

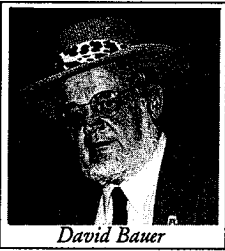
Henry George News

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July - August, 1994

Ukrainian City Officials Visit HGS To Study Public Rent Collection

A delegation of officials from the city of Lviv, Ukraine participated in a special all-day seminar on *Land Rent as Revenue* at the New York Henry George School on July 18th. The group is touring cities in the United States under the auspices of the Research Triangle Group in North Carolina, and their HGS connection came by way of David Bauer, a consultant with USAID and graduate of the school.



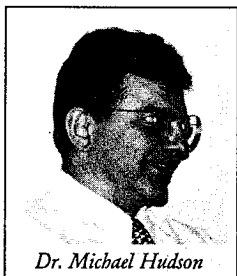
David Bauer

The group listened to four speakers whose presentations were geared toward packing in as much vital theoretical and practical information as could be put in a single day. HGS Director George Collins chaired the program. Assistant Director Lindy Davies led off with a discussion of economic fundamentals and the Law of Rent. Then, questions of implementation were addressed by two professors who have traveled extensively in the former Soviet Union and learned much of land issues there, Dr. Nicolaus Tideman of Virginia Polytechnic & State University and Dr. Steven Cord of the Center for the Study of Economics. Prof. Tideman delivered a paper on specific implementation proposals for public collection of rent in post-Soviet cities; Prof. Cord followed up with a discussion of how to alleviate the "special-case hardships" that may arise in such a transition. Finally, Dr. Michael Hudson examined the ramifications of land ownership on the deepening financial problems of Ukraine and other former Soviet Republics. "When private individuals in the Ukraine borrow dollars to buy land," he noted, "they will get rich at public expense, because the loans will almost inevitably be paid back by inflating the local currency." Dr. Hudson warned the Lviv officials to be skeptical of the financial advice they are receiving from the West, and to consider the bad experiences of Argentina and other nations in Latin America.

(continued on page six)

Hudson Joins HGS Team

Professor Michael Hudson joined the staff of the Henry George this July in the position of Research Director. His engagement marks a commitment by the school to add factual data and statistical precision to corroborate our theoretical analysis. His major task will be to design and implement an economic model which will distinguish between income from land and earnings from capital in the US economy. He will issue quarterly statistical reports and respond to the President's economic report with a Georgist analysis. He will also comment on the global economy, contribute a regular column to the *Henry George News*, and provide up-to-date statistics for our classroom use.



Dr. Michael Hudson

Dr. Hudson has a vast reservoir of practical and scholarly experience, suiting him well for the task at hand. He is a professional economist who has worked as a consultant for several large corporations and published seven books on (continued on back page)



Lviv's emblematic stone lions can be seen throughout the city.

The city of Lviv is an ancient meeting of the ways in south-western Ukraine, in a strategic spot along the northern flank of the Carpathian mountains, some fifty miles from the Polish border. As well as Ukrainian, its citizens speak Russian, Polish, German, Italian, Greek, Serbian and Moldovian. Lviv's 800,000 people are, perhaps, better situated than most to make the best of the new economic openness, because their city is well-served by rail and other transportation links.

Lviv has always taken pride in its role as a center of Ukrainian culture, even during the decades of Soviet suppression, and although it is the nation's fifth largest city, it ranks as the second most important cultural center, behind Kiev. It is the home of the Ivan Franko State University, which was founded in 1661, along with eleven other universities, and many publishers. Lviv's museums, theatres and architectural treasures are famous and well-loved.

Seminar Explores UN's Evolving Mission

by David Domke

Introducing the school's May 21st seminar on "The United Nations in the New World Order," Director George Collins referred to the "fracturing of the old alignments and relationships that formerly dominated the world" and the complex challenges that face "the one organization that has, for several decades, sought to bring issues that confront people all over the world into a common arena." Three from that arena were on hand: Hamid Abdeljaber, Political Affairs Officer of the UN Secretary General's office, Elaine Valdov, Chairperson for the UN NGO Committee on the University for Peace, and Dorrie Weiss, a UN Representative for Economists Allied for Arms Reduction.



Dorrie Weiss, Hamid Abdeljaber, and Elaine Valdov

Ms. Dorrie Weiss, first up, began by defining some of the ways in which the UN functions as a mediator in world affairs. "World problems [such as poverty, disease and pollution] don't have passports; they don't respect borders — and those borders are becoming increasingly permeable." Ms. Weiss gave a succinct description of the need for a world body such as the UN, citing such critical issues as arms control and the growing trans-national (and subsequently unaccountable) character of corporations. The UN "also gives a voice to the voiceless," she said; it allows those peoples whose countries have no direct role to play in (continued on page six)

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Answering the Land Question — in the Nick of Time

Most Ukrainians, like all but a well-placed few in the former Soviet nations, are facing dire economic times. A city like Lviv, which managed to retain its stature as a cultural center through the days of Soviet repression and misdirection, feels itself in a tighter spot than ever before. Ukraine's people are worried enough to have replaced Leonid Kravchuk, the popular President under whom Ukraine became independent, with Leonid Kuchma, who advocates closer ties with Russia. Energy has become so expensive (one part of the devastating aftermath of the Chernobyl disaster) that fuel for heating is severely rationed.

