

The Land Problem, Vol. I-IV

The Henry George School now has in its library collection the first four volumes of "The Land Problem," a compilation of Georgist writings in Spanish, proudly donated by Mr. German Lema, whose years of hard work have culminated in this impressive achievement. This is the first collection of this kind in Spanish, assembled from a variety of authors, teachers, economists and activists, past and present, throughout the world.

The series begins in Volume I with Progreso y Pobreza - Progress and Poverty - an abridged version based on one by Dr. Bussey and complemented by Mr. Lema. It continues with the "Doctrinal Declaration" of Dr. Edward McGlynn, from Rebel, Priest and Prophet; "Principles," an article written by Mr. Lema for publication in *Revista Destino* of Barcelona; "Human Rights," by Winston Churchill; "A Great Iniquity," by Leo Tolstoy; followed by the Theory of Human Progression, by P.E. Dove, from the abridged version by Julia Kellogg. The first volume closes with "The Religion of Joseph Fels," from Joseph Fels, His Life Work, by Mary Fels.

The first volume is sweeping in its range of ideas represented, touching upon the Georgist philosophy from multiple disciplines and providing a background beyond the standard economic discussion. This in turn offers the reader a social, humanistic context in which to frame the more nuts and bolts arguments in the subsequent volumes. Many of these pieces are seeing their first translations into Spanish, courtesy of Mr. Lema.

Volume II starts off with "Privatization and Poverty" by Ramsey Clark, the former U.S. Attorney General and international human rights advocate. The concluding nine sections further introduce the land question and rights of property, including pieces from Henry George, Alejandro Reyes, B. Rivadavia, Craig Ralston and German Lema. First mentioned in Volume II are the particular cases of agrarian reform in Argentina, Colombia, and Paloalto, and the Letter of Chief Seattle to the President of the United States.

In Volumes III and IV Mr. Lema compiles dozens of shorter works, including articles, lectures and letters. This second half of the series focuses on the study of the actual economic conditions of past and present day Latin and South American countries. There is still an eclectic mix of subjects at play in these volumes, with "Arquimedes" by Mark Twain beginning the fourth volume, followed later by Gorbachov on "Poverty in Russia," "Experiments in India," and "Historical Notes: England and Rome," all sprinkled among the continuation of work dealing with Spanish speaking countries.

"The Land Problem" totals roughly two hundred pages, a deceptively small number since some of the articles are photocopied directly, are densely compiled or include graphs. The Henry George School is proud to share this admirable contribution with its students and congratulates Mr. Lema for his exemplary effort.

Conference Update

Preparations for the upcoming Georgist Conference in August are in full swing. Highlights of what you can expect are as follows:

Wednesday, August 6th - An evening reception and a special seminar hosted by the Landmark Education Corporation.

Thursday, August 7th - A day not to be missed for those newly introduced to those well versed: seminars and programs of Georgist training and philosophy through the day, and a special evening of culture and fun by Georgists, for Georgists.

Friday, August 8th - A serious examination of the history and practice of Georgist theory, followed by a reception and banquet with guest speakers.

Saturday, August 9th - New York City Day! Ceremony at the Henry George Gravesite, lunch and rally at Washington Square Park, followed by a bus tour of New York, emphasizing Georgist history and an economic rent analysis. The day closes with a very special evening at St. Stephen's Church, exploring the roots of the Anti-Poverty Society at the parish of Reverend McGlynn.

Sunday, August 10th - Planning the future and a champagne brunch.

For the bus tour only: Tickets are \$25 each. Seats are limited! Please reserve before July 22nd. Greenwood Cemetery and St. Stephen's Church are both free. Donation accepted. *For those who are not attending the Conference but wish to take part in the Bus Tour, please call Scott or Sue Walton at 847-475-0391. Directions for attending the New Jersey dates or for the Gravesite can be obtained from the School.*

A committee of students, most of them graduates of the Principles of Political Economy, has been organized to gather tax assessment information on the under- and undeveloped sites along the route of the tour. Similar in goal to earlier Graduate Research Committees, the participants will familiarize themselves with several sites, then plumb the computers of the City's Surrogate Court to find the current tax roll data. Once collected, this information will be incorporated into the tour's narrative, giving riders a tangible grasp of the great confusions involved in land and property valuations, and a sense of the massive untapped public revenue resource laying dormant. The intended route will take conference-goers through a range of Manhattan neighborhoods to give the best cross-representational slice of the tax code pie. Coming from the Henry George gravesite in Greenwood Cemetery, Brooklyn, the bus will head to lower Manhattan, passing City Hall and Publisher's Row, where *The Standard* was printed. Going uptown on Church St., we'll see one of George's early mayoral campaign headquarters. At West 4th St., riders will walk to Washington Square Park for lunch, hearing some special speakers while they relax. Afterwards, the bus will continue to the heart of midtown, crossing East at 42nd St., *(continued on page six)*

What Is Nature Worth?

by Max Panzner

In the Tuesday, May 20th, New York Times science section, William K. Stevens wrote of research underway to determine the worth of what ecologists call ecosystem services, which are natural resources that include a consideration of the vital social and economic functions they serve. The purpose is to prevent continued misuse of the world's

dwindling resources, to put a dollar value on "valuable, practical, measurable functions" which nature provides to all for free. He offers the example of the water purification service that the Catskills provide to New York City. "The city plans to spend \$660 million to preserve that watershed in good health; the alternative, a water treatment plant, would have cost \$4 billion to build." That sounds like a good deal, until we hear from the so-called experts, on page six.

