

INTERNATIONAL UNION MEETS IN SPAIN

by Pat Aller, New York, NY

The International Union for Land Value Taxation and Free Trade held its 24th conference in Madrid, Spain, 27-30 May, 2004. This was exactly 91 years after Georgists from all over the world met at a conference sponsored by the Spanish League for the Single Tax in Ronda, Spain, partly financed by industrialist Joseph Fels, who had supported major land value tax drives in the United States before World War I.

Unlike most previous conferences, arranged by IU headquarters staff in London, this was prepared by AEPERS (Asociacion Espanola para el Estudio del Regimen del Suelo y los Recursos Naturales), under the direction of Fernando Scornik-Gerstein, attorney and former advisor to the Argentine government, who lives and works in Spain and the Canary Islands, and serves as AEPERS president. Although the number of Spanish Georgists was decimated during Spain's civil war, Scornik has helped to rebuild the movement there. He also attracted Argentine Georgists to the conference. More than 50 people attended, from Argentina, Australia, Canada, Denmark, England, France, Scotland, South Africa, Spain, and the United States. Simultaneous translation was provided in Spanish and English.

Scottish Parliament Sends Greetings

The Scottish Parliament sent the following message, signed by ten members of Scottish Green, Scottish Nationalist and Scottish Socialist Party groups in the Scottish Parliament:

"We send you our best wishes and support in your deliberations in Madrid this year. Some of us enjoyed and took part in your last conference in Edinburgh in 2001.

"Scotland is in the throes of releasing itself from the shackles of a historical inheritance of landed privilege. You will know that the Parliament has committed itself to 'investigating the contribution land value taxation might make to the cultural, economic, environmental and democratic renaissance of Scotland.' We believe that the private appropriation of the value of our common resources--such as land-- (continued on page 10)

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is a privilege which can no longer be justified.

"On a global scale, the failure to share equitably the value of our common birthrights can grow awful grievances, which bring terrible consequences, such as was visited upon your host city. Our sorrow rests with the heavy hearts of Madrid's citizens going about their daily business around you today.

"But we must make practical changes to our social systems. We believe that the taxing of land values will be a key policy reform for the twenty-first century. Scotland must adopt it. We as Scottish Parliamentarians will be endeavouring to bring about this fundamentally just and badly needed reform."

Speeches and discussions ranged from the pragmatic to the philosophic. The tragic history of Georgism in Spain in the 20th century was a conference highlight.

Alanna Hartzok, IU's main Non-Governmental Organization (NGO) representative to the United Nations, Council of Georgist Organizations vice-president, and Earth Rights Institute co-director, opened the sessions on 27 May with "The Need for an Earth Rights Democracy." This was an incisive examination of local and national socioeconomic issues in USA and a hard look at the same globally.

Jeff Smith (Forum on Geonomics founder/director and The Geonomist editor) spoke on the history of speculation and corruption in America, including privileges and tariffs for the elite, now that government can no longer give them land.

Spanish Ministry of Finance

Before the conference, Smith had arranged to meet Professor Pedro Herrera Molina, of the Spanish Ministry of Finance, and other department officials. He and Hartzok presented them with the advantages of land value taxation. They showed great interest and one was able to attend the conference. Following the conference, several Georgists, including two from Spain, met with the officials again. Smith later conferred with the supervisor of those officials, Isabel Especjo Poyato, who asked for a copy of his speech and more specifics on how LVT could benefit Spain. While in Madrid, he also met with Spanish architects and a computer programmer.

The next day Scornik formally welcomed IU members, other Georgists, and visitors, and introduced IU president, Tatiana Roskoshnaya, UN-Habitat Inter-Regional Adviser on Eastern Europe and Economies in Transition, stationed in Nairobi, Kenya. (During later IU business meetings, she was re-elected, and many other IU business topics were dis-

cussed, including site and time of the next conference, as yet undecided.)

Roskoshnaya led a panel on the global crisis and housing. She stated that the former Soviet Union nations now had the highest poverty growth rate in the world, ranging from 20 to 80% of each nation's population. She recalled for the audience the UN Millennium Development Goals, which include reducing the number of people in extreme poverty and also reducing the number of slum dwellers by 100,000, by 2015. A project is underway in Nairobi, Kenya, to provide housing for a giant slum from which landlords collect pure rent, because they provide no infrastructure. If residents get new housing, they're likely to sell it, further enriching landlords. Roskoshnaya and a colleague have introduced the idea of researching the land values in the slum.