The economic giants of the West, meanwhile, have been long on advice about the magic of the marketplace, but rather stingy, all in all, with their investment capital. One strong reason for this is the continuing uncertainty regarding the disposition of land ownership in the post-Soviet nations. Prof. Nicolaus Tideman notes the caution with which this question is considered: "Many Russians strongly support the idea that individuals should not own Russian land, because private ownership alienates what ought to be the common heritage.... On the other hand, many others say that only a system that turns land over to individuals... can provide the freedom and economic growth that Russia so desperately needs." A system of land tenure based on public collection of rent, either through a leasehold system or a land value tax, "has the potential to resolve the great controversy that exists now... regarding land relations."

Thus, interest in Georgist economics in Russia, Ukraine, Estonia, *et al* is not a matter of theoretical nicety but practical

need, and those who are spreading the word about it have been pressed to address the fine points of implementation as specifically as they possibly can. This is the task that has been undertaken by Professors Nicolaus Tideman and Steven Cord in many cities throughout Russia — and at the school's seminar on July 18th.

Prof. Tideman's paper is a concise survey of the current state of scholarship regarding the public collection of land rent, specifically addressing the unique economic concerns faced by city governments in the post-Soviet states. It is unambiguous in its recommendations concerning assessment procedures, the legal definition of the rent of land, and the process by which assessments should be adjusted for inflation. It details the sequence by which other taxes may be reduced or eliminated, and discusses the economic effects of such shifts.

Perhaps the single most important aspect of this paper is its steadfast reliance on the forces of the market. Tideman stresses that "There is a good reason to have the greatest possible coverage for the rule that rent will be paid for the use of land.... When rent is not paid and the opportunity cost of land is forgotten, there is a strong tendency

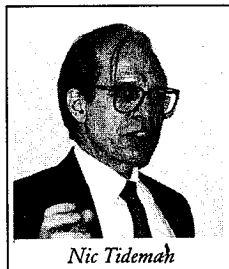
for land to be wasted." Thus, even government agencies should pay rent for the land they occupy, so that the community can have the clearest possible understanding



Steve Cord

of market-driven patterns of land use.

Likewise, Tideman urges that people who cannot pay the rent they are assessed be dealt with in ways that do not distort the market. The poor should be aided, not by lowering their rent but by establishing a subsidy budgeted for that purpose. "The social collection of (continued on page six)



Nic Tideman

Officials of Lviv, Ukraine who participated in the seminar Land Rent as Revenue



Anatoliz Kopata

Anatoliz Kopata, Deputy Mayor, Hostislav Brusak, Director of Socio-Economics; Lubov Maksimovich, Finance Director; Andriy Levyk, Secretary of City Administration; Bohdan Shevohuk, Personnel Director; Iryna Podollak, Information Services Director; Vasil Shovka, Communal Services Director; Borys Kolos, Director of Regional Development; Roxanna Senyshyn, Andriy Yekmovyvh, Interpreters



George Collins

Russia: Locked in My Heart

by Susan Klingelhofer

(Editor's note: Between the 12th and 23rd of June, about 30 Georgists from around the world attended a shipboard conference/cruise from St. Petersburg to Moscow. There, they heard much heartening news about the groundswell for public collection of land rent in Russia — and made some good friends. This time, Susan writes of personal aspects of the voyage. In our next issue, she and others will report on the conference sessions.)

In the end, the greatest lesson is learned from the least expectation. With what recreational yardstick does one measure a sojourn in Russia? Is life there a matter of dreadful hardship and privation — or is it better than ever? Ultimately, it doesn't matter what country one is in, or what river the ship is cruising along, or who's inhabiting the adjacent cabin. What matters most is communication — the free, uninhibited sharing of ideas, achievements, goals and dreams.

The St. Petersburg cruise returns to me now in my dreams. And of course, I have my many photographs. But it is the recurring memories I cherish most of a place where everything went beyond my expectations. In Russia, as in a wonderful dream, everything is enchanting.

Fascination, awe, respect, fear, wonder — all these were packed inside me as I arrived at the Moscow airport. Noticing my eyes on the sign, ECOGRAD, Sasha (Alexander) Ivanov greeted me with his booming voice, "Susan!" I looked up to see a tall, abundantly dark-haired, mustachioed man with blue eyes — I would soon learn that blue eyes in Russia are as beautiful and omnipresent as the monastery cupolas.

I was escorted to my sixteenth floor room at the Hotel Russia, bordering Red Square. My room was opposite St. Basil's Cathedral, and a monastery of gold and green-tiled cupolas was right under my view. Much to my delight and amazement, Sasha surprised me and the other early guests with tickets — to the Bolshoi ballet! All this, and the conference on board the *St. Petersburg* had not yet begun!

