

## LVT Seen as Crucial to Post-Communist Economy

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Earlier Prof. Bronshtein told the conference that he had calculated land rent for over 30 years. "We have the theory," said he, "but no practice." In his estimation, the sale of 15 per cent of the land could yield enough revenue to cover government costs and pay off their national debt. There are problems with privatization however. How is the value of land to be determined? Who owns the office buildings and apartments in Moscow and other cities? Does the government have a right to sell what it took without compensation? Compensation to satisfy previous owners would reduce the treasury to zero and require new taxes.

A panel of land tax experts, including well-known Georgist names and other prominent scholars, was called on to offer guidance through the complexities of political and economic change. First was Prof. Mason Gaffney discussing *Moral and Efficiency Arguments for the Social Collection of Rent*. His early comment that rent is being collected by someone in the Soviet Union was later underscored by Prof. Elizabeth Clayton, University of Missouri, when she pointed out that the controlled rent paid to municipal governments has resulted in some people's obtaining two apartments and renting out one at the market price. Prof. Kenneth Gray, the Russian-speaking representative of the U.S. Dept. of Agriculture, noted that state monopoly is the major issue in the Soviet Union. Rent is dissipated due to non-use and poor use of land. In his commentary, Prof. Lowell Harriss, Columbia Univ. Emeritus, President of the Schalkenbach Foundation, noted that as the change to a market economy makes some people so much better off than others, the private collection of rent will have to be dealt with.

In his paper *Some Aspects of Leaseholding in the Soviet Union* Prof. Alexander Meyendorff revealed that rent was discussed in the Soviet Union in the 1920's. However, until very recently, socialist dogma created calculations based on fictional "price zones" and "polar rent" that demanded acquiescence from economists who knew better. One who knew better was Prof. Bronshtein, the Discussant for his paper. Today, analysts are no longer forced to ignore economic laws, and outside sources of knowledge, such as the conference was providing, could be examined openly.

Dr. Gene Wunderlich, head of the Economic Research Service, U.S. Department of Agriculture, summed up the question of whether leaseholds or privatization is preferable, concluding that private ownership with taxation is the equivalent of common ownership with rent. Prof. Robert Dorfman, Harvard University, reviewed colleague Prof. Karen Brooks' paper *Price Adjustment and Valuation of Agricultural Land: A View Using*

*Lithuanian Farm Data*, which showed that all values relating to Soviet farm output, work force, value, and price, were suspect because they were derived through negotiations with the farm bureau.

The issue of farm size was taken up by Prof. Albert Berry, University of Toronto, and his Discussant, Prof. Eli Noam, Columbia University. No study of agriculture in other developing countries showed any important economies of scale on large farms. Infrastructural needs of large and small farms were different. Large farming has had to use slavery, indenture, and other means of enforcement to keep labor. Nicolai Borkhunov, head of the Pricing Department of the All-Union Agricultural Academy of Lenin, pointed out that 70 per cent of Soviet agricultural production takes place on large farms mainly because they are easier to control from Moscow. Many very small farms are in operation and they are clearly more productive.

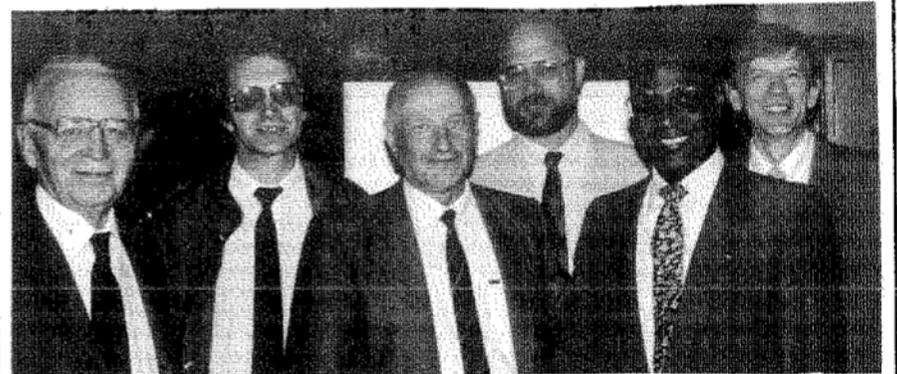
By the time Prof. Ivar Raig took the podium, enough land tax information had been imparted so that he could make a bold plea for the Henry George School to conduct courses in Estonia. Prof. Raig, of the University of Tartu, Estonia, is a People's Deputy in the Estonian Supreme Soviet and USSR Supreme Soviet, a member of the Committee on Agrarian Issues, and a member of the Congress of Estonia. He urged that Georgist material be translated into Russian and distributed in the Soviet Union. Prof. Raig is a strong proponent of Estonian independence. The Soviets are not Soviet, he declared. Cooperatives are not cooperative. In Estonia only 40 per cent of the wealth produced goes to the workers. That must be changed, he stressed, to 70-80 per cent. To emphasize the urgency of the situation he rephrased the slogan "Power to the People" with "Property to the People."