Fred Harrison and other Georgists, she added, introduced LVT to the nation of Russia, even if it's misunderstood. As a result, President Vladimir Putin is on record in favor of collecting resource rents. She added that the UN, through covenants and other documents, has declared a universal right to housing.

Peter Gibb (chief executive, Henry George Foundation, UK and one of Land Reform Scotland's directors) cited figures showing that housing costs have risen much faster than wages. Home ownership is out of reach of many middle-income and nearly all low-income people. At the same time, more high-income people own two homes. He foresees Japanese-style intergenerational mortgages unless the situation improves. Many empty houses in UK are untaxed. But he expects the Scottish Ministerial Review to include LVT in its recommendations.

Scornik, discussing the situation in Spain, stated that housing costs rose twice as much as salaries in the last 20 years.

Dave Wetzel (Labour Land Campaign chair and London University Transport Studies Society former president) described United Kingdom housing tenure varieties and believes housing experts are finally looking at LVT. He likened Georgism to a ball on a giant snooker (billiards) table. If it's hit right, it could cause a ricochet among the others. In addition to housing, UK needs more green space, he declared.

Bill Powell (Liberal Democrat official and local council housing advisor) said the mortgage system is part of the problem. Using slides, he demonstrated how renters can't afford to buy when they retire at reduced incomes. Perhaps, he suggested, people should share risks with banks, as some religions have done. An individual could pay rent and buy ownership shares in the same monthly check, "purchase in partnership." This could be Rent/Own or Rent/Maintain, as the person prefers. At any rate, this benefits the individual and is not a subsidy.

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Dark Picture of Russia

A dark picture of contemporary economic failure is painted in "Twelve Years of Liberal Reforms in Russia," by Galina Titova, UN consultant on water and fisheries, from Russia. (Roskoshnaya summarized or read parts of the paper, as Titova was unable to attend.) Titova blames perverse or ignorant economics and laws for catastrophic decline in production and quality of life since 1990. "These laws," she said, "allowed new Russian oligarchs and transnational corporations to enrich at the expense of natural rent."

Titova castigated both her fellow citizens and the International Monetary Fund and the World Bank for policies of "shock" economics that enabled overnight privatization of Russia's natural resources, which, by rapid exploitation, became the source of the new export economy, cutting jobs in infrastructure and light industry and leading to higher poverty and death rates. It further damaged the economy by frightening prudent foreign investors, while adding Russian capital-seeking safe havens or riches--to the export list.

"Government is ruled by copybooks of monetarism. Its main task now is to service the foreign debt and to protect interests of large-scale business," Titova explained.

The ordinary Russian was cheated by vouchers to buy their state-owned dwelling or make other purchases, because these sank in value. Budget shortages have caused drops in the quality of education and scientific research, both needed for modern economic growth. Teachers' and professors' salaries average \$70 and \$200 monthly, respectively. Fisheries concentrate on luxury fish for overseas markets and have largely abandoned processing catches for both domestic and foreign consumption, losing more than 190,000 jobs, many then created in importing nations.

Titova compared Russia's downward economic spiral since 1990 with changes in China since 1978. China adopted a "double track" method, taking into account its historic interests and cultural traditions, thus avoiding an economic collapse. GDP has increased each year, while Russia's has declined.

Likewise, Poland avoided catastrophe by rejecting IMF advice. "Success in market reforms in Poland are also a result of delin[ing] of Washington consensus doctrines....The main task of reforms is to create conditions for sustainable and dynamic economic growth," she explained, and called IMF/World Bank economics "bankrupt." She cited Joseph Stiglitz, former WB economist, and five US Nobel Prize economists of the "Economic Transition Group" who opposed "shock" reform. Yet today Russia's economy is still measured by IMF indicators, which ignore decline in quality of life, widening income

gaps, environmental damage, and the like, while counting as positive the huge profits in Russia's natural resource exploitation.

"[H]opes for rent socialization (that has been promised by Putin for many years) will hardly be answered while monetarists are kept in the head of economics offices....[N]othing is done to bring order to the use of nature and to create a single state system of natural wealth and their taxable potential accounting. Without accomplishing this task, the forecast for the Russian future is dark...All successful [Russian] monarchs paid great attention to increase of the efficiency of governmental control over use of both lands and other natural resources and their fiscal assessment. There is still no clear signal that V. Putin will follow them."