Unlike Manhattan, where the buildings are high, hugging each other to the

right or left, the construction in Moscow is expansive — most structures are enormous, occupying space in a country where "hugging" is a desire, not an architectural necessity.

On Sunday, June 12, 1994, I boarded the immense *St. Petersburg* to join my Georgist friends from all over the world for the first day of the international conference, *Henry George's Ideas in Russia: For More Progress and Less Poverty*. With everyone accounted for and cabin keys in hand, we sat together in the "musical saloon" to be welcomed by



This map and group photo represent most of the cities we visited and most of the conference attendees. Each of us — and I am 100% certain I can claim this — had a favorite town. — S.K.



our hosts and guest speakers. It was a rousing first meeting, with many more to follow.

As we started up the Volga through the canals and locks, we saw exquisite coun-

Setting Sail

*Exultation is the going
Of an inland soul to sea—
Past the houses, past the headlands,
Into deep eternity!*

*Bred as we, among the mountains,
Can the sailor understand
The divine intoxication
Of the first league out from land?*

— Emily Dickinson

tryside with fir trees miles deep. We quickly learned that when the firs dispersed and gold shone through, it meant a stop was soon upon us. The monastery cupola is a

navigator's friend, glistening the sunlight back into the sky, warmly drawing visitors closer to its doors. Each monastery's interior proved to be as rich as its exterior. The Russians are proud of their iconostases. In cities such as Uglich, our first stop, Yaroslavl, Goritsky, and Kizhi, each cathedral was enormous — unique in its presentation and a testimony to the city's history — it represented the people, often poor materially, but rich in a heritage dating back centuries.

As we worked our way up the Volga, we reached a series of locks through which we dropped a few hundred feet. Coincidentally, the cruise ship neared Petrozavodsk, on Lake Onega, during the summer solstice. Many of us frequented the uppermost deck in the wee hours of the morning to experience the famous "white nights." The sky was gorgeous — and so was the city of Petrozavodsk, clean and attractive because of its proximity to the lake, its spacious park, and the evidence of an ongoing attempt at town development. It was the first real city in which we were allowed to roam freely, which we did in search of the best linens, or the perfect gift.

St. Petersburg was breathtaking. I thought I had seen huge structures before arriving there, but I was wrong. The Hermitage is stunning and imposing — it invites and it intimidates — much like the city surrounding it. The Nevsky Prospect, the "Fifth

Avenue" of St. Petersburg, provided each of us with some of our best shopping opportunities, as well as the privilege of "getting lost in the crowd." (continued on page seven)

Settlement Houses Sprouted in Response to Desperate Need

Part II

- by Pauline Jukes

A settlement differs from other social welfare agencies, in which a needy person must conform to agency requirements to be eligible for assistance. In contrast, the settlement house modifies its programs to the changing needs of the community and accepts anybody who walks through the door. It gauges the well-being of the neighborhood and addresses itself to any distress, in the process nurturing and maintaining neighborhood integrity. "The great desire of the Settlement," stated the Lenox Hill Neighborhood Association's Annual Report of 1901, "is to find out what the neighbors need, and then, if possible, to supply that need."

Their success is confirmed in the report of 1928: "There could be no more certain proof of the need for the work being done by the [LHNA] than the eagerness with which Lenox Hill Neighborhood people seize the opportunities offered them by the settlement."

The inspiration for the Lenox Hill Settlement House originated with the Members of the Associate Alumnae of Hunter College. Prompted by the miserable conditions described in the first part of this article and spurred into action by a visit by Stanton Coit,



A Lenox Hill kindergarten class in 1928

reporting on the founding of Toynbee Hall in London, they established a Free Kindergarten in the neighborhood of Hunter College. Their overriding concern was the lack of educational and recreational opportunities for the children, particularly those who played under the tracks of the elevated trains.

The dawn of the century saw their work expand. They provided a community center for the newly-arrived immigrant families. Their outreach included teaching English, monitoring work conditions in the factories, providing legal aid and 'hygiene clinics,' nurturing dramatic and arts and forming social clubs, but above all, seeking to improve housing conditions.

As the decades advanced, and the neighborhood continued to reel under the assault of real estate interests, their focus sharpened to meet the challenge. A report by the recently formed Lenox Hill Tenants' Association dated 13th September, 1920, documents the extent of the exploitation:

Many houses in this section are owned by speculators who frankly admit that their business is to buy and sell houses and that it is not to their interests to paint rooms etc. Consequently the outsides and halls of houses are made to look like a "good buy" while nothing is done to the rooms where large families live.

To advance their speculative interests and maximize their profits, landlords served holdover proceedings to remove old tenants and charge exorbitant rents to new ones. They customarily raised rents while failing to maintain their buildings, so the tenants, "miserably uncomfortable" before, resented an increase they considered unjust, the landlord having "spent no money on their rooms for years." The report also voiced fears of an epidemic. In addition, the vulnerability of new immigrants provided unscrupulous landlords with windfall opportunities.

