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MOSCOW ECONOMISTS STUDY AT NEW YORK HGS

Twenty-two Russian economists and business-people gathered for their farewell party in the New York HGS auditorium on Friday evening, April 3rd. The evening of celebration was well-earned. The group had just finished a three-week intensive seminar, conducted by the Henry George School in co-operation with the Institute for World Economy and International Relations in Moscow. HGS Director George Collins presented the seminar participants with certificates; group Leaders Nonna Ranneva and Galina Cherniavskaya surprised the director, staff, volunteers and trustees with Russian gifts for one and all, including an exquisite samovar for the school.

The delegation was made up of academic economists and business figures, including directors and board members of joint stock corporations, emerging stock markets, commodity exchanges, and banks. Most of these businesses are very young, struggling to gain a foothold in Russia's turbulent economic climate, and their representatives were eager for first-hand observation of the U.S. economy. A frequent comment was that no amount of textbook study could provide real understanding of the subtleties of a functioning market. So, the group appreciated tremendously the various field trips arranged as part of the seminar. They toured the Federal Reserve bank, the World Trade Center, and "COMEX," the office of the City Assessor, the New York Stock Exchange, and the NYC terminal market in the Bronx. (The Bronx visit was covered in the *New York Times* on Saturday, April 4th.)

The core of the three-week seminar was a study of Georgist political economy, as presented in the HGS courses in *Fundamental Economics* and *Applied Economics*. George Collins was the major presenter (as well as the organizer and point man for the whole affair) and he was aided in the classroom by HGS teachers Stan Rubenstein and Lindy Davies. A number of guest lecturers added their expertise in specific areas as well. Dr. Steven Cord (Center for the Study of Economics) spoke on the history and practice of land value taxation. Dr. Jack Schwartzman (on the occasion of his 80th birthday!) delivered a keynote speech on Henry George and Leo Tolstoy. Prof. William Vickrey of Columbia University (see our last issue) discussed rent-seeking and rent collection in public policy. Prof. Stephen Sussna of Baruch College detailed the role of tax policy and land value in urban planning. Prof. Nicolaus Tideman of the University of Virginia spoke on taxation and economic efficiency. Columbia's C. Lowell Harriss discussed the benefits of free trade. Dr. Michael Hudson, an international trade consultant and economic historian, delivered a provocative talk on the history of credit and economic disorder. Finally, HGS president Ed Dodson delivered a commencement address of sorts, entitled "The Practical Justice of Human Rights." There was plenty of food for thought. Day after day, our intrepid Russian students would

troop off to their lunch-break at a nearby restaurant, abuzz with spirited and earnest discussion.

A press conference was held on Tuesday, March 24th, after the delegation had been here for a week. Reporters were on hand from a number of foreign news agencies, including Radio Liberty (formerly Radio Free Europe), the Russian-American Radio Station, the National Broadcast Satellite Corp., the Interpress News Service, and *Russian Life* magazine (a business-oriented reincarnation of *Soviet Life*).

When questioned by reporters on what they were getting from the seminar, the participants' replies differed according to their orientations, but all said they would profit from the venture. Like many first-time Russian visitors to the US, Vladimir Schelin, an aerospace engineer and executive in the newly-formed

Applied Research Co., stressed the importance of seeing the American economy firsthand. Valery Lazutkin, financial director of the securities firm S.A. & Co., agreed. "Personal contacts and discussion is the most effective way to learn," he said. "Textbook study can only go so far." Some of the participants, such as Vecheslau Kartashev, executive director of DOKA, yet another new joint-stock company, voiced the impatience with theoretical presentations that some of the group felt. "We have studied quite a bit about rent. We need to know how to apply the theories." Mr. Kartashev did agree, however, that this seminar "will influence further discussions." Mikhail Kobischanov stated the matter bluntly, saying that most Russian visitors today are interested in making business connections, not learning economic theory. "It would be more useful for western managers to visit Russia and see how things are."

However, all agree that the post-Soviet world desperately needs a new economics curriculum. This endeavor is one of the most important goals today of the Institute for World Economy and International Relations. Group Leaders Nonna Ranneva and Galina Cherniavskaya see this seminar as an important step in the right direction.

"The main point of this seminar, land values and land value taxation," said Dr. Ranneva, "is absolutely vital to us now." All the economists stressed the need for translations of western economic studies, and for the writing of

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L to R: Vecheslau Kartashev, Alexandre Khamukhov, Galina Cherniavskaya, Sergei Nikolenko, Pavel Murashkin, Tatiana Dikker, (Rep. of SOROS Corp. of NY) Igor Voron, Nonna Ranneva, Vladimir Schelin, Tamara Kargolkina, Leonid Cherepanov, Leonid Belov, Elena Semikova, Vladimir Galanov, Valery Lazutkin

A number of friends and students gave volunteer help during our "big push" of the Russian seminar. We wish to convey our heartfelt thanks to these good people:

Pat Aller, Ken Glassman, Jacqui Kelly-Martin, Nikhel Paul, George Jackson, Yi Ming Shi, Kathleen Barton, J. R. Mitchell, Lois Silk, Lynn Yost, Bill Brown, Leslie Campbell, Tanya Teitler, Roger McCord, Peter Prodis, José Molina, Evelyn Samuels, Vandana Chak, Erik Baard, Doug Salters.

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new textbooks. George Collins offered HGS assistance in that endeavor, and Nonna Ranneva accepted. (In fact, there was discussion of organizing another seminar at the HGS, choosing, this time, a delegation of academic economists.)

Mr. Lazutkin's observation about the vital importance of personal contacts was another point of consensus. The more contacts we have, the more the unpredictable connections fan out. For example, Igor Voron came to the seminar in the role of a securities broker for S.A. & Co. Little did anyone know that Mr. Voron was also a rock musician, but HGS volunteer Ken Glassman found out. He heard a tape of Igor's Moscow trio, which sounds "fantastic - like a cross between Led Zeppelin and Stravinsky." Mr. Glassman has little doubt that American audiences will buy this Moscow Metal when they hear it. "Let's bring in hard currency with hard rock! Why not?"

"Private Wealth, Common Wealth" was a heady mix of personal, social, financial, and theoretical exchanges, many of which will undoubtedly bear fruit in the months and years to come. The seminar can best be understood not as an event in itself, but as a significant eddy in the small-but-swift current of dialogue between the Georgist movement and the post-communist world. The seminar itself grew out of such a contact, made when Heather Remoff visited Moscow in 1990 and "distributed my little paper on land value taxation to anyone who would take it." One who took it was Dr. Alexi Slepukhin, of the Institute for World Economy and International Relations, who translated Heather's paper and had it published. A few months later, Dr. Slepukhin was in the United States, arranging for a special seminar at the Henry George School. - *Lindy Davies*