

HENRY GEORGE DAY: THE CONDITION OF LABOR 1991

Union Leader Cheliotas Proposes Fair Tax Plan

Labor Day 1991 fell on September 2nd, the 152nd birthday of Henry George. This year's celebration at the New York HGS had a special significance, not only because of George's birthday, but because 1991 marks the 100th anniversary of George's *The Condition of Labor*, his celebrated reply to *Rerum Novarum*, Pope Leo XIII's encyclical on the struggles of working people. Forty-five people gathered at the school to view proclamations by Mayor David Dinkins and City Council President Peter Vallone, share food, and hear the views of labor leader Arthur Cheliotas, President of the Communications Workers of America Local #1180.

In his opening remarks, George Collins reminded the gathering that because *Rerum Novarum* argued that the fortunate few in society have a responsibility to help the suffering many, Henry George considered it an insult to working people. George believed that people who had an opportunity to make their own living would never need handouts. It is in that spirit that Mr. Cheliotas and the Communication Workers' Union offer their "fair tax" proposal - an effort to level the economic playing field in New York City.

The need for such reform, Cheliotas said, is amply shown in state income statistics. The bottom 1% of workers in New York earn an average of \$14,200 for a family of four, and pay 14% of that income in various taxes. The top 1% earn \$1.4 million and, after writing off state taxes on their federal returns, pay only 8.6% of their income in taxes.

The five points of the Union's proposal (not all of which would probably receive Georgists' support) are: A more progressive income tax for the state, a new sales tax on business services, an end to many tax exemptions for universities and other "profitable nonprofits", a clamp-down on exemptions for luxury developers, and a land value tax. Cheliotas has found that of the five proposals, the one that has met with

the most recognition and support is LVT. The five-point plan, he said, "is not Henry George's Single Tax, but in this day and age, it is a step in that direction."

People say that Henry George is a century old, Cheliotas noted. They also say that about another seminal figure of the Progressive Era, Eugene Debs. "Although there is no evidence that Eugene V. Debs and Henry George ever met," said Cheliotas, "there was a powerful meeting of the minds." Debs said that his two greatest influences were Victor Hugo (for whom the V in his name stood) and Henry George. Debs read almost all of George's work in 1884, when he was imprisoned by President Cleveland for leading the Pullman strike.



Are Debs and George irrelevant today? Not on your life, argues Arthur Cheliotas, because the social issues they addressed are intensifying. Too much has been made, Cheliotas argued, of the so-called deindustrialization of the United States. True, overall U.S. industrial productivity has fallen, but it is still the highest in the world. The important thing is that wages in the U.S. have fallen. That is the reason why Henry George is still relevant today: rent's inexorable tendency to absorb gains in productive efficiency.

Cheliotas noted that the ratio of land prices to construction costs has been on the increase for many years; "the land monopoly still represents a barrier to entry... reinforced by subsidies and zoning." The result has been urban deindustrialization in favor of high-rent residential development. "It is no accident that New York wages are the lowest of all major U.S. cities....Of the ninety people arrested recently in Crown Heights, only four had fulltime jobs."

The insights of Eugene Debs and Henry George are not just relevant today, Cheliotas concluded, they are essential. We must re-learn from Debs, he said, that the struggle against social inequality involves all workers, employed and unemployed, in or out of unions. And we must re-learn from George how to get beyond piecemeal reforms and address the real problems.

Philadelphia & Arden

Henry George Day was also celebrated in Arden, Delaware, the charming community founded upon George's single-tax principles. Speaking in support of these principles on September 2nd were Bill Press (Chairman of the Arden Town Assembly), Joan Colgan (Arden Trustee), and Georgist stalwarts Ed Dodson (HGS President), Jacob Himmelstein, Steven Cord, and Frank Nelson. The afternoon program was preceded by a Law of Rent seminar conducted by Philadelphia HGS Director Mike Curtis.

Following the Arden activities, Mike and several others joined HGS volunteers Lu Cipolloni and Don Hurford to share the customary birthday cake at the Henry George Birthplace in Philadelphia.

Leo XIII & Henry George: The Labor Question

But all agree, and there can be no question whatever, that some remedy must be found, and quickly found, for the misery and wretchedness which press so heavily at this moment on the large majority of the very poor.

- Rerum Novarum, 1891

But I should like your Holiness to consider how utterly unnatural is the condition of the masses in the richest and most progressive of Christian countries; how large bodies of them live in habitations in which a rich man would not ask his dog to dwell; how the great majority have no homes from which they are not liable on the slightest misfortune to be evicted; how numbers have no homes at all, but must seek what shelter chance or charity offers. I should like to ask your Holiness to consider how the great majority of men in such countries have no interest whatever in what they are taught to call their native land, for which they are told that on occasions it is their duty to fight or to die.

