

RUSSIAN LAND

An Ethic for a New World

American social reformer Henry George's philosophy of land and public finance was shaping policy in Russia in 1917, writes Nadezhda K. Figurovskaya. Then the Bolsheviks struck...

At the turn of the century, the works of Henry George were very popular in Russia. Sergi D. Nickolayev was the translator. He shared Henry George's ideas, popularised them, wrote a biography of him and belonged to the followers of Leo Tolstoy, who was an ardent advocate of land reform. *Progress and Poverty* was published in 1896 and *Social Question* in 1907 with an introduction by Tolstoy.

Tolstoy wrote that "a simple change in the taxation system is considered to be a greatest turnover in public relations". He was upset that Henry George's "great ideas" remained unknown to the majority of the population. "It is the way society is dealing with ideas, disturbing its peacefulness", and "feeling by their feeling of self-protection the danger..."

But it was impossible to kill this fruitful idea "especially in Russia, because there lived and still lives among the great majority of Russians, the main Henry George idea that land is the common property of all people and it is land that should be taxed and not people's labour. Rent should be used by society in the interests of all its members." Russian people always shared this idea and were bringing it into life. There was no force from the government to hinder.

Tolstoy wrote of "The only possible solution of the land problem". And: "to solve the land problem does not mean to meet the wishes of one or another group of people, it means to reinstate the disturbed

natural right of everybody to the land and the right of individuals to the results of their labour".

Tolstoy then continued that "private ownership of land is terribly unfair," and he restated that everyone had the equal right to land. The mechanism for achieving this, he acknowledged, was a single tax on land value, which would open up access to land for all working people. The policy had to be introduced step by step, for it was impossible to value all land at the same time.

IN 1885, prior to the Russian translation of Henry George's books, Mikhail M. Filippov (1858-1903), the well known Russian philosopher and writer, published a book in which he analyzed Henry George's ideas in "*Social Question (H.G. studies)*".

Filippov wrote that Henry George's main idea was that implementation of the single tax "will simplify a financial mechanism in the state and turn land indirectly into national property." To collect land rent means that land is being "transferred" into the hands of those who are involved in productive activity. Small businesses would benefit.

Concentration of land rent in the hands of society corresponds to the nature of rent - it is a result of common endeavour.

THE WAY preparations were made for agrarian reform in 1917 shows the influence of Henry George's ideas. The main Land Committee of the Provisional Government and the

League of Agrarian Reforms were in charge of that reform.

The initiative to create the League was taken by Alexander Chayanov. The League represented a scientific society which combined all well-known specialists in agrarian problems. The League organised three all-Russian Congresses, and it published papers containing statistical data and the results of research work.

A scientific movement of those who supported Henry George's ideas existed within the League. Among its members was Sergi Nickolayev, the translator of Henry George's works who enabled a wide circle of people to learn and understand Henry George's idea of a single land tax.

In the pamphlet "What does the agrarian question mean?" (Moscow, 1917), published by the League, Chayanov mentioned the idea of State regulation of land possession on the basis of a state plan of land use, which was supported by a group of economists who were popularising the plan of reform. They took into account the differences in life style and economic systems in the different regions of Russia.

The central problem was the system of property rights for land, and in particular the attitude to the private ownership of land.

Chayanov believed that private ownership "was not our ideal," but that at the same time it was not a "social misunderstanding". It was a "social fact, brought into life by specific conditions of time and

place". In their draft of a policy for land, those who supported the idea of state regulation did not abolish private ownership, but they proposed "to abolish the opportunity freely to buy and sell the land. Land would cease to be a free commodity."

Chayanov explained that it was "a freedom to buy and sell land" that was to be abolished, not the turnover of land. A person could sell land only to the state, and it could be obtained only from the state. State land was a land fund that would be used in the interests of society.

Chayanov recognised that the Single Tax system was the collection of land rent by the state, but it was not the state that used all the land itself. The state was able to control the Agrarian Reform as the land tax was progressively introduced. There was no free buying and selling of land. The state received the right of eminent domain. At the same time the introduction of a single tax guaranteed the democratic character of public revenue, the main components of which would be rental revenue and income tax.

Chayanov was sure that the single tax and state control could be introduced immediately because they were not constructing a new land order but new conditions for the economic activity. The land order was created by spontaneous development of the economy, not installed by the state.

At the same time the state was not going to organise agricultural activity itself. "The State should regulate an evolution of agriculture, to regulate turnover of goods. Control means that there will be no free buying and selling of land. A special system of permission for deeds connected with land will be introduced."