China's Land Policies

Turning to China, Scornik reported on a variety of land laws. He said that when he met with the Chinese, they made it very clear that land will never be sold, using Hong Kong's leasing of land as an example. While he doubts they grasp the significance of rent, the government does realize that privatization is unnecessary. The nation owns much of the land, although there is some speculation. Leases of up to 70 years are available for defined uses, according to "The Legal Status of Land in China," a compendium of laws which he distributed.

In summary, he said, "[T]he right of use of land can be mortgaged and legally transferred, but what is very important - Article 43 - states that 'the land user as described in the clause shall pay land-use tax in accordance with the Interim Regulations of the People's Republic of China on Land Use Taxation in Cities and Towns.'...This is reinforced by Article 49, which says that 'land users shall pay taxes in accordance with state tax laws.'

"[T]he Income Tax in China is low (about 15%) and there is a Business Tax of 5%. It is obvious that the People's Republic do not have a policy in the sense of making the rent of land the sole source of revenue. Nevertheless, the income coming from land, although we do not have precise figures, must be important enough to keep other taxes low."

South Africa Housing Rights

Peter Meakin (a trustee of the South African Constitutional Property Rights Foundation, SACPRIF, and property broker and appraiser, mea44kin@iafrica.com) spoke on "Constitutions and Land Reform: The South-African Case." He described his organization's attempt to "restore both western and traditional property rights in the Republic so that every South African over 18 years of age can secure affordable access to sufficient (continued on p. 12)

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of South Africa's natural resources as to give validity to the constitutional values of equality, dignity and freedom."

The organization's strategy document states, "SACPRIF's chief aim is to bring about a change in South Africa's land tenure laws and practices, on the grounds that these contradict the constitutional rights to human dignity, equality and freedom...[L]egislative measures to date have not provided poor South Africans with meaningful access to land. Furthermore, these measures fail to address the landless of this generation who fall outside of the net of restitution, redistribution and tenure-reform, as well as those countless generations to come who will find themselves landless unless a holistic solution is found...For the last ten years SACPRIF has lobbied government officials and parliamentarians to adopt its approach, to no avail. SACPRIF now wants to consider a legal challenge to the government's land reform programme, arguing that it is in violation of the Constitution of the Republic of South Africa, and that, therefore, the courts may appropriately intervene."

Section 25(5) of the Constitution provides that the state must take reasonable steps, within its resources, to foster conditions which enable citizens to gain access to land equitably. The Mineral and Petroleum Resources Development Act states that "Mineral and petroleum resources are the common heritage of all the people of South Africa..." The late Sir Kenneth Jupp, retired High Court of England judge and author of some Georgist works, advised SACPRIF's attorney to consider indigenous as well as common law views and practices on land ownership and holding.

Meakin explained that the new Constitution does not limit the right to land values, as some think, and added that LVT advocacy, including that of Fred Harrison, has had results. He closed with a plea for financial assistance to pursue the suit, which, if lost, will cause him and other Georgist backers serious loss.

History of Georgism in Spain

On 29 May, Ana Maria Martin Uriz, Spanish philologist at the University of Madrid, specializing in the English language, spoke on "Perspectiva historica del legado de Henry George en Espana: Formacion y evolucion en el pimer cuarto del siglo XX," (Historic Perspective on the Legacy of Henry George in Spain: Formation and Evolution in the First Quarter of the 20th Century). This was excerpted from her longer introduction to *Progreso y Miseria (Progress and Poverty)*, issued in 1985 by the Spanish government (after dictator Gen. Francisco Franco's death) as one of a series of "agrarian classics." The paper, in Spanish, is too important to summarize here. One hopes a translation of the paper and/or the introduction will bring this heroic history to Geor-

gists worldwide.

Her paper had four parts: Spanish history, creation of the Spanish League for the Single Tax, Georgist progress in Spain, and Georgism's tragic end there. At the beginning of the 20th century, Spain was an agrarian nation with huge lands held by a few wealthy people. Farm work was badly paid, and much land was idle - untaxed, unworked. Rising social consciousness led to Spanish translations of Progress and Poverty and various movements-agrarian, socialist, anarchist, regional, and separatist. The Spanish League for the Single Tax was created and published a review for 10 years. The League's La Ronda meeting in 1913 (which the Franco government denied took place) brought many groups together, but differences, especially from those who espoused regionalism, separated them.