- The Condition of Labor, 1891

Contested Ground: Collective Action and the Urban Neighborhood is a new book by John Emmeus Davis, published by Cornell University Press (368 pages, \$16.95 paper, \$45 cloth). An associate of the Institute for Community Economics, Davis makes a distinction between two kinds of "domestic property interests." There is an interest in "the use value of land and housing as a means of accommodation." And there is "an interest in the exchange value of land and housing as a means of accumulation." A detailed review of this new book on community land trust experience is found in the Summer issue of *Community Economics* (see above).

Realistic Living is a small journal "on ethics and religion" that looks at social, economic and political issues from a decentralist perspective that draws on ecology, feminism, and spirituality. The June issue includes reviews of several significant recent books: *The Conquest of Paradise* by Kirkpatrick Sale, *The Nature and Logic of Capitalism* by Robert Heilbroner, *Adam Smith's Mistake* by Kenneth Lux, *Befriending the Earth* by Thomas Berry, and many more. Sale, who has spoken at the Henry George School, offers a critical look at Christopher Columbus and his legacy. Heilbroner makes the case that capitalism is a transitional phase from feudal monarchy to a future "true democracy." We counted 28 books and 13 films reviewed in this one issue. Realistic Living Press also publishes books and other material. A \$10 tax-deductible contribution payable to Realistic Living keeps you on the journal's active mailing list for one year. The address is PO Box 140826, Dallas, TX 75214.

The Catholic Worker has been on the front lines fighting for the oppressed and outcast for decades. Its August issue updates previous reports on the problems of New York City's increasing homeless population. Some of these problems are caused or at least exacerbated by the City government, which recently forcibly expelled squatters from Tompkins Square, a Lower East Side Park. Jane Sammon on "Tompkins Square - Another Kind Of War," writes: "Should people be allowed to buy enormous pieces of land, let them lie fallow if the market isn't 'good,' or buy up and 'warehouse' empty apartments, while the poor can't afford the high rents for the few that remain?" This excellent eight-page tabloid is published eight times a year. It sells for one cent per issue, and 25 cents per year! We suspect larger donations would be appreciated, and the paper is certainly worth it. Contact *The Catholic Worker* at 36 East First St., New York, NY 10003 (212-777-9817).

THESIS, ANTITHESIS...

Now the Synthesis is a new collection of papers on the application of Georgist political economy to today's, and tomorrow's, world. The papers were originally delivered at the 1989 International Georgist Conference at the University of Pennsylvania. Richard Noyes is the anthology's more-than-qualified editor, being former editor of New Hampshire's *Salem Observer* and current president of the International Union for Land Value Taxation and Free Trade, chairman of the Council of Georgist Organizations, and editor of *Groundswell*, the organ of Common Ground USA.

As the book's subtitle indicates, the synthesis refers to "Capitalism, Socialism and the New Social Contract." And as the various papers reveal, they're talking about how land ownership is treated, or should be treated. The centerpiece of such a new approach is Henry George's single-tax on land values, which combines the best of the free market (rewarding hard work and entrepreneurship), democratic socialism (re-cognizing equal rights to natural and community resources), and ecology (encouraging wise stewardship of the earth). As contributor Fred Harrison puts it, the single-tax is "a holistic philosophy."

As state socialism collapses, the single-tax appears as an idea whose time may at last be coming. But, as contributors to this book warn, if the new democracies in Eastern Europe rush blindly to imitate the West, they may find that capitalism has problems of its own for which state socialism has not prepared them. Scholars James Busey and Jerome F. Heavey both examine the "third world" to see whether the synthesis applies there as well.

The papers are divided into five sections: A Holistic Philosophy, The Transformation of Property Rights, The Evolution of Social Systems, Ecology and Eco-Politics, and International Trade. The book concludes with an Open Letter to Mikhail Gorbachev endorsed by thirty economists including three Nobel prize-winners and 1992 President-elect of the American Economic Association, Professor William Vickrey (see our Jan-Feb. 1991 issue).

While there is no way to predict whether or not the message of this book will be heeded by public policy-makers, one can predict that if it is not heeded, the morning after the celebration of the resurgence of democracy will entail a whopping economic hangover.

Now the Synthesis is published by Shephard-Walwyn (London) and Holmes & Meier (New York) @ \$29.95. Copies may be purchased from the Robert Schalkenbach Foundation, 41 East 72nd St., New York, NY 10021 (212-988-1680). - M.A.S.