Rising to alleviate the suffering of these hapless groups, LHNA found itself in a confrontation with real estate interests. A report speaks of the impossibility of finding rooms for people "with small means" and of the consequences of a fire in one of the buildings which forced a family of thirteen to live in three small rooms with no water.

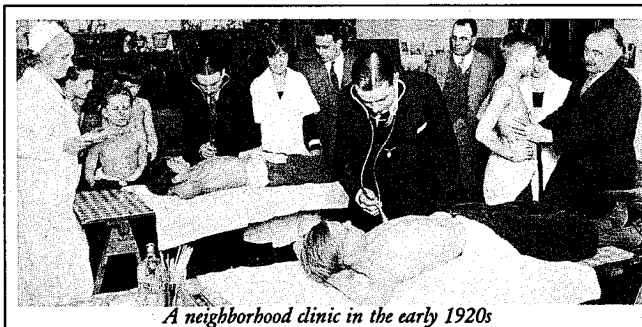
Lenox Hill Tenants Association finds that despite the present housing crisis, real estate interests are attempting to get the minimal rent laws protecting tenants repealed. Any effort on the part of the real estate interests to conceal these dangerous conditions, the Lenox Hill Tenants' Association regards as anti-social, and should the rent laws be repealed, the Lenox Hill Tenants' Association believes that rioting will be the inevitable result, to say nothing of the hardship imposed on the people least able to bear it.

In 1928, the Lenox Hill Neighborhood Association was to find its present home at 511 East 69th Street. In less than forty years the association had mushroomed from a single room to a large, well equipped facility — and they were helped in their undertaking by an advantageous sale of their existing building and adjoining land, which was on the riverfront at 69th Street, to New York Hospital for \$406,000 in 1927. They purchased the 69th Street site for \$195,000, and used the balance towards the construction of their present building. Designed specifically to house the settlement and provide services and recreational facilities for its neighbors, it became the largest neighborhood house in the world. Ironically, land value appreciation greatly benefitted on organization whose work was, to a greater and greater extent, devoted to easing the suffering caused by land speculation and its resulting dislocations.

The tug of war between landlords and their hapless tenants would resound through the years. As the East Side of Manhattan became a prime residential area, real estate interests moved from speculating on the buying and selling of buildings and milking the slum dweller for rent, to amassing footage for redevelopment, seeking to remove the tenants entirely. LHNA became advocate, mediator and activist, moving to strengthen the tenants' position by organizing block and tenants' associations to keep landlords in check.

During the depression, similar programs to those instituted at Henry Street Settlement nourished children, organized young men and provided health and social services and nursing for those in need. In 1932 the Yorkville Civic Council (YCC) co-ordinated moves to combat the distress caused by the Depression. With World War II efforts were directed to assist servicemen and train citizens.

In December 1949, Lillian Robbins assumed the post of Executive Director of the Association. Under her twenty years of



A neighborhood clinic in the early 1920s

leadership, the Lenox Hill settlement assumed a major role in focusing public attention on the housing needs of neighborhood residents who were subject to eviction. Due in large part to her initiative, stipends were made mandatory for evictees throughout the city and additional time was granted before a Certificate of Eviction became effective.

She was well known for her conviction that the role of a settlement house should be as a catalyst in the community, helping

residents join together to work for solutions to common problems. Many of the programs instituted during her tenure reflect this ethos.

The 1950s saw LHNA's return to the homefront battle of protecting the poor from "gentrification," a reality that this area faced before the process was given a name. In 1955, the Lenox Hill Housing Service was established to give legal advice and relocation aid to thousands of desperate families facing eviction. The elevated trains on 2nd and 3rd Avenues were torn down and with them old housing lining the avenues. This resulted in mass evictions and major relocation programs. Between 1950 and 1958, approximately 4,700 dwelling units were demolished in the district and an additional 4,400 units converted to high-cost housing. LHNA's annual report of 1959 states:

In response to the hardships created by this emergency, [the LHNA has] established a Housing Service which has provided advice and assistance to more than 18,000 families since its inception less than five years ago. Many of these are long time Yorkville residents of low and middle income who suddenly find themselves facing eviction with no other place to turn for help. The housing Service staff interprets the rights and responsibilities of those facing eviction, they explain complex legal documents and prevent exploitation of the helpless. They accompany inarticulate and frightened people to interviews before housing authorities, and in extreme cases of need grant emergency relief.

Spurred again by a growing housing crisis, in 1969 LHNA mobilized tenants and helped organize "Tenants against Demolition," a committee representing tenants in over 140 Yorkville buildings which challenged building violations, demolitions and wholesale evictions. The *LHNA News*, Spring '70:

Yorkville's housing crisis has resulted from 15 years of uninterrupted demolitions of rent-controlled units to make way for luxury housing. Today the vacancy rate is almost zero; yet there is no place to move. Yet, unless demolitions are stopped, an estimated 10,000 area residents, both low and middle-income, will face eviction in the next two years.