While the idea, but not the practice, of LVT made headway, and Georgists had some influence on the Second Republic, others were oppressed, even assassinated. When Franco came to power he executed Blas Infante, regionalist, imprisoned others (one died in prison), and exiled more. Those who went to Argentina helped revive interest in LVT there, but others, in Spain and elsewhere, ceased writing and planning. [Even during Franco's regime, Spanish Georgists ordered books from the Robert Schalkenbach Foundation.]

Scornik added that his father was among those exiled and that, while Georgists have always been oppressed, they were treated the worst by Spain.

Problems of Introducing LVT

The practical problems of introducing land value taxation in their respective nations were discussed by Gibb, Saul Martinez (chair, Provincias Unidas, a socioeconomic studies foundation, and former head, Highways Department, Argentina), and Karl Williams (editor, Progress, Australia).

Williams listed some Green party concerns about LVT, including possible financial strain on retirees, mortgage questions, belief that the income tax is fairer, and "the 6 o'clock swill." He explained the last by telling the story of old Australia, whose social contract included affordable housing, a living wage, tight credit, and no drinking after 6. The last induced a crowded bar as each jostled to get his before the bar closed. Today, without that contract, it's whatever the market will bear, and, Williams opined, "We have not a housing crisis but a property boom! A great way to run a casino but not a society. A long way from the social contract."

Martinez was fired the day after he advocated LVT to defray costs of one road. He called his nation "a laboratory demonstrating the development of Georgist ideas." Physiocrats influenced the Argentine revolution, and slavery and the sale of land were abolished in 1810 (or 1813), under Argentina's

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first president, Bernardo Rivadavia, whose ideas resembled those of George. Civil wars followed and the law was revoked in 1857. Since great plots of land had been acquired by individuals even before the revolution, this further legitimized land monopolies and speculation. Sporadic attempts have been made since to enact or apply LVT, but there is no general success.

Fred Foldvary (author and economics professor, USA) criticized economists who dismiss LVT because they say land and value can't be separated perfectly. Recapture by government of even some of the excess, deadweight burden justifies using that tax, he claimed. For greater equity, he advises an assessment board composed of all levels of government, local, higher, and state or federal. He's written about privatizing communities, if they wish, so that they pay for their own services, and he urged Georgists to change politics and voting structures.

Don't Drive in London!

Wetzel recounted, with Power Point, "The Success of the London Congestion Charge and How It Relates to Land Value Taxation." At first, he said, even his own Labour party opposed the idea. The charge is Lb.S. 5 per day, Monday through Friday, 7 AM to 6 PM, on a car entering central London ("clean" or emergency vehicles, and those driven by disabled persons excepted). Now there are 15% fewer cars, 30% less congestion, and London's treasury is Lb.S. 70 million richer each year. Those who don't pay are subject to accelerated fines.

But Wetzel is more concerned with land. "If we continue allowing 10% to control earth, expect a revolution!"

A geo-confederacy was proposed by Foldvary as "The Solution to Territorial Conflict: Pay Rent." He related his remarks to land disputes between Israel and Palestine, India and Pakistan, factions in Northern Ireland, Bosnia and Kosovo, and those Basques who wish to separate from Spain.

"When two nations claim the same territory, and both claims have merit, partition may not sufficiently resolve the conflict...A better alternative is to make the land common property. Individuals could choose which nation to affiliate with, without having to move. The possession of land would be in the form of leaseholds which pay rent to a confederation of the nations. The rent reflects the benefit of the land and would compensate the others for the exclusive use of a site."

Citing John Locke's *Second Treatise on Government*, that each person equally has ownership of his own person, Foldvary argues, "But self-ownership does not apply to land, so human beings equally properly own the land in common. However, the possession of land is required in order to apply labor, and production is most efficient with a market economy and private control of property. Locke wrote that the first owner may claim possession, but he may only claim the yield due to land with the proviso or condition that there be land of equal or better quality

available to others. If such land is not available, then human equality requires an equal benefit from the land. The economic benefit is reflected in the rent of land, and so an equal sharing of the land rent satisfies the Lockean proviso....