War's end? With the United States' bold unilateral cut-back in strategic nuclear weapons and the Soviet Union's similar response, the world is a safer place. In light of events these past few years in places like Latin America and the Middle East, perhaps we should at least ask: Is the world now also safer for conventional armed intervention on behalf of landed elites and natural resource monopolists? Let us hope a new era of world peace will be one of freedom and justice for all the earth's people (and earth herself), especially those who have already suffered so much at the hands of dictatorial regimes still heavily armed on behalf of earlier cold war strategies. [5]

Never doubt a small group of thoughtful, committed people can change the world. Indeed, it's the only thing that ever has.

- Margaret Mead

SCHOOL NOTES

Sacramento: Evelyn Friend, Director of the Sacramento extension, was published in the Letters column of the July 3, 1991 issue of *The Sacramento Bee*. In response to a letter by James Hays, Evelyn pointed out that the property tax is only half-bad: the bad part falls on buildings and improvements. "But the portion falling on the land is the most fair of taxes," she wrote, and explained why.

A similar letter, by Wayne Luncy, followed on July 8, who also defended the fairness of a land value tax by pointing out: "The desirability of a piece of property is a function of its location, its zoning, the growth of the surrounding community and provision of public services."

Evelyn also contributed one of two articles on land taxation which were published in the May '91 (continued on pg. 6)

Henry George Newsletter

published by

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EDITOR'S NOTES

This issue includes material held over from last issue, which was largely devoted to the June conferences at Lafayette College. We also mark the centenary of Henry George's *The Condition of Labor* with our cover story and other related items, and conclude the report from George Collins on his Spring trip to Russia and Estonia.

Oxfam America has been in the struggle against hunger and poverty, and is well respected in its field. Like Henry George, Oxfam sees poverty as the result of unjust human institutions, not a stingy mother-earth. Oxfam supports the notion that the struggle against hunger is intimately connected with the struggle against militarism. There certainly seems to be a connection between militarism, colonialism, what is now called "internal colonialism", and the closing of the frontier (with its lack of a real margin of production, or free land). As Agnes de Mille says in her introduction to *Progress and Poverty*: "We have reached the boundaries and we turn back on ourselves and devour."

Here's what Oxfam says: "More than enough food is grown to feed everyone on this planet. Today, 60,000 people will die of hunger - two-thirds of them children. Four times more malnourished children are female than male. What the world spends in half a day on military purposes could finance the entire malaria eradication program of the World Health Organization. The amount spent on weapons every minute could feed 2,000 children for a year. The price of one military tank could provide classrooms for 30,000 students."

As George also pointed out, land, labor and capital devoted to arms manufacturing and maintaining standing armies means less will be devoted to producing wealth which directly satisfies human desires. Georgist economist Ralph Borsodi used the term "illth" for products (like pollution) that do not directly satisfy human desire but rather do more harm than good. It is a concept worth considering. Meanwhile, the time is right to talk about converting to a real and prosperous peacetime economy, paying off the national debt, and lowering taxes to the ground.

Bread for the World is another champion of the poor and oppressed. A recent mailing from this organization says: "Between 1982 and 1989, Iraq obtained more than \$42 billion in weapons and military technology from other countries, including our own. That's 28 percent of all worldwide arms sales during that period."

This relationship between dire poverty

and militarism was also noted earlier by no less a military leader than Dwight Eisenhower, when he said that every missile produced takes food out of the mouths of the poor. And Henry George wrote that his single tax on land would not be quiet as helpful to the poor if the proceeds were to be spent on government & military waste.

Bread for the World is at 802 Rhode Island Ave., Washington, DC 20018.

The Eleventh Annual E. F. Schumacher Lectures are being given on October 19, 1991. This year's proceedings are in memory of Lewis Mumford and address the theme of *Human Habitat and the Natural World*. Featured speakers are authors Thomas Berry on "The Dream of the Earth" and Stephanie Mills on "Whatever Happened to Ecology." Yuri Bocharov, visiting Professor from Russia, will participate as part of a panel discussion. Earlier this year, Dr. Bocharov spoke at the Eleventh Annual Conference of the Council of Georgist Organizations, and he has been doing research at the New York HGS. The Schumacher Lectures, from 9:30 to 4:30 in Great Barrington, MA, cost \$15. For further information, contact the Society at 413-528-1737.

Financial Democracy is the theme of the Summer issue of *Community Economics*, published by the Institute for Community Economics, a leading promoter of land trusts and other cooperative alternatives. According to this issue, the Financial Democracy Campaign is challenging current plans to bail out the Savings & Loan industry at the expense of average taxpayers.

Campaign Chairman Jim Hightower's April address in Amherst, MA is excerpted at length: "I'm talking about economic fairness, social justice, equal opportunity, and stewardship of our resources.... 80% of American families lost income during the 1980s. The wealthiest one percent had a 74% increase of their income.... They started at \$314,000 average income, ended with \$540,000. And their income was enhanced the old fashioned way: they got the government to give it to them... the most massive redistribution of wealth in our history. The wealthiest one half of one percent of the American people... own more than all the bottom 90% of the people own."