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## CHICAGO NOTES

Chicago's Henry George School has announced its addition of Michael Cohen to its Board of Trustees. Mr. Cohen is a graduate of the three-course program in *Principles of Political Economy*. Another graduate of the *Principles* program, Scott Walton, has been hired as the School's first staff person, beginning part-time. Mr. Walton's term as Secretary of the Illinois Libertarian Party expires next April. His wife, Sue, is currently Illinois Party Chairman.

These additions to the ranks proved to be more than timely, as School President Sam Venturella underwent emergency surgery in September. His recovery is going well, but doctor's orders are to do no work until recovery is complete. Sam, who has been doing most of the work of the school since it's recent revival, plans to return to active duty early in 1991. Richard Noyes, Deputy Chairman of the Council of Georgist Organizations, is filling in for Sam until he is able to resume his post as CGO Chairman.



L to R: Dr. Alexander Meyendorff, Victor A. Shcheglov, Dr. Mikhail Bronshtein, Dr. Kenneth Gray, George Collins, Dr. Nikolai Borkhunov

## STUDENTS FILL NYC CLASSES

The New York HGS received a surprisingly large registration for its fall term of courses. Oversubscription required the addition of a fourth section of *Fundamental Economics* in English, as well as additional sections of *Classical Analysis I* and *Practical Writing*. The only course that did not fare well was *Classical Analysis II*, which had to be dropped because of low registrations. Also, Manuel Felix has been invited to teach an additional *Fundamental Economics* class in Spanish to members of an organization in Jersey City; that class is meeting on Tuesday nights. All told, 487 enrollees began attending fifteen classes on September 24th. As usual, a drop-off occurred after the first two weeks of classes. However, better than half remained by the midpoint of the term, so the School will probably have a larger graduating

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class than it has had in many years.

There has been an influx of teachers at the New York School as well as students. Mr. Nibaldo Aguilera is now in his second term of teaching *Fundamental Economics* to a large and enthusiastic Spanish-speaking class. And Mr. Cartrell Gore, F.E. graduate and political columnist (see article in the Summer '90 Newsletter) is teaching the new Friday section of *Practical Writing*.

Three students are undergoing teacher training with Director George Collins. Menashe Shaul and Ali Akbar Khan filled in for George Collins during his recent trip to Jamaica, teaching a lesson each of *Fundamental Economics* and *Economic Science*. Pia De Silva is also in training and both she and Mr. Shaul are tentatively scheduled to take on sections of *Fundamental Economics* later in this school year.

## GREEN LAND USE PHILOSOPHY

Paul Johnson, Northern California HGS Board member and San Francisco Green activist took his case for better land use thru land value taxation to the conference of Greens in Eugene, Oregon, earlier this year, as well as to the more recent Green gathering in Colorado (see accompanying article).