"Without a global sharing of the natural land rent, the next best policy is for it to be shared by those in a country.... We can call this plan a 'geo-confederacy.' It consists of a confederation of states together with the collection of the land rent....Where two countries dispute a portion of their land, a just solution is joint sovereignty as well as a provincial confederation. Both states would have equal sovereignty, and the residents would be free to decide which country to be a citizen of. The site holders would pay land rent to a legislature that is elected by all the residents....

"[G]eo-confederacy combines choice of citizenship, confederation of nations, joint sovereignty over disputed land, and the sharing of the land rent....A geo-confederacy offers freedom and equality of association and equal benefits from the land."

Argentinean Crisis: It's Roots

Hector Sandler (University of Buenos Aires professor of law and social philosophy and Institute of Economics Training (ICE) director) spoke on "Unveiling the Mystery: Roots of the Argentinean Crisis," dedicated "To my dear friend Bob Andelson," former IU president, Robert Schalkenbach Foundation member, and philosophy professor, who died December, 2003.

Sandler pointed out that in Argentina, a large nation rich in natural resources, land monopoly has stifled efficient development by making land too expensive for poor citizens, thereby inhibiting the immigration that helped the United States progress. In 1810, legislation forbade land sales, with a few exceptions, and slavery. However, this was revoked 1857, and 1865 laws transformed land into goods in *comercio*, leading to concentration of 85% of the land in the hands of 300 landowners, fewer than 1% of the population. The same ratio is true today, except that the landowners have become corporations, paying no taxes or taxes on undervalued land.

"The current legal system has transformed land into the base of any speculative business... instead of being at disposal of work and investment of capital," says Sandler.

Argentina is an exporting nation - of beef, leather, grain, wool - all from rich ranchers, who use their profits to increase their ranching (cont'd on p.14)

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and to consume riches. As the proportion of poor people grew, Argentina had to borrow from the International Monetary Fund to pay for national and subnational services. Its debts ballooned, culminating in its recent defaults.

Sandler stated that, regardless of whether conservatives or radicals governed, their policies ignored the effects of land speculation, land concentration, and escape of capital for development, concluding, "Argentines should realize that land rent cannot be in private hands, because it is the basic underside of public treasure. If land rent is collected, it is possible to eliminate the taxes that hinder work and investment....[W]ithout this there will never be a new Argentinean miracle."

Are Universities to Blame?

Sandler also spoke on "Higher Education and Social Problems," dedicated to Professor Iredell Jenkins, Princeton University, USA, with the object of "finding a philosophical basis for the political theories whose aim is to achieve a fairer human society" and "to expound upon the mistaken roads that Law and Economics science are marching upon."

For example, Sandler referred to Argentina's economic problems as due, not to lack of resources, "but because of a *wrong legal* structure of necessary fundamentals to constitute prosperous and healthy *social and public economics*.... the result of wrong or inadequate knowledge in the fields of economics and juridical science. If this thesis is true, it is possible that higher education is, in great measure, responsible for the current disorder. That's why - in this case - the university system has a moral duty and a great task in the effort to reestablish the harmony lost in our society."

Critical of over-specialization in philosophy, law, and economics, Sandler pointed out that, until the mid-20th century, most political leaders, legislators, and many in the executive branch of government had law degrees. Since then, however, he says, economists have displaced lawyers there and also dominate financial and global institutions.

"[I]t's not even noticed that it is a concern of Law, not of Economics, to establish the fundamentals of the economic order."

Sandler continues, "One of the main causes, if not the main one, of social, political and economic problems that many countries bear - among them, in quite a remarkable way, Argentina - is the prevailing bias, standardized at universities, of legal and economic science since the second half of the 20th century." Specialization, he adds, leads to quite exclusive knowledge of fragments of reality, and this often leads to the teaching of distorted, even wrong, concepts.

"Government," continues Sandler, "as producer of *statute law*, should apply all its power in the unceasing task of eliminating obstacles, privileges and monopolies that generated continuously at the very middle of society, hindering the process of producing wealth and the fair distribution of the wealth produced." He recalled that a 1912 bill proposed a land tax on unimproved land. Though the bill failed, an active Land League, composed of Argentinean governors, mayors, and other politicians and intellectuals, published *Revista del Impuesto Unico* (Magazine of Single Tax) from 1916 to 1926.