Financial Democracy Campaign is at 739 8th St., SE, Washington, DC 20003. Institute for Community Economics is at 57 School St., Springfield, MA 01105.

LOST & FOUND: A wristwatch was found after the June graduation at the New York HGS. If it's yours, please call the school with an accurate description.

THE GEORGISTS ARE COMING! Part II: Leningrad & Estonia

by George Collins

Early on the morning of Wednesday, May 15th, Prof. Nic Tideman, Ted Gwartney and I arrived in what was then Leningrad but has since resumed its historic name of St. Petersburg. We were met at the train by the perfectly English-speaking Tatyana Ivanova Roskoshnaya, Head of the Department of Coordination and Application of Research Works of the Leningrad Institute of Urbanism. We were charmingly welcomed with a presentation of flowers. With her were the Deputy Director of the Institute, Sergei Metiaguin and a staffer. We were lodged in a small hotel next to the Institute and had our first meeting with the senior staff that morning. Among others present were Tamara Chistyakova, head of the Section on Urban Economy and Alexey Ulanovich Belinsky, chief of the Department of Transport Problems. The director of the Institute, Igor Alexandrovich Nerush, at whose invitation we were there, was away on a trip and would not meet with us until Friday afternoon.

The introductory meeting went as well as the meetings in Moscow. Here too they had been doing work on "zoned valuation". The response to our ideas was enthusiastic. Then followed a visit to City Hall where we were greeted by Sergei Belyaev, a member of the City Council and Chairman of the Krasnogvardeysky District Council of People's Deputies. In a brief statement, the President of the Council stressed the great need for reform to a market economy and welcomed whatever contribution we could make toward development of sound land laws. The afternoon was taken up with a bus tour of the city, acquainting us with the charm of old St. Petersburg; we ended the day with an evening of ballet.

Thursday began with an early morning visit back to Leningrad City Hall. We entered the splendid 19th century edifice through a very decorous demonstration of Leningradians parading with picket signs, demanding the right of individuals to buy their apartments. Some cooperative apartments have already been sold in Moscow, Leningrad and Tallinn, Estonia, the city we were to visit next. Of course, costs are extremely high. But the most important deterrent is the absence of laws which clearly define the terms of ownership and permit the transfer of state property to individuals.

Once again we were met by Sergei G. Belyaev. He is mounting an aggressive campaign to establish his district as a free enterprise zone. Chairman Belyaev escorted us to the office of Mayor Anatoly

Sobchak, a charmingly engaging politician who agreed to give us twenty minutes of his busy day. As would occur at the office of any big-city U.S. mayor, we arrived at the appointed time to find several people ahead of us awaiting their turn. A parade of constituents trooped into his office and out again. Still others held intense conversations with his secretary who busily tried to keep the schedule straight, answer the telephone and deal with newcomers.

Finally, we entered his resplendent office. Mayor Sobchak greeted us warmly and in his remarks outlined his aim to make Leningrad a free trade zone. High on his list of projects is a thorough restoration of the historic area of the city to fully exploit its tourist potential. Each of us had an oppor-



Sergei Belyaev (2nd from left) explaining Leningrad land valuation map to LVT experts and city officials

tunity to make a few remarks. Mayor Sobchak, upon hearing that Ted was an assessor, immediately asked him for assistance in valuing the land of the city. It did work out that Ted was able to return to Leningrad from Tallinn for the first two days of the week we were to spend there. On the return visit he did field studies of Chairman Belyaev's district and other historic areas and conducted valuation exercises with the researchers of the Institute.

A visit to the town of Pushkin (named in honor of the poet) in the afternoon once again revealed the extent of the mapping and land valuation that has already been undertaken. The work was reviewed for us by the Pushkin Executive Committee Chairman, Pavel Alekseevich Mikhaylov and the Institute's Economist Tamara Chestyakova. In Pushkin we also toured the Catherine Palace, also known as the Summer Palace, which was destroyed by Hitler's army in WWII. The palace has been painstakingly restored in all its original splendor with just a few rooms remaining to be completed.

Back in Leningrad, we paid another visit to Chairman Sergei Belyaev, this time at his District office. There, maps were re-

viewed. High value locations and neighborhood boundary indicators were identified. That evening we were the guests of Alexi Belinski, head of the Dept. of Transport at the Institute, for a delicious Russian dinner at his home with his wife and a friend.

Our last day in Leningrad began with a tour of the famous Hermitage Museum in the Czar's Winter Palace, scene of the 1917 October Revolution. The objects displayed there number over two and a half million pieces brought from the Near East, the Far East, Western Europe and Russia. Its collection of French Impressionist paintings is particularly impressive. The museum's extraordinary collection of works in every art form vividly demonstrates the opulence of the regime that was overthrown.