IN THE SUMMER of 1917 the League for Agrarian Reforms held its Second Congress. The debates disclosed the direction in which the policy-makers were moving.

A. Minick, Chayanov's close friend and supporter, gave a speech.

From this, it is possible to guess that it was he who contributed a great deal and was one of the authors of a plan about the state's regulation of the possession of land, about which Chayanov had earlier spoken.

Minick's ideas can be summarised as: differentiation in the taxation of lands of different categories, regulation of the process of land transfer, elimination or limitation of free buying and selling of land in some categories, control over inheritance, and division and concentration of land sites.

A state should have the right to regulate systems and forms of land use. The measures of state control over land relations, when "collected together," constituted a "substantial limitation of private ownership of the land," which would be practically abolished.

"The measures themselves and the stage of state influence is not something permanent, related to all the lands in the country. Measures for different lands should differ in time and correspond to economic development. Measures can be stronger or weaker according to the conditions of the particular lands, categories of possession..."¹

Minick explained the flexible system of state control which he proposed, using the example of forests, which would become either state or municipal. In some cases forests could continue to be privately owned while the state would retain the right to control the way forests were preserved. Though there could be different types of economic relations "a state must have all rights to interfere with the process of economic activity. Economic development must go on free but under state control".

Minick characterised his economic measures as nationalization of land. The state received land rent not only for fiscal reasons, but also in the interest of more effective land use.

S. Nickolayer reminded delegates of Leo Tolstoy's thought that Henry George's ideas about land and labour "are very near to the mental-

ity of Russian peasants and totally corresponds to their understanding by all Russians". Land should become the property of all people, which meant that land rent should be the property of society.²

At the same time he stressed the need for "guarantees of the right to dispose, to be sure that if I am planting a garden, this garden is mine and I am able to sell it."

PLANS for a new Russian land order were not completed. But it is obvious that very specific approaches to land, based on Henry George's ideas, existed in Russia.

This approach treated land as unique property, granted to the people just as was water and air. There was an understanding that property rights for the land should include a moral base. The state should act as the owner with supreme rights, for the land is the property of all.

It was understood that land should be effectively used for the benefit of everybody, but that it could not belong to nobody. Thus it can be owned by the state directly, be in collective or private ownership, and those owners should have right to use land in their economic activity and have the right to dispose of it.

Everything, however, was on the condition that the state had the right to collect land rent, to regulate land use and the turnover of land.

Russia had a historical tradition that reflected a special attitude to the land, which offered the basis for a unique approach to agricultural development. This offered the opportunity to create an economic system that was based on the market but at the same time would not repeat western models. If land was preserved as common property, this would provide a moral base to the economy.

It is extremely important to learn our own history, to understand it and to try to revitalise the best ideas and achievements we had to help economic and social progress of Russia and other countries.

1. A. Minin, Report at the II Congress of the League of Agrarian Reforms (Main ideas about the solution of Agrarian Problem). Papers of II All Russian Congress of the League of Agrarian Reforms, Moscow, 1918, Issue I, pp. 34-37.

2. *Ibid.*, pp 58-62.

• *The author, a scholar at the Institute of Economy, Russian Academy of Sciences, Moscow, prepared this article for Land and Liberty after re-reading archival materials published between February and October 1917. She returned to the original documents after reading studies that were written by consultants to the Centre for Incentive Taxation, London, which were published in St. Petersburg in 1993.*

The Bolshevik Counter-revolution by Stanley M. Sapiro

IN MARCH 1917, the czar was deposed by a combination of leftists, centralists and rightists, not just by the Bolsheviks, who actually played a minor part in the Russian revolution.

The largest party in the Duma was the Social Revolutionaries, previously known as the Peasants Union of Social Revolutionaries. Its membership included a wide spectrum of political and economic beliefs, but its leaders supported enterprise without special privilege. It differentiated between land and natural resources, on the one hand, and labour and capital, on the other hand.

On May 20, 1917, the Chief Land Committee of the government, led by Prince Lvov, proposed to the General Assembly: "The land reform should be based on the idea that all agricultural land must be transferred to the use of the toiling agrarian population".