"These facts are ignored by those who teach Law and Economics at our universities," he informed his audience, advising them that even worse brainwashing occurred in USA, documented in *The Corruption of Economics*. Neoclassic economics, which considers only labor and capital - not land - as factors of production, suppresses all mention of natural law and Henry George, and is supported by gifts to universities by wealthy land speculators and monopolists.

"[W]ith countless natural resources, an excellent population with high cultural development, it cannot seriously be said that Argentina has 'economic problems,' though most of its inhabitants... do have them.... What we suffer from is a bad legal structure of the fundamentals of social and public economy. All the individual and collective problems that bring despair to most of the population and collapse governments have their root in our legal order.... From this point of view, universities and higher education have a great responsibility and, in consequence, a great duty to perform."

George and German Idealism

Frank Peddle (Robert Schalkenbach Foundation board member, Henry George Foundation of Canada treasurer, and Canadian Research Committee on Taxation research director), spoke on "Dialectical Philosophy and Henry George's Concepts Reconsidered." He urged reprinting of George Geiger's *The Philosophy of Henry George*, issued in 1931, saying nothing has been published in that area since. He compared German idealism of Fichte, Hegel, Kant, and Schelling with George's ideas, even though George misunderstood and maligned the idealists. Peddle finds reshapings in such philosophers parallel to reshapings in natural law, on the nature of capitalism, and the like.

The *Science of Political Economy* is Peddle's favorite among George's works. Its methodology, definitions, and concepts, such as holistic cooperation, are very like German idealism. One must presuppose all that is presupposed, which also applies to contemporary politics. Hermeneutics (the branch of philosophy dealing with the theory of understanding and interpretation) is important in today's European thought and therefore it is necessary for Georgists also, as a way of continuing dialogue, he concluded. (continued on page 15)

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Marginalists, Land, and George

Scornik spoke on "The Marginalist and the Special Status of Land as a Factor of Production: Herman-Heinrich Gossen, Friedrich von Wieser, Leon Walras and Vilfredo Pareto. He stressed their views on the special status of land, ignored by most Marxists (but not Marx) and most neoclassical economists, especially those of the Austrian school. While he admitted that some of their ideas were confused, each of the four recognized the importance of land.

"With this paper," he said, "we expect to contribute, at least partially, to widen the vision of ideas of these four marginalists and to have proved that...the subject of land and natural resources was very specially considered, having in certain cases - as that of Walras - a central and unmoveable place in his proposals." Only highlights of this paper can be included. Scornik finds that, for those cited, land was not simply a form of capital. Yet George and also neoclassic, or neoliberal, economists underrate this aspect of marginalism.

"Gossen states that 'it would be convenient that the ownership of land would belong entirely to the community and that the community would grant the exploitation of each plot to whom[ever] offered to pay the highest rent,'" Scornik says, adding that Gossen's ideas were ignored for years, and, when rediscovered by W. Stanley Jevons, were cited for their mathematics and not for the differential character of land ownership.

"In our opinion the most interesting thing in Wieser's thought is precisely the changes he introduces to the Austrian theory of value and bring him near in a remarkable way to the ideas of Henry George or Leon Walras. As George, he was a great defender of free trade as the way to press prices downwards," Scornik declares.

Walras wrote, "...to leave lands to individuals instead of keeping them for the State means to allow a parasitical class to take advantage of the enrichment that should satisfy the always growing demands of public services," and concludes that, if the State repurchases privately held land, "we would have not only saved the future but repaired the past." While he contradicts himself, and, of course, George, in the way he would remedy conditions, Walras sees socioeconomic justice in State land value taxation, according to Scornik. Furthermore, Walras recognizes the importance of free trade and "free concurrence," citing Physiocrats on the latter.

Pareto "does not even mention the solid proposals of Gossen and Walras, which mathematically demonstrate the benefit that nationalization would give to the state, even paying compensation to the owners,... being more inclined to solutions based on taxation," Scornik explains. "Nationalization of land seems to him a remedy worse than the sickness."

Scornik cautions Georgists to heed Pareto's income distribution curves, which pessimistically find that income changes little, regardless of economic system, and his forecast that no social reform will last if human nature is not changed. In the discussion that followed, Peddle asserted that Lorenz has found the curves wrong.