That afternoon, the final seminar in Leningrad, led by Director Nerush and attended by some 20 researchers from various institutes including his own, revealed the great depth of interest in land taxation. Prominent among the participants was Leonid Limonov, a mathematical economist at Leningrad Institute of Economics and Finance, and Chief Economic Advisor to the City Council.

The Architects Club, home of the Leningrad Chapter of the Union of Architects was the scene of a splendid farewell dinner hosted by Nerush and the researchers with whom we had worked. There were eloquent toasts in grand Russian style expressing deep bonds of friendship, commitment to the high ideals of freedom and the method of attaining it which we had spent the last few days discussing. The sentiments went beyond mere rhetoric. The Institute initiated a written understanding between us setting out the meaningfulness of our visit. It said in part: "Because of the strong desire in the USSR to adopt a system of funding public activities by the collection of rent and to move to an equitable functioning market economy, there are promising opportunities for future collaboration between the two groups."

After another overnight train ride, Ted, Nic, and I arrived in Tallinn, Estonia on Saturday morning. We were met at the station by Tambet Tiets, Chief of the Cadastre Branch of the Estonian Land Department, and Vallo Saar, a geographer and land use planner in the department.

We checked into the Olympia, a "first class" skyscraper hotel, built for the 1980 Olympics which was boycotted by the U.S. in reaction to the Soviet invasion of Af-

ghanistan. The rooms were of modest appointment. Virtually our first free day of the trip, Saturday, was spent in quiet relaxation until dinner that evening in one of the handful of private restaurants now operating in this Baltic breakaway. Evidence of the five decades of resentment and challenge to Russian control of Estonia surfaced from an innocent comment after dinner. One of my colleagues said, "This is the best meal I've had since we've been in the Soviet Union!" The waiter clearing the table muttered something as he left with stacks of deftly balanced dishes. "What did he say?" was our immediate chorus. "He said," our host replied, "This is not the Soviet Union."

Touring the historic sector of Tallinn on Sunday morning, we saw symbolic evidence of Baltic defiance. Huge boulders, put in place when Soviet troops attacked Vilnius, Lithuania earlier in the year, blocked the entrance to Parliament Square. We were treated to yet another feature of independent Estonian action in the afternoon. Just outside Tallinn in the surrounding farm country we were introduced to Vello Euensalu on his privately-owned and operated 125-acre farm. Estonians have been demanding the return, to their original owners, of lands confiscated by the Russians when they took control of the country in the 1940s. This farmer is the grandson of the original owner and he has recovered half the land. Working by himself, he buys his own supplies and equipment, hires temporary labor when needed, produces grains and milk and finds his own markets. By contrast, a 20,000-acre state-run farm which we visited later in the trip employs ten workers for every 125 acres.

Our schedule was adjusted to allow Ted to return to Leningrad to work with the Institute on Monday and Tuesday, as mentioned before. Nic and I gave all-day seminars on both days to an audience of roughly twenty people representing the Land Department, the Estonian Agricultural Academy and the State Agricultural Design Institute. Each of us covered a different aspect of the reform. Nic outlined the efficiency benefits on the first day; I spoke of equity. On the second day he took up security of tenure and other necessary conditions, and I reviewed the experiences with land value taxation around the world. We gave our presentations in the morning immediately

followed by questions, primarily for clarification and amplification. Throughout the tour we'd had consecutive translations of our meetings and discussions, but for these morning lectures simultaneous translations were provided. The afternoons were devoted to more wide-ranging challenges and discussions. Ivar Raig, a member of the Estonian Parliament and the Supreme Soviet, at whose invitation we were in Estonia, guided us through the Estonian Parliament and dined with us in the evening while his secretary Faya attended the daytime seminars.

Upon his return from Leningrad on Wednesday morning, Ted took over with an all-day seminar on land assessment methodologies. Simultaneously, Nic and I met with eight members of the Estonian Parliament, then lunched with Juhan Telginan, Chairman of the Parliamentary Commission on Rural Life. Entertainment that evening was an organ concert at historic Nigulisk Church-Museum.

Thursday was spent in consultation with researchers at the Estonian State Land Department and the Estonian Agricultural Designing Institute, where their mapping and valuation methods were reviewed. At midday we journeyed to the office of *Maaleht*, the largest circulating newspaper in Estonia, where we held a news conference attended by reporters from two other newspapers. Two days later an item appeared in *Maaleht* complete with our photograph.

In response to our critique of the draft land reform law that the Estonian Land Department had prepared for submission to Parliament, we were asked to do a redraft. Assigned to Prof. Nic Tideman, the draft was completed and is expected to be pushed with vigor in Parliament by Ivar Raig, with the support of other members.