The struggle between the community and real estate interests intensified in the 70s. "Despite a growing glut of luxury apartments in the rental market," reported the LHNA, "site assemblage and purchase for renovation are going on at an undiminished pace."

Protecting tenants against harassment had become an urgent priority as landlords curtailed services and repairs, sabotaged the buildings and gutted them with tenants still in occupancy.

The Spring 1971 *News* triumphantly records the story of the Lynch family. Ed Lynch had been one of 12,000 tenants ordered to leave sound, low-cost apartments to make way for highrise luxury buildings. But Mr. Lynch refused — unless he could be placed in equivalent housing in his neighborhood.

He was shown one apartment in Coney Island, two hours from his work, and another in Queens, equally far away. When the marshal's order arrived, Ed Lynch brought it to Lenox Hill's Department of Community Work and Housing. Working with Tenants Against Demolition, LHNA planned a protest.

Ed Lynch won, the marshalls withdrew and the landlord found the family an apartment they could afford a week later. LHNA used this victory to inspire other tenants who faced eviction to take heart and fight back. In 1972, LHNA retained an attorney to advise on the legal aspects of housing problems in the Yorkville area. A number of real-estate activities were challenged, including the demolition of structurally sound housing. There were lawsuits to

repeal the Maximum Base Rent (MBR) and to uphold the constitutionality of that repeal.

In 1974, TAD converted itself into ESTU, the East Side Tenants Union, and began to train organizers, educating them on housing procedures and finance. This was the year of fuel price increases and expecting property owners to massively cut heat and other building services, tenants were being trained to respond by using rent money to buy oil, a test case having already proved the viability of this approach.

In 1989, while working on a Masters in Social Work, I visited LHNA one evening and talked to David Stern, the Executive Director. As I walked up the steps of the 95 year old building, I passed an aged homeless woman asleep to one side. Later I was to learn that she had been a nurse in Lenox Hill Hospital for forty years, and now this was her only home. At night she slept, along with thirty or more other homeless women, in the auditorium.

I met David Stern in the lobby. "Come and see," he said, "We have open house this evening," and led the way to the basement. I was shown successive areas of activity: a basketball court, gymnasium and exercise room, pool and table tennis tables and a neat and brightly painted reading room. Sounds of exuberant enjoyment emanating from the various areas culminated in animated splashing from a large swimming pool.


"We keep the swimming pool open for homeless women after 10:00 pm," said Mr. Stern. "All this happened in response to an appeal from Payne Whitney. They came to us some ten years ago, deeply concerned over

the escalating suicide rate. Young people were coming to New York City from all over the country hoping to find success, or even fame. With their aspirations in tatters, the cruelty and indifference of this huge metropolis eroded their spirits. At first there was a debate on the board as to our function in the community, then it was decided that our overriding responsibility was to serve where we were needed, and so we reached out to a new population with this recreation area and meeting place. It was at the time of "Mr. Goodbar" — singles bars were by no means providing the necessary environment, so here we created a place where they could meet, rest after the rigors of the day, escape the loneliness of an empty apartment and exercise a bit. There is an annual membership fee, but basically we accept whatever a person can afford to pay. This is an example of how we modify our programs to adjust to the changing needs of the community."

In all parts of the city, settlement houses continue to reach out to assist their neighborhoods. Their goals have somewhat altered as some functions have been assumed by state and municipal authorities, but the purpose remains the same, to create a web of social interaction amongst the residents. During the 80s and 90s, LHNA and other settlements have increasingly responded to the needs of the city's homeless population, providing shelter, food and rehabilitation.

There are 36 settlement houses in New York City, ranging from the "Third Street Music School Settlement" at 11th Street to "Tip Neighborhood House Inc." at 1028 E. 79 St. in the Bronx.

The "United Neighborhood Centers of America" lists 850 houses nationwide under their umbrella. "The International Federation of Settlements and Neighborhood Centers," established in 1926, co-ordinates community work on an international level.

The seeds sown at Toynbee Hall in Bethnal Green were destined to reap a far-flung and abundant harvest. 



Ukrainian City Officials Study at HGS... (from front page)

In the discussion period that filled out the day, all the presenters agreed that cities like Lviv could not afford to wait for national governments to make their public revenue decisions for them. For their part, the Lviv officials were heartened to learn about a sensible step that they could take toward a prosperous local economy, notwithstanding the economic and political chaos swirling around them.

At last, when all was said (for now), Deputy Mayor Anatoliz Kopata presented George Collins with a lovely photo album of Lviv. George Collins presented two sets of Henry George's works, one to the Mayor's Office and one to the Lviv Institute of Management, which conducts an MBA program, and Roxanna Senyshyn and Andriy Yekmovyvh, the two translators, are staff members. They plan to submit a proposal there for a Georgist lecture.

UN's Evolving Mission... (from front page)

geo-politics to have their needs and concerns recognized and in some ways addressed.