The Green Land Use Philosophy in summary:

All land use policies and practices must acknowledge:

- (1) *That we share the land with other forms of life.*
- (2) *That their survival is as important as our own.*
- (2) *That the health and survival of all life forms is interdependent.*

We recognize that a Western lifestyle of materialism and consumerism puts pressure on a limited amount of land and a finite resource base. We recognize that population growth, both natural and from migration, often causes additional pressures. Therefore all land use policies, plans and practices should be based on the following:

- (1) *Sustainable development and production.*
- (2) *The reduce-reuse-recycle ethic.*
- (3) *The encouragement of a balance between optimal and diverse use of land, recognizing the natural character of the land.*
- (4) *The inherent right of nature to exist for its own sake.*
- (5) *The assurance of social justice in the formulation and implementation of land use policy.*

The underlying theme of the Green land policies is that vast land holdings by the few is immoral, often making ecologically unsound land practices profitable, squanders nature's bounty for the benefit of the few, and is a large problem ripe for a Green solution. Other groups at the Oregon conference joined us to recommend socializing the economic value of the land and natural resources.

For more information on Green land use policies, contact Paul Johnson at 915 Pierce Street #305, San Francisco, CA 94115.

## JEFF SMITH GEOFIES EAST EUROPEAN GREENS

A report from the Fall, 1990 issue of *The Geonomist*, newsletter of the Institute for Geonomic Transformation, reports on its President Jeff Smith's second visit this year to Europe. Two reforms have highlighted his message on this tour: (a) using land value increases to fund mass transit, and (b) writing off Third World debt in exchange for land reform. Jeff's host in Sweden in August was a Green Party MP, Goste Lynga, who sits on Parliament's Tax committee. Lynga liked the rent-for-transit idea enough to fax it to the rest of the Green parliamentary delegation who were drafting legislation to introduce this fall. Lynga also promised to bring up the debt-for-ground-rent idea during his October visit to the United Nations in New York. Other Swedish MPs liked what Jeff had to say, including Carl Frick, Lars Norberg, and Kristen Skanberg. Jeff also was on hand at the annual meeting of all Swedish Green Party staffs, federal and (four) regional.

This is just a sample of the contacts Jeff Smith is making, not only in Sweden, but in Poland, Czechoslovakia, and Estonia. In a recent letter to New York headquarters, Jeff writes that a Green activist warns, "Gorbachev will soon fall and if we're to do anything it must be soon.... The door is still open to us in Eastern Europe... we must do all we can to enter into their debate and be accepted. [This] requires much personal, friendly interaction. Never before has any people sought a third way economy, without knowing precisely what they're looking for, as eagerly do the Eastern Europeans. If we can get any of these newly freed cities or republics to try geonomics (you see where Leningrad declared economic independence from Moscow?), our struggle will soon be over. Once the pilot project is under way, our theory will prove itself, and the whole world will have to follow."

Those who wish to receive *The Geonomist* and/or support Jeff Smith's activities, please contact:

Institute for Geonomic Transformation,  
P.O. Box 157, Santa Barbara, CA 93102  
(Phone: 805-969-7024).



## GEO-GREEN UPDATE

Georgist Greens (GeoGreens, for short) Mitch Chancelis, Paul Johnson, and this writer attended the Green Gathering held in Estes park, Colorado, September 12-16. Also on hand was Clear Marks, an elderly wise man and Georgist who lives on a land trust in Georgia. On Thursday afternoon, the 13th, we sponsored a workshop called the Forum on Ecology & Freedom. Mitch, Paul and I explained the Georgist vision of how society can function to the group of about 25 people, with whom we intend to keep in contact. About a dozen turned up that evening for more informal discussion. Friday evening saw a smaller (but different) group actively discuss GeoGreen Forum ideas. Hundreds of pieces of literature were given to Gatherees, standard Georgist fare as well as material provided by Randy Prince. A few copies of *Progress & Poverty* were sold.

But that's not the big news. This is: Nelson Denman, who was a guest Green at our Santa Fe conference last July, appeared unexpectedly at the Green Gathering and immediately began circulating a petition calling for a Green issue-paper on urban concerns. Everybody signed the petition. Nelson will be working on the urban issue-paper during the current year, basing it upon the Green City program of the Planet Drum Foundation. The GeoGreen Forum will be responsible for the process of putting it all together. There is a good chance that next year's Green Gathering will be held in St. Louis. Urban issues will be prominent on the agenda, and the GeoGreen Forum may have a great deal of impact at this Gathering. To further this, Mitch and I will be working on the urban document as well. We are also considering doing a newsletter on urban-GeoGreen issues. Those interested should contact me at the address below.

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