Nature's Worth *from page three*

Two economists from Columbia University, Dr. Graciela Chichilnisky and Dr. Geoffrey Heal, propose selling investment shares in a given ecosystem. In the case of the Catskills, investors would gain returns "either from a share of the costs saved by not having to build a treatment plant," where the taxpayer would be paying shareholders to keep the land out of use, or "by actually selling ecosystem services," meaning a private consortium would sell to the public its drinking water, once a free provision of nature. Left unexplored are the possible effects of profit motives in this plan, such as shareholders voting to sell off some of the preserved area for development, for a greater or more immediate return on their investment. Why should we start paying private investors for a normally free public service?

Absurdities aside, there is the option of the taxpayers sharing the cost of keeping this natural water filter undeveloped, or economically speaking, out of commercial use, for this would in fact be the best use of that land. The need for clean water for work and living cannot be overstated, economically or otherwise. What we have here is a broader application of what is traditionally meant by economics; or its expanded definition, to account for the total cost of putting a given area to economic use, including the potential ecological trade-offs. This is a fine example of the pattern of development one would find in a fully Georgist economy, where large areas of land, of different ecosystems, would be preserved for the necessary life-sustaining functions they serve - as opposed to the rampant and chaotic development pattern students sometimes picture accompanying the freeing-up of the land from speculation. What's interesting about the research is the evidently growing awareness of the role the land and natural resources play in economics.

"People make economic choices involving nature all the time...but they do so without taking all the costs into account," writes Stevens. Consider the value of a wetland's flood-protection and water cleansing abilities, lost to a shopping center built in its place. "If such costs were reflected in day-to-day transactions, these theorists say,



society would pay more attention to what is lost when land is 'developed.'" As a result, society would also become increasingly conscious of perfectly usable land, such as empty city lots, being left undeveloped. Putting those sites to use, and improving sites that are underused relative to their ecological "imprint", would make better sense to a society wary of wasting away its limited ecosystem services. Discouraging such disuse, i.e. speculation, would require the removal of the incentives to landowners to hold that land from use. What about Henry George's remedy?

With George's proposal, we know that the owner of land would pay its full value to the community in the form of a tax, LVT. This would require the owner to use the land as economically as possible. With all other taxes abolished, and man's right to the products of his labor restored, land owners will have an incentive to improve the land all they wished, while land decidedly necessary for the good of the community, like the Catskills watershed, could be kept undeveloped, thus preserved, in consideration of the society-wide role they serve. Any land designated for preservation will lessen the common stock of available sites for use or improvement, increasing the demand for those sites and raising their value. This in turn fuels the need to develop as productively and as environmentally sound as possible; a win-win situation.

If the estimate for the value of the world's natural resources, roughly \$33 trillion (at least twice the GNP of the entire planet), is even remotely in the ballpark, and the cost to supplant the services they provide far exceeds that figure, then the need to best use the finite amount of land available can't be stressed enough. The implications of not doing so could be disastrous. According to Dr. Robert Repetto, senior economist at the World Resources Institute, "In Indonesia...losses from soil erosion reduced the net value of crops by about 40% and the loss of value from deforestation was four times as high as the value of the timber extracted." From the same study it was estimated that Costa Rica suffered a 25 to 30% reduction of potential growth from depletion of its soils, forests and fisheries. An effort to introduce natural resource accounting in the U.S. calculation of economic worth was made in 1993, but Congress has since put the measure on hold pending a study of the soundness of the approach by the National Academy of Sciences. Stevens indicates that a report is due this year. Such a measure

would force the recognition of the need to put the land to its best economic and ecological use.

It's quite possible that through the increasing environmental threats globally, traditional economists will begin to understand the actual relation of the land to production. Likewise, ecologists and environmentalists will be forced to recognize the importance of framing their arguments in terms of costs other than moral and ethical. As ecologist Dr.

Stuart Pimm writes, "So often, people concerned with protecting the environment go up against these very highly detailed analyses and feel they don't have anything in

kind with which to respond." With total cost accounting of ecosystem services they now do, and the communication gap may be bridged by both sides through a shared interest in the economic role of the land. Proponents of Georgism and LVT couldn't wish for a better audience.



West Coast *from page two*

We are not suggesting that this immersion in the aura of passionate men is the end all, but insofar as it reaches the vital part of our students, and insofar as they feel their own passion at stake in the economic scheme of things and they appreciate the great loss incurred by thwarted opportunity, we feel that objectives of the Henry George Schools have been reached. What we recognize, here in San Francisco, is that the alchemy we wish to work in our students' lives is at work upon us too, drawing from us creative energies in fulfilling and renewing our purpose.

Conference *from page three*

(continued from page two) pointing out the sporadic bursts of development and speculation along the way. Coming downtown on Lexington Ave. we'll head to a somewhat regentrified Alphabet City, passing Tompkins Square enroute. Finishing with busy Houston St., we'll turn back North on Lafayette St. taking in Cooper Union, Astor Place, and Union Square. Attendees will be dropped off for the evening's events at St. Stephen's Church. The tour promises to be as interesting as it is fun. - M.P.