Friday's visit to the Estonian Agricultural Academy in Tartu, and the University of Tartu, our last working day of the tour, was delightfully concluded with a reception at the home of Ivar Raig with his lovely wife and two very young children. They seemed

the perfect emblem of a country renewed with hope and promise. On Saturday morning Ted and I boarded the ferry for Helsinki, while Nic flew back to Moscow for yet more meetings.

Concrete proposals for further pursuit of the knowledge and skills required for the operation of a system of public collection of land rent in the Soviet Union have been issued by each center with which we worked. The Estonian Parliament was set to begin debate on the land reform law as soon as presented to them by the Land Department.

The Leningrad (St. Petersburg) Institute of Urbanism expressed, through a jointly signed memorandum of understanding with us, the desire to have reciprocal visits in which their experts will be trained in land valuation techniques and implementation procedures for the collection of land rent.

Upon my return to New York, a proposal was awaiting me from the Central Scientific Research and Design Institute for Town Planning in Moscow. It was delivered by Prof. Cord, who had remained in Moscow to meet with members of the City Council when we went to Leningrad (St. Petersburg). The proposal contained a request that we return to Moscow this fall to begin the training program that would have their experts coming to the US in 1992 for first-hand observation of a functioning assessor's office. It even expressed the ultimate aim of establishing a system of schools such as we have in the States to teach Georgist economics.

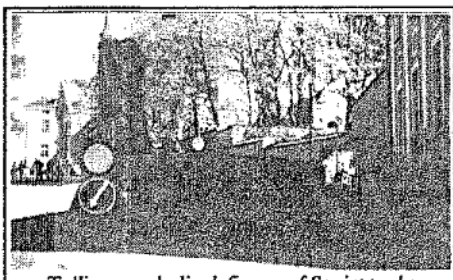
The attempted coup, the subsequent erosion of the power of the Supreme Soviet, and declarations of independence by republics other than the Baltics created considerable uncertainty that these initiatives would survive. But they have, and may now be of even greater urgency.

Professors Nic Tideman and Steve Cord are making a return trip this October. The links made with Moscow, St. Petersburg and Estonia will be more firmly forged. In association with five other Georgist visitors, they will also reach into the wider audiences of Greens, students, and democracy politicians in other cities.

The critically-needed training programs for development of the practical skills in land valuation, appraisal and administration are not yet in place. They require more careful development and funding. But indeed, the Georgists are coming.



Gwartney and Tideman conversing with the director of 20,000-acre state farm and the mayor of a town enclosed within



Tallinn: symbolic defiance of Soviet tanks

NEW YORK HGS: UPCOMING EVENTS

ECONOMIC JUSTICE & LAND RIGHTS

Saturday, Oct. 19th, 10 AM - 4:30 PM
Ms. Pauline Juckes, CSW, and Mr. Lindy Davies. *A one-day intensive seminar focusing on the connections between land tenure and poverty.*

MAKING THE CITY WORK

Saturday, November 9th, 1:00 - 3:00 PM
Prof. William Vickrey
The President-elect of the American Economics Association looks at the dilemma of modern cities that are strapped for revenue, and choked with traffic. Let's see how academic analysis balances with New Yorkers' perceptions of what makes a good city.

TIBET IN EXILE

Friday, November 15th, 7:00 - 9:00 PM
Mr. Rinchen Dharlo
A videotape and discussion on China's forty-year occupation of Tibet and its consequences, by the head of the New York Office of Tibet.

THE INCOME TAX & YOU

Friday, December 6th, 7:00 - 9:00 PM
Mr. Fred Kahn, CPA
How changing federal tax regulations will affect you this year. Vital information for your 1991 returns.

SCHOOL NOTES (from page three)

issue of *Sacramento Housing Advocate*, entitled "Did Henry George Have the Answer to Property Taxes?" The other article, by Cliff Cobb, dealt with "Why a Land Tax Makes Sense Here."

Also in May, a reception for Assemblyman Bill Filante was held at the home of Glenn Weeks, HGS board member. Glenn was also interviewed by Frank McPeak of "We Seniors" cable group, which was aired on Channel 17.

San Francisco: *The Mercury*, the upbeat newsletter of the Northern California HGS, features a generous array of photos and short articles in its Summer issue. An article especially worthy of note is by Dana Richards and E. Robert Scrofani, and deals with transforming the economic paradigm in the 90s. It reviews a new book by Herman Daly (World Bank) and John Cobb, Jr. (theologian) entitled *For the Common Good*. Cobb and Daly introduce Alfred North Whitehead's concept of **misplaced concreteness** to economics.

According to Richards and Scrofani, Daly and Cobb see **misplaced concreteness**

Editor's note: We thank Rosemary DuBois of the Robert Schalkenbach Foundation for bringing the following incident to our attention.

