Subject: The Pilgrims' Real Thanksgiving Lesson Posted by CyberkNight on Wed, 21 Nov 2012 16:05:21 GMT View Forum Message <> Reply to Message

Feast and football. That's what many of us think about at Thanksgiving. Most people identify the origin of the holiday with the Pilgrims' first bountiful harvest. But few understand how the Pilgrims actually solved their chronic food shortages.

Many people believe that after suffering through a severe winter, the Pilgrims' food shortages were resolved the following spring when the Native Americans taught them to plant corn and a Thanksgiving celebration resulted. In fact, the pilgrims continued to face chronic food shortages for three years until the harvest of 1623. Bad weather or lack of farming knowledge did not cause the pilgrims' shortages. Bad economic incentives did.

In 1620 Plymouth Plantation was founded with a system of communal property rights. Food and supplies were held in common and then distributed based on "equality" and "need" as determined by Plantation officials. People received the same rations whether or not they contributed to producing the food, and residents were forbidden from producing their own food. Governor William Bradford, in his 1647 history, Of Plymouth Plantation, wrote that this system "was found to breed much confusion and discontent and retard much employment that would have been to their benefit and comfort." The problem was that "young men, that were most able and fit for labour, did repine that they should spend their time and strength to work for other men's wives and children without any recompense." Because of the poor incentives, little food was produced.

Faced with potential starvation in the spring of 1623, the colony decided to implement a new economic system. Every family was assigned a private parcel of land. They could then keep all they grew for themselves, but now they alone were responsible for feeding themselves. While not a complete private property system, the move away from communal ownership had dramatic results.

This change, Bradford wrote, "had very good success, for it made all hands very industrious, so as much more corn was planted than otherwise would have been." Giving people economic incentives changed their behavior. Once the new system of property rights was in place, "the women now went willingly into the field, and took their little ones with them to set corn; which before would allege weakness and inability."

Once the Pilgrims in the Plymouth Plantation abandoned their communal economic system and adopted one with greater individual property rights, they never again faced the starvation and food shortages of the first three years. It was only after allowing greater property rights that they could feast without worrying that famine was just around the corner.

We are direct beneficiaries of the economics lesson the pilgrims learned in 1623. Today we have a much better developed and well-defined set of property rights. Our economic system offers incentives for us--in the form of prices and profits--to coordinate our individual behavior for the mutual benefit of all; even those we may not personally know.

Full article: http://www.independent.org/newsroom/article.asp?id=1423