

HENRY GEORGE NEWSLETTER

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LAND, FREEDOM & SOVEREIGNTY: Seminar Examines Reform Prospects in Pakistan and Estonia

The New York HGS held a special globe-trotting seminar on November 20th, in which two experts acquainted their American audience with the real prospects for land value tax reform in two very different nations.

Javed Malik, a staff correspondent with the News International of Rawalpindi, Pakistan, came to New York to cover the U.N. General Assembly session. Having enriched his understanding of the land-struggles in his native country through correspondence courses with the Henry George Institute, Mr. Malik contacted HGI President Bob Clancy and offered to speak on Pakistan's land-tenure systems during his visit.

Serendipitously, Mr. Olaf Klasen arrived in New York at the same time. Mr. Klasen is an emigré Estonian, a real estate

assessor in Vancouver, B.C., and a Georgist who has participated in advisory visits to Russia and eastern Europe over the last two years. Of all those meetings, the greatest receptivity and chance of success came in Estonia. Mr. Klasen's speaking engagement at the school was facilitated by Prof. Steven Cord, who also participated in various East-European advisory teams.

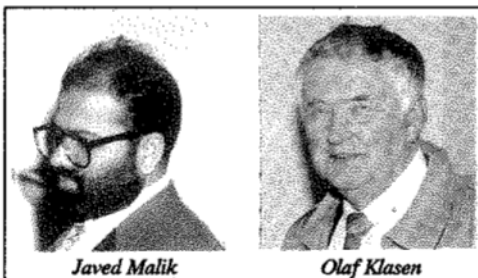
The economic situations of Estonia and Pakistan probably resemble each other as little as either resembles our own, but the fascinating subtext of the evening's presentations was that the vitality of Henry George's insight is being recognized in both places. People in wildly disparate circumstances are coming to the conclusion that public revenue ought to come from land values. A most thought-provoking evening! - L.D.

Pakistan: Survival of Feudal Serfdom in the 20th Century

Incredible as it may seem, reported Javed Malik, "In Pakistan we still have a feudal system. It has suffered setbacks, but the process of change has been very slow." Land ownership is exceedingly concentrated, and landowners wield the lion's share of political power. This, in turn, is the major factor which inhibits both social reform and industrial development.

Pakistani landlords got their land in three distinct historical waves. The first large landholdings were accumulated by Islamic clerics who migrated to the country from central Asia. Local rulers and even common people donated lands to religious leaders, to provide them with a means of support that was free from secular concerns. Land was plentiful in fourteenth century Pakistan, and large tracts were given. Over the years, large Islamic schools became established and ran on income from these lands. But in modern times, Mr. Malik reports, "There is a strong paradox: most of the people who have inherited the lands are not holy men; they do not even practice religion."

The second wave of landownership came when local agents were given land in exchange for services under British rule. The British had authority to cede lands to whomever they wished, as long as only peasants were displaced. The third, and somewhat smaller, class of landlords emerged when elite military and civil servants were rewarded with land after independence in 1947. (continued on page 6)



Javed Malik

Olaf Klasen

LVT in Eastern Europe: Prospect or Pipedream?

Olaf Klasen began his remarks by asking how many in his audience knew Estonia's location; a surprising percentage (he thought) of this audience did know. Nevertheless, it does not surprise Mr. Klasen that Americans know little about Estonian history; like so many other nations, his native country was subsumed by the Soviet state for most of the 20th century.

In fact, Estonia has known foreign domination for a very long time. Over the years, its land has been held by Danes, Swedes, Finns, Germans and Russians. The name of its capital, Tallinn, means "Danish City." In World War II Estonia



This fall brought to a close a long and fruitful collaboration between the school and Dr. Albert Alexander, who, along with Stan Rubenstein, ran the High School Urban Workshop. Al, a retired New York City high school teacher of economics and Executive Director of the New York City Council of Economic Education, which co-sponsored the Workshop, retired after 20 years.

The High School Urban Workshop is a venue for young adults to learn about college opportunities and the job market. Those attending the workshop leave with a more comprehensive idea of the "real world" and are better equipped to enter it. Every Workshop has had one or more guest speakers from the professional world and a speaker from the Bureau of Labor Statistics. The Workshop, which for the last five years has been held in conjunction with Baruch College, has provided a valuable place for students to make contacts with the world of business and get an accurate reading of the economic climate.

During the last Workshop, held at the school on December 10, Stan Rubenstein, who, besides co-chairing the Workshop is also a board member of the Henry George School, presented Al with a plaque honoring his many years of service and dedication. "Al has been one of the most cooperative individuals I've ever worked with. His general knowledge and contacts with speakers throughout the city has given the Workshops the success they have had over the years", said Stan. - David Domke

fought against both the Nazis and the Soviets. Nevertheless, Mr. Klasen stressed that all the ethnic groups in Estonia (many of whom represent former occupying forces) live peaceably together, all participating in free public education, and even in the tense present climate, there have been no abuses of human rights there. Out of a population of 1.6 million, Estonia is home to about half a million ethnic Russians. While it is true that the Russians are currently denied suffrage, the only requirement for gaining the right to vote is to learn the Estonian language. This makes perfect sense, Mr. Klasen asserted, considering Estonia's beleaguered history. For the most (continued on Page 7)

ESTONIA (Continued from first page)

part the ethnic Russians came to Estonia "as an occupying force under Stalin - thinking they came in as liberators."