Catholic New York reported in its July 25th issue that a chalice once belonging to Father Edward McGlynn, "a colorful and controversial figure in the Archdiocese of New York" had been stolen and now returned to Our Lady of the Scapular and St. Stephen's Church on East 29th Street (not far from the HGS).

McGlynn served as pastor of St. Stephen's (as it had been called until being turned over recently to the Carmelite Order) in the 1880s, when its 28,000 parishioners made it the largest Roman congregation in the country. According to *Catholic New York*, "Father McGlynn, an outspoken opponent of Catholic schools, supported the single-tax theory of economist and mayoral candidate Henry George.... When he refused to cease his political activities and failed to report to Rome as directed by the Vatican, Father McGlynn was excommunicated on July 1, 1887. The excommunication was lifted five years later."

In *Rebel, Priest & Prophet*, Stephen Bell explains McGlynn's actual position on the teaching of secular subjects by parochial schools (he thought it a misplaced pri-

teness

teness in the tendency of economists "to see land in terms of matter and space rather than in the more animate terms of energy and biosphere. When land is viewed as more or less dead matter, it becomes a commodity to buy and sell and to exploit for short term resource utilization."

Daly and Cobb see George's tax on land value in a positive light, and write: "If land were taxed at or near its full rental value, its price would be very low.... Land would be acquired for its use-value only, not for speculation on its increasing scarcity value."

Chicago: Sam Venturella has announced that the Chicago school has relocated to a new address: 1772 West Greenleaf Avenue, First Floor, Chicago, IL 60626. The new phone number is (312) 338 - 6698.

Los Angeles: "Is a driving licence a privilege?" Students at one L.A. high school are tackling with economic issues that directly impact their lives. According to HGS-LA Director Harry Pollard, "The students are engaged in something that has never happened before: an eighteen-week study of the basic ideas (continued on page eight)

A NEW McGLYNN AFFAIR



ority, especially at that time). And it seems McGlynn was excommunicated not for simply taking sides in a mayoral election, but in taking the side opposed by the New York Roman hierarchy. In lifting the excommunication, Rome declared McGlynn's (Georgist) opinions on economics to be not opposed to Roman Catholic doctrine (See our back page). McGlynn died in 1900 in Newburgh, New York, where he had been assigned as pastor of St. Mary's Church after his reinstatement.

The chalice, with the date March 25, 1887 engraved on it, is considered of mainly historic value. It was found on the corner of Broadway and Canal Street in Manhattan by an unidentified Brooklyn man on July 17. The chalice was in a plastic bag along with other altar objects including four more chalices, which the man took to the police, who notified the churches involved. *Catholic New York* reports that McGlynn's chalice had been stolen a while ago, but that the four chalices and ciborium found with it had been taken from the Upper East Side Byzantine-Hungarian Rite Catholic church only days before, on July 14. It seems likely that the thief had trouble finding anyone to buy the obviously stolen goods.

We must resist the new proletarianization which is at work in our own nation and in our world as a whole. On the eightieth anniversary of Rerum Novarum, Paul VI noted that "New proletariates are born. They install themselves in the cities sometimes abandoned by the rich; they dwell on the outskirts, which become a belt of misery besieging in a silent protest the luxury which blatantly cries out from the centers of consumption and waste."

**- Archbishop John R. Quinn
San Francisco Catholic, May 1991**

Since man can live only on land and from land, since land is the reservoir of matter and force from which man's body itself is taken, and on which he must draw for all that he can produce, does it not irresistibly follow that to give the land in ownership to some men and to deny to others all right to it is to divide mankind into the rich and the poor, the privileged and the helpless? **-The Condition of Labor, 1891**

"BY GEORGE" MEDIA UPDATE

Soviets Turn to Beverly Hills Banker for Advice appeared in the Los Angeles Times on Sunday, June 9th. The Beverly Hills banker is none other than Ted Gwartney, one of the four Georgist economists who toured the Soviet Union. The 600-word article gave an evenhanded account of the goals of the Georgists' tour, and quoted Gwartney extensively. The subheading of the article reads, "City National Expert says an old tax idea could spur transition to free markets." Ted Gwartney explains why: "The basic principle is that the Soviets now believe in a free-market economy, and this is the best way for them to move rapidly in that direction. It is also the soundest way of dealing with the land distribution problem the Soviets face and the fastest way of putting them on the path of economic recovery." The article also notes that Henry George's idea of a single tax on land values "has had supporters for hundreds of years, and, in fact, was in place in Russia prior to the 1917 Bolshevik revolution."