There are also, Ms. Weiss went on to say, an estimated 100 million refugees worldwide who are fleeing war, poverty or political oppression. "Poverty... has the potential to become a threat everywhere," Ms. Weiss said, because this huge refugee population can and does have a destabilizing effect on those countries ill-prepared to accommodate a rapid influx of people. As the world becomes increasingly interconnected so increases the sharing of those responsibilities.

Elaine Valdov spoke of the many problems that face the UN as a world mediator. One is financial; the UN operates on a budget which is about the same as the New York City Fire Department. It does not have the structural or technological resources to deal with the problems that Dorrie Weiss listed. What is needed, said Ms. Valdov, is a "global paradigm shift." The governments and people of the world need to realize that a) all problems that the UN faces are global problems and b) these problems can only be solved by countries pooling their resources. "People have a limited 'caring capacity' in the world as a whole," Ms. Valdov went on to say, because problems are only seen in light of their local consequences.

Finally, Hamid Abdeljaber discussed the goals that world leaders had in mind when the UN was founded in 1945. Initially, Mr. Abdeljaber said, the UN was charged with maintaining peace and security through a consensus of the Security Council. Each member of the Council had veto power over resolutions and this was seen as a "simple mechanism" for negotiating conflicts. How-

ever, the cold war, which began in 1947, was a complex ground of shifting alignments, low intensity conflicts and all-out wars, and found the Security Council nearly paralyzed because of that very veto power. As the geopolitical scene became polarized, the superpowers stymied many attempts to address other world issues such as poverty, hunger and disease. "There were over 240 vetoes of resolutions during the cold war years," said Mr. Abdeljaber, "and not much could be done." In many cases, even when resolutions were passed on development, health or the problems of refugees, they were ineffectual because the superpowers were focused on their own interests.

"Things began to change in the mid-80s when a new leadership came to power in the Soviet Union," Mr. Abdeljaber said, "and the UN began to feel the winds of change." During this period, the Security Council resolved to end the seven year Iran - Iraq war, Cuba withdrew from Angola and South Africa ended its occupation of Namibia. "None of these things could have happened without the new spirit of cooperation."

Suddenly "the UN became like 911, everyone was calling in to get the UN to help solve its problems," Mr. Abdeljaber continued. While the UN has begun to play a more active role in confronting world problems, new problems such as ethnic and religious conflict have arisen since the end of the cold war. Mr. Abdeljaber concluded by saying that the UN is no longer seen as only a peace-keeping organization, "if there is a peace to keep," but a "peace-making organization." The so-called new world order has given the UN new challenges but also new abilities to meet those challenges, and to respond more immediately. ☒

Nick of Time... (from page two)

rent should be separated from the question of who is to receive social support." Poor people could be further protected by allowing each citizen an exemption equal to the land rent for a one-person apartment at the edge of the city. People who could not afford their rent could thus have a place to go, and avoid further indebtedness.

The post-Soviet environmental predicament is well-known, and must bear on whatever economic programs are to be devised; Tideman recognizes this in his rent-collection model and, as always, seeks guidance from the market. The cost of "negative amenities," such as pollution, should be incorporated into the land rent assessment and charged to the user. Also, deposits could be charged in certain areas to make it unprofitable to abandon heavily degraded land without having paid the proper pollution cost.

But not all external effects of land development are negative; Tideman also holds that the creation of "positive amenities" that raise land value, such as "high-density commercial centers," should be paid for by the community, to the extent that they raise the value of the surrounding land (or charged to the extent that they deplete the value of surrounding improvements).

Prof. Cord's paper focused even more minutely, on "13 Alleviations of Special-Case Hardships to Accompany GCLR (Government Collection of Land Rent). Actually his paper discussed broader issues, such as the phasing-in of rent collection and the gradual curtailing of other taxes—but it is clearly designed to lay to rest questions of "hardships" thrown up by detractors.

One such point, that recognizes the uniquely ambiguous flux of post-Soviet land relations, considers the potential for a too-sudden increase in housing costs were the community to start collecting the full rental value of land. The reason for this, Cord writes, is that "the legal owner of the land may be the government, but the actual owners of the land rent are the tenants [who are] using the land and enjoying its advantages." These tenants, whose wages—particularly in these inflationary times—are quite low, are not accustomed to paying market levels of rent for their dwellings and would have no means to do so (not until their wages and tax burdens were reached by the economic benefits of public rent collection). Prof. Cord advocates assessment of the total land value in every case, but rebates to families who cannot handle the sudden changes. Cord also suggests that local governments pay the moving costs of people



From Theory to Practice in Fairhope
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Council of Georgist Organizations
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cause they find themselves living or working on suddenly high-rent land.

Although there are precious few such learned advocates as Tideman and Cord making the case for public collection of rent, that case is gaining considerable momentum in Russia and some of the post-Soviet Republics. Many students leave courses at the Henry George School with an almost aesthetic sense of the intellectual grandeur of George's theory. The delegation from Lviv left the July 18th seminar fired with the very real possibility of a way out of their deepening state of fiscal chaos. ☒

Many Russians strongly support the idea that individuals should not own Russian land, because private ownership alienates what ought to be common heritage of all generations of Russians. On the other hand, many others say that only a system that turns land over to individuals to use as the market dictates can provide the freedom and economic growth that Russia so desperately needs....

