producing for exchange in the office or the store or the factory? Why not find a means whereby children will be considered an asset, as of old, and not a liability, as they are today?

Mr. Borsodi realized that so long as Georgeists continued to aid landlordism by supplying urban centers with their population, just so long would they be nurturing the condition we are trying to rectify. Consequently, he removed his own family from the city to set up its rurban productive homestead. He established the School of Living in the first productive homestead community that was developed from his researches and instruction.

Here is Rurban Corners, a hypothetical homestead community started outside any city in America. This community, let us say, was created out of the endeavors of a couple of families who discussed the possibilities of collectively improving their economic status in a strangulated economy of exchange. When there are a half dozen couples in this group,

a credit union is formed, and incorporated. This little banking institution creates a credit backlog on which money can be borrowed from a bank or loan association for the purchase of land at farmland prices within commuting distance of the city.

With this land as equity the first group of prospective homesteaders takes the plunge. An architect, possibly one who has joined the decentralized group, draws plans for the houses. Perhaps some of the homesteaders will use basic plans that can be procured from the School of Living, because these plans embody the experience of homestead dwelling construction.

Each family, as it pays off its loan from the credit union, replenishes the banking fountain with funds for the development of new homes, by the enlarging group of urbanites who will be following the initial participants.

Throughout all this program of rurban preparation and rurban living, it is valuable for every homesteader to seek the services of the School of Living. Bulletins have been prepared showing the contrast in the cost of direct production of foodstuff and raiment against the cost of these needs in the exchange labor market. It is conservatively estimated (based on five years of homestead statistics compiled by the School of Living) that the average housewife who plans her work as she would have to do in the city job will spend less hours of labor a day. Her productive effort should average about a thousand dollars a year.

But have not most economists argued for an extreme division of labor? Yes, but Henry George himself has pointed out that there is a point of diminishing return in that division ("Progress and Poverty," Book I, ch. 5). I propose to show that decentralist homesteading not only offsets the so-called economies of mass production, but serves as a powerful factor in bringing socially-minded people into the Georgeist fold, and bringing Georgeism into our economy.

The price of an article in mass production has always been established at its point of manufacture. This is usually about one-fifth to one-third of what the consumer pays for it. Warehousing, cross-country transportation, refrigeration, vast accounting structures, advertising and retailing have brought the price of goods far beyond the cost of initial production. Granted that distribution is a part of production; still, if I can produce my primary needs at a lower cost than I can exchange my services for these needs, is it not better that I produce them? If by cooperative action, men in a homestead community can produce goods at a lower cost than they can buy in the world market against their services, is it not better to achieve that reward in a community of *low economic rent*? Is it not better to let urban landlords find their properties deserted as a result of denying capital and labor opportunity to secure a fair return for services?

I am of the opinion that there is nothing so challenging to vested landlordism as the de-urbanization of our cities. A coordinated decentralist program that embraces a limited ex-

change brings us nearer to the goal of Georgeism. Five million families in as many years removing themselves from urban centers, and telling municipal government and landlords *why* they are homesteading, will create some mental disturbances among the status quo powers* that will be salutary to correct thought. Right action will follow.

It takes imaginativeness, stamina, vision and a spirit of adventure to make a move like this. These homesteads will be peopled with twentieth century pioneers, analagous, to a degree, to those who left the habits of a life-time to explore and settle America two centuries ago. With five million families removed from the food and part of the clothing exchange in our wealth production, many of the husbands in this group will lose their jobs. But these same men will be developing cooperative factories, stores and services in the homestead communities with far better cooperative opportunities than ever existed in modern urban exchange.

Under the auspices of the School of Living, every family that joins an urban forum group to make preparations for rurban living is indoctrinated with Georgeist views immediately. The forum member becomes a prospect for the Henry George School of Social Science, and a possible subscriber to one of the Georgeist publications. The first factor made clear to those joining decentralist forums is that the private collection of the economic rent is driving them more forcibly to insecurity so long as they maintain urban residence.

Every piece of literature coming out of the School of Living has in its bibliography a listing of "Progress and Poverty." The School's library and book store is replete with Georgeist literature for student use. An extension class of the Henry George School is conducted at the School of Living, and the forums in various cities will undoubtedly augment the decentralist discussion with the regular ten-week course offered by the Henry George School.

The productive homestead communities are a group of Georgeists within a township population of only modest density, and the collective Georgeist voice is heard in each local Town Hall, so you can well imagine what effect this has on the politicians. You can well realize that a township in which several rurban communities are settled soon becomes overwhelmingly Georgeist in complexion.

Can you foresee what effect such township (and later, county) strongholds in Georgeism have on State legislative representatives of those areas? Can you see what effect a solid body of Georgeists has on villagers and farmers, when the latter folk realize that the taxes on their improvements are subsidizing urban landlords?

Yes, we have too long worked in the city. We have proselytized; we have been Davids in the midst of Goliaths, and our insecurity has frequently committed us to silence for fear of reprisals from employer-monopolists. There is real opportunity in the homestead movement for quicker understanding to fellow citizens of what constitutes a natural economic order.

Dominican Haven

A FERTILE strip of land on the Northeastern coast of the Dominican Republic has been made available for settlement by European refugees. This little island Republic in the Caribbean Sea is the first country to grant full and permanent settlement rights to refugees.

The section to be settled and developed by the refugees is known as Sosua and contains over 26,000 acres. It was formerly part of the estate of Generalissimo Rafael L. Trujillo, first citizen of the country, and was donated by him to the Dominican Republic Settlement Association. This Association, which is making the arrangements for colonization, is independent of the Republic itself, but is operating with the approval and cooperation of the Government. One of the reasons for this cooperation is that the Dominicans wish to increase the population of their country and develop it economically. It is Trujillo's ambition to people the Dominican Republic with 100,000 refugees. The Sosua development will support 2,000, and if it is successful will be followed by similar projects.

The land had been the property of the United Fruit Company, from whom Trujillo bought it. It had been a banana plantation, and was equipped with houses, plumbing, etc. These are still in good condition, and available for the settlers. 5,000 acres are already suitable for farming. The rest of Sosua's 26,000 acres consists of rolling hills, good timber land, and other resources, all capable of being developed. In general it is quite satisfactory for settlement.

Other economic opportunities exist for the settlers. Sosua is only ten miles from the important port of Puerto Plata, and there are good roads between the two. Trade possibilities with other Latin American countries are being studied, although trade barriers will have to be reckoned with, as well as the fear of labor competition.

The settlement is still in an embryonic and experimental stage. At present there are only 37 settlers. The tentative plan adopted is that each family will be given about eight acres of farm land; and larger tracts will be operated on a cooperative basis. The settlers will be given the rights and responsibilities of citizens (including the payment of taxes!) and citizenship will be encouraged.

On the whole, the endeavor is a worthy one. If it is a success, problems will arise which must be met and settled. If the community grows, there will be the question of the disposal of the rent of land, as lands of different qualities are settled. There will be the problem of maintaining equality of land tenure. There will be the problem of communal financing. If this new society makes arrangements to collectivize the rent of land, and exempt the members from all other financial impositions, these problems will be solved. If it allows inequalities in land tenure, and finances its communal projects out of taxes on the production of its members, then it will be the nucleus of the same kind of tax-ridden, land-monopolized society that we have elsewhere.