In Utah, Earl Hanson has been adding a voice of reason to the on-going controversy over whether to exempt hospitals from property taxes. In 1986, Utah voters decided not to do so; however, later in the same year they voted to exempt farm machinery and equipment from the property tax. In letters published in Salt Lake City's *Deseret News* and Ogden's *Standard-Examiner*, Earl Hanson points out the irony of these conflicting mandates and offers a suggestion: exempting all hospitals, profit and non-profit, from taxes on their buildings and equipment. He explains further in a flier: "The exemption of farm equipment and machinery ...[brought] the farm property tax closer to a land value tax. The tax on farm buildings is the remaining disincentive tax. The exemption of hospital buildings and equipment from the property tax will, of course, raise the question, 'Where is the replacement revenue to come from?' The answer is that Utah must

have a two-rate property tax for state and local governments...."

St. Louis, Missouri is a city rich in modern urban problems, and the Public Revenue Education Council has been tirelessly proposing two-rate property taxation as a solution. A long letter by Allan Lubin, president of PREC, was published in the St. Louis *Post-Dispatch* on the 6th of July. He compliments the paper for its "well-researched," three-part series on urban blight, but points out that "Various officials do not seem optimistic about a solution." There are reasons for pessimism in St. Louis. Tax abatements in the center of the city have caused skyrocketing tax bills

Lubin concludes, "Perhaps the *Post-Dispatch* staff can look into this and provide its readers with an upbeat paragraph at the end of a dismal report of the facts."

Philadelphia's University City Review ran a front-page feature article on the Philly HGS and its "lanky, twinkly-eyed, grey-bearded" Director, Mike Curtis on July 19th. The interview chronicles Mike's lifetime of experience with the Georgist philosophy, which began with his maternal grandparents in Arden, Delaware, who were ardent followers of Henry George. Following, in many ways, in George's footsteps, Mike Curtis travelled the world with the Marines, and settled into a career

as an arborist in Delaware. There, he worked as an assessor in Arden and, in the early seventies, began teaching classes in political economy. The interview moves on to cover the educational work of today's Henry George School, including its prison program and outreach efforts.

New York HGS Director George Collins provided another voice of sanity amid the urban wilderness with an 800-word article headlined *A Down-to-Earth Tax Proposal*, published in New York's *Midtown Resident* on July 1st. The article goes into detail on New York City's abstruse

NEW YORK TIMES, SEPTEMBER 21, 1991: SOVIETS SHOULD TRY HENRY GEORGE LAND PLAN

To the Editor:

Since the unsuccessful Soviet coup, Mikhail S. Gorbachev and Boris N. Yeltsin are accelerating the transition from socialism to the market.

In July 1908 Count Leo Tolstoy proposed that Russia adopt Henry George's principles of land value taxation to solve some of Russia's economic and social justice problems. These ideas by George, an American economist and a contemporary of Karl Marx, are still relevant today.

After the Czar abdicated, land taken from the nobility and unoccupied land were divided and taxed on their value. To reward enterprise, no tax was applied to crops or improvements (buildings). Large landholders were eliminated "to promote the reconstruction of the economy based on the free union of toil and land."

Fired by Marx's ideology, Lenin rejected this reform. On Nov. 8, 1917, the

second Congress of Soviets declared: "The right to private property in land is annulled forever." He was the first to denounce two million prosperous peasants and proclaimed: "Merciless war against these kulaks! Death to them!"

Huge inefficient state collective farms should now be broken up and the land placed into private title. The peasants should pay a tax based on land value, excluding improvements, to promote production and efficiency.

Tolstoy saw the importance of the land issue in public life. He knew that reconciliation would require a new concept, neither capitalist nor socialist, but a synthesis of both. Now, 80 years after his plea for a land policy based on the ideas of Henry George, the Soviets have another opportunity.

E. Robert Scrofani
San Francisco, Sept. 10, 1991

for homeowners. In one center-city ward, 21.2% of the properties are abated, and 6.2% of the buildings are abandoned. The roll of abandoned properties is growing so fast that the city has inadequate funds to board up all the buildings! Says Allan Lubin: "Some cities have minimal problems in this area because they use a two-rate property tax.... This makes it easier to build or rehab without high penalties and encourages land owners to improve their sites. About 1,000 cities worldwide are using this system, and the evidence clearly indicates they have benefitted greatly from so doing." After detailing some concrete steps that the city can take, Allan

property tax system, which includes four separate classifications, each assessed at a different rate of market value and then taxed at a different percentage of the assessment. "The attempt to structure the New York City property tax to give special treatment to some property owners has produced a bizarre system," he writes. But George Collins gives nuts-and-bolts details a colorful flourish. His article begins: "Even in these desperate economic times, New Yorkers are literally treading on an abundance of riches. The gold beneath their feet is neither metaphor nor myth; it could, in fact, be the source of revenue that rescues the city from its fiscal dilemma."