

"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
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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."