- Prof. Nicolaus Tideman

Russia

(from page three)

In the spirit of entrepreneurship, or a desperate need for cash, many Russians have adopted the street vendor's trade, selling whatever appeals to tourists — black painted boxes and pins, shawls, postcards, and assorted novelties. We benefited greatly from the ruble exchange: 2000 to the dollar! A pathetic economic situation for the Russians, but one that I greedily bought into.

Our dear, caring hosts arranged a night at the opera for our entire group to see "The Tale of Tsar Sultan." The production was lavish and big, representing enormous talents. For everything wonderful that was arranged for us during this conference cruise, I want to credit, in particular, four very special people: Tanya and Sasha Ivanov, Tatyana Roskoshnaya, and Tamara Chistyakova. Of course, there are many, many others who were involved and are deserving of special mention. Gloria Karn donated her artistic talents to the cruise by drawing passenger's portraits. (She captured Sasha incredibly well!) Irene Hickman gave a gift to each Russian participant — a colorful rosary, handmade by herself during the cruise! And diligent George Curtis from England wrote, and wrote, and wrote. He was never without his pen and paper in his tireless effort to document this extraordinary trip up the Volga. I miss the beautiful places I saw, and each old friend, but more, I miss the friends I made, the people who will eternally occupy a space in my heart as big as their country. ☒

Summer Vacation?

- by Lindy Davies

What did the Georgist say at the funeral? "If no one else has anything to say about the Deceased, I'd like to say a few words about the Single Tax!"

The school year might be on hiatus, but teaching about Henry George's remedy is something we cannot hope to avoid. We go to wedding receptions or summer picnics, and people ask. Unwilling to shirk our duty, we have all tried a thousand different ways to distill the single tax's ambrosial essence into a one-minute blurb that will educate before it alienates.

That is no easy task, for the theory of Henry George bears on two extremely passionate feelings: the deep yearning for real estate of one's own, and the intense distaste, aversion, even repugnance for economists and whatever it is that they do. "So Henry George is an economist who believes we can't own land? FEH!"

Starting out with Henry George's most famous *faux pas*, "We must make land common property," will win few friends.

No, the idea requires a more thorough development — something like, "We must begin by defining our terms. The rent you pay to your landlord is not rent. Well, it's not all rent, anyway, part of it is interest, but the interest you get on your investments is not interest, well, not all of it anyway, part of it is rent...." Right.

Could there be a middle ground? Yes there could, indeed! Do you know what to say, friends, when they ask, "Is Henry George a right-wing or a left-wing theorist?" Don't blow this one: the answer is "Yes."

I have occasionally had good times explaining Henry George to strangers. Every now and then you'll consider the land question through a whole glorious Amtrak run, your seatmate will point out examples of the evils of speculation in the passing countryside and sign up for a course upon arrival. Once I explained Henry George's theory to a woman while she fed her new baby. She listened attentively - politely, I thought. But then her husband, who had been off fixing dinner, ambled in and asked what we'd been talking about, and she proceeded to tell him, in correct sequence, the full tale of *Progress and Poverty*! She even made reference to the unbounded savannah! Think of the progress we could make, if only more people were such quick studies! But such successes, alas, are exceptional.

Mostly it's rough going. My sister, who holds an advanced degree in anthropology and is anything but stupid, is explicit about it. "Tell me later," she says, "My eyes are glazing over now." She has been saying that for years.

You can describe George's remedy in such a way as to alienate virtually anybody. Just make some cursory consideration of your victim's general circumstances and orientation. You can horrify your liberal friends, for instance, by describing the massive tax cuts that public collection of rent will make possible. And what better way to render a libertarian apoplectic than declaring that all natural monopolies should be run by the state?

But there is also something we can all agree on. Has not everyone you have ever talked to had respect for the notion of **earning a living**? People who are willing to work to earn a living, by golly, oughta have the right to do that. What they get, their living, is theirs — nobody should steal it from them. That is an excellent place to start. Everyone can relate to the struggle to earn a living; even the Landed Rich have relatives or friends or servants for whom it is an issue. After all, a large part of the reason why we never have time to sit around and discuss things like macroeconomic policy is that we are so dad-blamed busy earning a living. If we didn't have to work until April to pay our tax burdens, and then work until August to pay private landowners for the natural resources we need to survive, people would be so much more relaxed, and it would be so much easier to get a word in edgewise.

TEACHERS' CORNER



Sabbath is a voice of gift in a frantic coercive self-serving world. Land sabbath is a reminder that (a) land is not from us but a gift to us, and (b) land is not fully given over to our satiation. Land has its own rights over against us and even its own existence....

Landed people are tempted to create a sabbathless society in which land is never rested, debts are never canceled, slaves are never released, nothing is changed from the way it is now and has always been.... This is the meaning of the producer-consumer consciousness which tempts Israel to betray the meaning of the land.

