

# Land Values a la Soviet

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IT IS now evident that many socialist countries of Eastern Europe, having peered enviously through the chinks in the Iron Curtain, have gingerly adopted a number of "capitalistic" practices. Yugoslavia enjoys considerable (if limited) private enterprise; while Roumania, Poland, Czechoslovakia and even backward Bulgaria openly employ production methods that not long ago would have visited the wrath of Marx upon them.

Indeed, prodded by a younger generation of pragmatic economists, who are more impressed by scientific data than by ideological sentimentality, the USSR itself has gradually introduced economic procedures blandly borrowed from the West. It seems Comrades Brezhnev, Kosygin & Company have discovered that there is a Law of Supply and Demand, that you cannot sell what nobody wants to buy; that trading is done on the market-place, not on the planning board — and that cost-accounting is an important element of production.

Perhaps the most intriguing development in Soviet economics is the recent realization that land has value! Ever since the "ten days that shook the world," the Politburo has preached that land, being the property of all, has no price and no value, but today it is conceded that superior desirability, greater fertility, better location or more profitable usage gives land a comparatively higher worth.

Complaining that government agencies have the right to expropriate any plot of land and apply it to whatever purpose they deem expedient at the moment, a group of economic specialists, writing in Pravda, urge that a land valuation system be instituted, to assure its most efficient use. "Land," they assert, "is treated very arbitrarily

in the republic, since it does not cost any money . . . It seems to us that what the problem needs is not so much administrative as primarily economic measures." Strange to relate, the highest Soviet authorities appear to approve this communistically unorthodox view.

Recalling Lenin's "New Economic Policy," which saved Russia from collapse in the early 1920's, the USSR on occasion has grudgingly applied "capitalistic" methods to bail the Union out in times of economic distress. It is inevitable, therefore, that sooner or later it should turn to land valuation in an effort to solve its current problems. That the "solution" can be of no avail within the framework of collectivism does not affect the poignancy of the situation.

What is important to observe is the reaching at long last of the objective conclusion that land *has* value, and that different sites have different values. To do so is clearly to establish the existence of rent — a step, albeit a small one, in the right direction. While land valuation a la Soviet is a far cry from land values as envisaged by Henry George, the mere comprehension of the status of land, particularly as a factor in production, is a significant attainment.

The first step in answering "the land question" is to realize that it has use-value. There must then necessarily ensue the understanding that land-values are reflected in rent, and the determination of who shall receive it. When we learn that land-rent morally belongs to the community which creates land-values, and that all other wealth morally belongs to those who produce it, we shall have learned the valuable economic lesson Henry George so eloquently expounded.