Mr. Klasen stressed that the political and economic future of Estonia is intimately tied with that of Russia. For that reason, he feels that the country is now at an especially tense, crucial point. Much depends on the outcome of the current Russian Congress of People's Deputies, and the reform programs under the leadership of Boris Yeltsin. "If reactionary forces gain ascendancy in Russia," Mr. Klasen warned, "it will spread to Estonia."

The good news of Mr. Klasen's presentation, however, comes with his request for help. Last year, he said, he'd have given a 25% chance of success for Georgist land reform in his country; this year he gives it a 75% chance. Because Estonia now has a new president and a new parliament, now economic reforms can be implemented - but, "the next year is crucial."

Land is vital in Estonian culture. "Estonians are an agrarian people. Even city people have roots in the country, and most own some small plot of land." Estonians understand how important land is, and they are thus quite receptive to "the land question" - if it is presented properly. Understandably touchy about reforms that seem to threaten land tenure, Estonians tend to reject the idea of "common property" in land. They are much more comfortable, however, with the idea of a tax on land values. In fact, the Estonian parliament is "not interested in taxing improvements." This (as in Pakistan) is an idea based more in pragmatism than in ideology; it is simply too cumbersome and expensive to assess the land and the improvements. "They are ready to tax land."

Like the rest of the nations emerging from the failed Soviet system, Estonia does not have the luxury of simply applying a tax to its land market. Markets must be established first. The Estonian Agricultural University in Tartu is embarking on the "1993 Project," which will supply intensive support for pilot projects in agriculture, industry and forestry, based on a land-tax model. Mr. Klasen invites any and all who possess relevant expertise to lend aid to this endeavor.

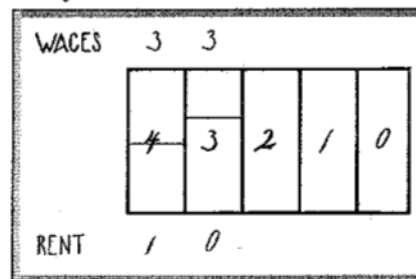
The future of Estonia is tied to that of Russia - but not just in a negative sense. Although Estonia's prospects for free-market reform would be all-but-erased by a resurgence of hard-line policies in Russia, Olaf Klasen asserted that any reform plan that succeeds in Estonia will be eagerly watched by its huge, troubled neighbor. "If we succeed in Estonia," said Mr. Klasen, "it will be a model for Russia." 

With this issue, we begin a feature that we hope teachers and students of the HGS will find useful. The School has been at the business of teaching political economy for over sixty years now; literally thousands of teachers, mostly volunteers, have brought their own styles and concerns to the work.

As all teachers (and perceptive students) know, teaching is much more of an art than a science. That means that there are as many techniques for imparting information, ideas and values as there are classrooms. And that being true, how could the unsung hero (ines) of any movement (its teachers) not benefit from swapping trade secrets? That's what we propose to do here: to share techniques, hand-outs or exercises that have succeeded in getting your students to "see the cat."

The first offering comes from Philadelphia HGS Director Mike Curtis. Mike has been toiling in the Georgist vineyard for many years, ceaselessly seeking for the very clearest way to present the Law of Rent. He has tried arcane strategies, plain words, maps, charts, and role-playing. But he called us in November, bursting with joy over one small-but-pivotal adjustment in his presentation that has made a world of difference. The adjustment is admirably simple and, like the plain truth so often is once we've seen it, perfectly obvious.

To grasp the significance of Mike's innovation, we must take a brief look at history. Although no one knows exactly when the chart was first used, it appears as early as 1906, in the pamphlet *The Single Tax* by Louis F. Post. This innovative teaching



tool became standard fare in the Henry George School's lessons in the thirties, and it has persisted to this day. It has been given new numbers and new graphic treatments, but the basic layout of the chart has persisted, sphinxlike, posing its riddle to each new generation of students.

It has never, alas, been an entirely satisfactory way of getting the idea across. It has always tended to bamboozle students - even, sometimes, professional accountants! Well, then, it must be the inherent resistance of people brainwashed by

TEACHERS' CORNER



the institution of private land ownership - it couldn't be the chart! The chart is perfectly clear, just like that cat - once you've seen it.

OK, perhaps it is the chart. Some teachers dispense with it, relying on sheer oratorical brilliance and "The Story of the Savannah", because that is much easier to listen to. Students nod their heads smartly, but still don't understand the dynamics of distribution. All right, so we tried maps. But what with incoming settlers and bridges and factories and all, and new

wealth numbers, our carefully-drawn maps turned chaotic, unreadable...here came that dad-blamed chart again.

After beating his fool head against the Law of Rent chart for twenty-odd years, Mike Curtis made the brilliantly obvious observation that people read (in this culture) from left to right, and from top to bottom. Unfortunately, that was not the way we were asking them to read our chart; we were asking them to read in every which direction, giving them headaches, making them crazy. Could this be why half the students always drop out of *Fundamental Economics*? Will pedagogy, not politics, be our downfall? "This -" proclaimed Mr. Curtis, "will not stand!"

He has arranged the chart like a simple subtraction problem. **Wealth Produced - Wages & Interest = Rent**. Are we not kicking ourselves?

Aha: sounds fine in theory - does it work? The new chart has been tested in the unforgiving laboratory of Mike's Delaware prison classes, and it has worked. Comprehension rate is way up. The proof? Well: for years, Mike has done a weekly seminar at a work release center in Wilmington. Out of an average group of ten, none of whom are happy, initially, to be there, four or five usually get the point; the rest just leave, bye. But with the new chart, for two weeks, the **entire group** has responded with enthusiasm.

Classes here are over for the fall, but I can't wait to try it out next term! - L.D.