To carry out this goal, the land taken from the nobility and unoccupied land was divided up according to its value. As for existing peasant

units, there was to be a land tax, with the higher tax yield from the more valuable lots to go into a special fund for settling unallotted land. There was to be no tax on improvements or on crops showing more diligent cultivation or greater intensity of labour. Victor Chernov, Secretary of Agriculture in the Provisional Government, described the purpose of this plan, which resembled that of Henry George, as follows:

"Personal interest, the irreplaceable motive power of agricultural progress under modern conditions, was thus left in full force. The final result would have been a flexible system of peasant economic balance, with extensive freedom of personal enterprise. The enlargement of the peasants' land supply by wiping out large-scale landowning was not the heart of the reform. It was merely the original fillip to promote the reconstruction of that economy, based on the free union of toil and land."

Sabotaged by the nobility and big landowners, disrupted by the right-wing counter-revolution of General Kornilov, and destroyed by the left-wing counter-revolution of the Bolsheviks, which overthrew the war-torn Democratic Provincial Government, Chernov never had an opportunity to put this plan into effect.

The Second Congress of Soviets, under Lenin, took an entirely different tack. On November 8, 1917, it declared: "The right to private property in the land is annulled forever."

* As a result of the Bolshevik's land policy, the production of food was disrupted by the peasants. Lenin denounced the "Kulaks", or more prosperous peasants. Under his definition, there were two million of these scapegoats. Lenin proclaimed "Merciless war against these Kulaks! Death to them" - possibly the first instance in the 20th century of a government official demanding genocide against a whole class of people.

Russia:

Tolstoy's nest of wax...

HERMAN BERNSTEIN, in a story filed from St. Petersburg to the *New York Times* of July 20, 1908, reported an interview with Leo Tolstoy:

"He asked me about my impressions of Russia, and particularly about the popularity of Henry George's works in America. 'Nearly 50 years ago,' he went on slowly, 'the great question that occupied all minds in Russia was the emancipation of the serfs. The burning question now is the ownership of land. The peasants never recognized the private ownership of land. They say that the land belongs to God. I am afraid that people will regard what I say as stupid, but I must say it: The leaders of the revolutionary movement, as well as the Government officials, are not doing the only thing that would pacify the people at once. And the only thing that would pacify the people now is the introduction of the system of Henry George.'

"As I have pointed out in my introductory note to the Russian version of 'Social Problems,' Henry George's great idea, outlined so clearly and so thoroughly more than 30 years ago, remains to this day entirely unknown to the great majority of the people. This is quite natural. Henry George's idea, which changes the entire system in the life of nations in favor of the oppressed, voiceless majority, and to the detriment of the ruling minority, is so undeniably convincing, and, above all, so simple, that it is impossible not to understand it, and understanding it, it is impossible not to make an effort to introduce it into practice, and therefore the only means against this idea is to pervert it and to pass it in silence. And this has been true of the Henry George theory for more than 30 years. It has been both perverted and passed in silence, so that it has become difficult to induce people to read his work attentively and to think about it. Society does with ideas that disturb its peace -

and Henry George is one of these - exactly what the bee does with the worms which it considers dangerous but which it is powerless to destroy. It covers their nests with wax, so that the worms, even though not destroyed, cannot multiply and do more harm. Just so the European nations act with regard to ideas that are dangerous to their order of things, or, rather, to the disorder to which they have grown accustomed. Among these are also the ideas of Henry George. 'But light shines even in the darkness, and the darkness cannot cover it.' A truthful, fruitful idea cannot be destroyed. However you may try to smother it, it will still live: it will be more alive than all the vague, empty, pedantic ideas and words with which people are trying to smother it, and sooner or later the

truth will burn through the veil that is covering it and it will shine forth before the whole world. Thus it will be also with Henry George's idea.

"And it seems to me that just now is the proper time to introduce this idea - now, and in Russia. This is just the proper time for it, because in Russia a revolution is going on, the serious basis of which is the rejection by the whole people, by the real people, of the ownership of land. In Russia, where nine-tenths of the population are tillers of the soil and where this theory is merely a conscious expression of that which has always been regarded as right by the entire Russian people - in Russia, I say, especially during this period of reconstruction of social conditions, this idea should now find its application, and thus the revolution, so

wrongly and criminally directed, would be crowned by a great act of righteousness. This is my answer to your question about the future of Russia. Unless this idea is introduced into the life of our people, Russia's future can never be bright."

* David Redfean's *Tolstoy: Principles for a New World Order* (Shepherd-Walwyn, 1992, £9.95), is available through UK bookshops, or from Land & Liberty Press, 177 Vauxhall Bridge Road, London SW1V 1EU.

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