In correspondence with Aller after the conference, Scornik stressed: "I do think that the reconsideration of Marginalists and their perspective on George's basic idea that the rent of land should be common property, is essential. As I explained in my paper, George was not aware of the works of Herman Heinrich Gossen and Leon Walras. I honestly think the attack that George delivers to Marginalism in general is mistaken. The Marginalists do not say what George accused them of saying."

Psychoanalysis, Mind, and Economics

Timothy Glazier (author of works on philosophy, social justice) analyzed "Economics and the Modern Mind." He feels that one reason people have trouble grasping George's ideas is that the human mind has altered over the millennia. In denying an archetype such as a bountiful earth, the shadows of fear of scarcity and of greed have appeared in hunter-turned-farmer and later changes in perception, and he cited Fred Harrison's works on the matter. Alienation follows, resulting from dissociation from the real world. Glazier believes humanity is in its adolescence and can eventually improve.

A psychoanalytic approach to Georgist ideas and techniques was presented by Jon Mendel (research intern, Henry George Foundation, UK, and Ph.D. candidate, University of Newcastle) in his two papers: "Own It: The Desire for Housing and the UK Housing Crisis" and "Love the Accident! The 'War on Terror,' Network Technologies and Radical Political Change." These require the author's permission before citing and may be reviewed later. "Hacia un Mundo Mejor," by Joseph Soler Corrales, in Spanish, is not included because there was no time to translate it.

The UN, IMF, WB, and Georgists

Roskoshnaya and Hartzok closed the conference, 30 May, with analyses of how LVT can be linked to UN, International Monetary Fund, and World Bank policies. In May 2003, IU was granted consultative status to UN's Economic and Social Council (ECOSOC), raising its number of NGO representatives at the UN from 2 to 22, and greater Georgist impact on UN issues is anticipated.

Hartzok, who hopes to help develop a Nigerian ecovillage, where Georgist economics will be taught, cited Stiglitz's criticisms of the World Bank: (continued on p. 16)

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privatization of utilities, taken over by former government cronies; capital market liberalization, especially in real estate; market-based pricing which forces up costs of basics; and so-called free trade. He proposed, as solutions, radical land reform and taxing 50% of the oligarchs' crop rent.

Hartzok, who said she would like to sink or shrink IMF/WB because of their systemic greed policies, focused on six: 1) structural adjustment programs (SAPs), which increase poverty, 2) debt relief, especially to poorest nations, which is a sham, 3) the worsening of Russia's depression, the Asian financial crisis, and focus on banks' bailouts, 4) the rise of AIDS, part of the rural-to-urban migration, 5) the effects on women, especially as SAPs cut safety nets, and 6) depletion of natural resources, accelerated by dam building and land grabs, which she called corporate welfare for environmental destruction. She cited WB activity in Brazil, buying land and creating mortgage debt, and mentioned that a US Senate investigation of WB losses.

Roskoshnaya complained that WB had intervened when Habitat attempted some LVT in the 1980s. Habitat now has a new Governing Council, with greater Local Authorities (municipalities and cities) participation. She urged Georgists to become involved with United Cities and Local Governments and to try to get LVT included in one of Habitat's two major drives, that for Secure Tenure. WB is also studying LVT, she added, and Sweden, a chief Habitat donor, is interested.

Scornik believes a newsletter for Spanish and Latin American readers would have an extraordinary effect, and stated that the Spanish Georgists need serious financial support. He criticized the almost complete lack of funds from existing Georgist organizations for the Madrid conference. The Robert Schalkenbach Foundation contributed \$2,000 for simultaneous translation, a small fraction of the aid requested.

This report is based on the author's notes and available texts, with apologies that time did not permit more thoroughness or accuracy. All italics used were in the original. Texts or excerpts of some speeches may be published later. To contact AEPERS (Scornik invited Georgists everywhere to join it): Fernando Scornik-Gerstein, President, AEPERS Avda Alberto Alcocer, N(7, 3(Izq, 28036 Madrid, SPAIN. Tel: 00 34 91 350 72 62 Fax: 00 34 91 350 73 06 Email: Madrid@aepers.org (Pat Aller is a former IULVT NGO representative to the UN, and may be emailed at terpaller@aol.com.) <<