- Walter Brueggemann, The Land

Hudson Joins HGS Team

(from front page)

international finance. He is also an economic historian, and has recently shifted his academic association from the field of international trade to that of archaeology and the history of land tenure. His current position is that of Visiting Scholar in N.Y.U.'s Institute of Fine Arts. He did similar work in this most interdisciplinary of fields in association with Harvard's Peabody Museum. The irony of these professional associations is not lost on Dr. Hudson; he has discovered that the search for truth makes for odd bedfellows. "These discoveries on debt and land tenure in antiquity have great relevance to modern economic problems," he reports, "yet the art historians are the only ones willing to consider them."

Dr. Hudson's most recent book is the 1992 two-volume work, *Trade, Development and Foreign Debt*. His pamphlet, *The Lost Tradition of Biblical Debt Cancellations*, was published last year by the HGS Social Science Forum. A summary of his work on early land tenure will be published by Fred Harrison's Centre for Incentive Taxation in London.

The presentation he made to the Lviv officials on July 18th typifies the kind of synthesis that Dr. Hudson brings to his work here. He explained the coupling of the land question and financial problems, particularly as it applies to the post-Soviet nations. Citing the histories of many Latin American nations as well as that of the United States, Hudson warned that "the first two years after independence are the most dangerous," because that is when great power can be consolidated in the rush to amass large landholdings. The World Bank and other international credit institutions are, in effect, aiding in this process now. "Why," Hudson asked, "would Ukraine want to run up foreign debt to buy its own land?"

He explained that that is, in effect, what happens when developers in Ukraine borrow money in dollars to buy land that is freshly on the market. The land will increase in value if the community spends tax revenues on public services. But, as a prerequisite for making such loans, the World Bank insists that land values not be taxed! Furthermore, money that has been borrowed in dollars must be paid back in dollars, a fact which creates an irresistible tendency to print more currency (and exchange it for dollars at whatever lower rate is accepted, since the government can print a virtually unlimited amount of currency). The ones who suffer, of course, are the

Autumn in New York...

Basic Courses

Fundamental Economics

Monday, Mr. Irving Kass - 5:30 - 7:30
Tues., Mr. Michael Botwin - 6:30 - 8:30
Weds., Mr. Alton Pertilla - 6:00 - 8:00
Thurs., Dr. Cay Hehner - 6:00 - 8:00

Progress and Poverty (in Spanish)

Mon., Mr. Nibaldo Aguilera - 6:30 - 8:30

Understanding Economics

Tues., Mr. Lindy Davies - 12:30 - 1:30

Advanced Courses

Current Events

Monday, Mr. William Brown - 6:30 - 8:30

Economic Science

Tuesday, Mr. Lindy Davies - 6:00 - 8:00

Money & Banking II

Tues., Richard Barbuto, Esq. - 6:00 - 8:00

Great Decisions '94

Weds., Mr. John Bruschi - 12:30 - 1:30

Third World Issues (in Spanish)

Weds., Mr. Manuel Felix - 6:00 - 8:00

Human Rights

Weds., Mr. George Collins - 6:30 - 8:30

Applied Economics

Thurs., Mr. Sydney Mayers - 6:00 - 8:00

Classical Analysis I

Thursday, Mr. Lindy Davies - 6:00 - 8:00

Friday Evening Forums

Land in the Movies

Sept. 16th - *Places in the Heart* - Discussion with School Director George Collins will follow the film - 7:00 - 9:30

Widowers' Houses

Oct. 21st - The Shaw Project, an acting company devoted to G.B. Shaw, will do a staged reading of this early satirical masterpiece - 7:00 - 9:00

The Income Tax & You

Dec. 2nd - Fred Kahn, C.P.A. - What to do before December 31st to hold down your 1994 tax liability - 7:00 - 9:00

Saturday Seminars

Business Improvement Districts: Public Service - or Private Govt.?

Oct. 1st - Ms. Barbara Wolf; Mr. Nicholas Fish - "BID's" have become a popular response to deteriorating public services. Do they simply provide good services - or do they threaten our liberty? - 1:00 - 3:00

Learn, Act, Dance, Sing...A Story!

Oct. 29th - Oretta & Renata Cantore - A celebration of international folklore, with tales, songs, puppets, and dolls - bring the kids! - 1:00 - 4:00

Business Ethics

Nov. 12th - Mr. Martin F. Roth - Is this title a contradiction in terms? What is your own ethical orientation? - 1:00 - 3:00

workers, who must suddenly pay much, much more for imports. The experience of Argentina in the 1980s, Hudson noted, is a very clear example of how foreign debt leads to hyperinflation — one that the Ukrainians would do well to study.

One reason why Michael Hudson's work is powerful is that he shows that the relation of the land question, debt and exploitation has been essentially the same from the Bronze Age to the present day. Foreign debt can do great damage, he warned — but only if the land rent is left in private hands to entice the surplus-grabbing foreign lenders. He urged the officials from Lviv to "Attack the problem at the root. If cities leave these questions to the national government, they may end up unhappy."

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