

MOSCOW ENDORSES REVENUE FROM LAND: Television Coverage Reaches 100 Million Viewers

As George Collins reported in our last two issues, advocates of Henry George's economic ideas have been engaged in serious dialogue with economists and other professionals in Russia and Estonia. One fruit of these efforts is the October 11th passing, and signing by Boris Yeltsin, of a law by the Russian Soviet Federated Socialist Republic "On Revenue from Land."

A few weeks later, a new Georgist delegation made a ten-day tour, launching what Jeffery J. Smith calls "the second October Revolution." In addition to Mr. Smith (who serves as president of the Institute for Geonomic Transformation, Santa Barbara), members of the delegation were Dr. Steven Cord (Henry George School trustee, Henry George Foundation president), economics Professor Nicolaus Tideman (Virginia Polytechnic Institute and State University), Melville Forde, Eugene Levin, and Pat Surbrook (all three from Seattle), and Ben Seavack (Canadian Research Committee on Taxation, Montreal). Both Mr. Smith and Dr. Cord gave reports to the *Newsletter*.

Meanwhile, Back in New York...

The exchange of visits between economic and urban experts in Russia and US Georgists is steadily increasing. HGS trustee, Prof. Steven Cord and a delegation of Georgists from the US and Canada have just returned from a highly successful two-week trip to several cities in Russia and Estonia. In November, the HGS played host Serge Mityagin, Deputy Director of the St. Petersburg Institute of Urbanism. Mr. Mityagin, an architect and city planner, was in New York to meet with the leadership of the Robert Schalkenbach Foundation and the Henry George School to discuss his Institute's plan for a two-week course in 1992 on Georgist economic analysis and tax reform.

Earlier in the month, newly-elected HGS trustee Heather Remoff, brought Dr. Alexi Slepukhin to the school. Dr. Slepukhin is an economist with the Institute of World Economy and International Relations in Moscow. He was one of the hosts to a group of American CEOs in Russia last fall. Dr. Slepukhin has had a Georgist article by Ms. Remoff published in two Russian newspapers and has requested other pieces for publication.

Communism is regarded by most people as irrelevant, Dr. Cord told us. All the people he met were pro-American. "We didn't meet any communists (maybe ex-communists - they were brought up on that and it was the only way to have a successful career). We met plenty of anti-communists, but the whole subject seems irrelevant (or embarrassing) to them." He also saw much evidence of the revival of religion and found Russians to be "naturally religious." They also have a great interest in their culture. Most people like to live in the city of Moscow, a cultural center.

Along with Russian culture, unfortunately, Dr. Cord also found Russian hunger in the streets. There are already bread, milk, and other food shortages. The food just isn't making it into the city of Moscow. According to Dr. Cord, direct humanitarian aid to Muscovites is the only solution right now, for the sake of both the Russians and the rest of the world. The possibility of a food-shortage-driven second coup attempt, and a nuclear-armed Russian republic in crisis, is not a pleasant one - nor the misery and death which is inevitable if the West does not come to the aid of the Russian people.

"Jeff was great. He handled all the logistical matters with aplomb (and with the help of a free-enterprise tourist company)," said Dr. Cord. Jeff Smith was the organizer of this latest (and certainly not his first) journey to the East. Jeff's friend, Marina Pavlova, daughter of a Russian ambassador, translated the recent law of the Russian Republic "On Revenue From Land."

Not only Russian legislators, but even a film producer, Radi Kushnerovich, was inspired by the idea of public ownership of land rent. So inspired was he that he invited Eugene Levin and Pat Surbrook to Kazan, capital of the Tatar Republic, a thirteen-hour train ride due east of Moscow. There Gene gave a talk to 50 members of the Ministry of Finance including the Chief of Staff Mahail Saifundinov, Tax Inspection Chief Shami Budochoy, and Prime Minister of Foreign Affairs Mohammed Sabirov. Gene and Pat are considering the invitation they received to live there for a few months next year to help institute needed tax reform.

Also very enthusiastic was a philosophy and ethic professor, who used her contacts to arrange a fifteen-minute interview with Dr. Cord, Mr. Smith and Dr.

Excerpts From the Law of the Russian Soviet Federated Socialist Republic On Revenue From Land (11 Oct. '91)

1. Using land...must be paid for. The forms of payment are: land tax, rent, and normative price of land....
2. The purpose of collecting revenue from land is to stimulate: rational use, protection and improvement of parcels, increasing the fertility of land, equalizing the socio-economic conditions of using land of different quantity, insuring the development of infrastructure in populated areas....
25. Normative Price of Land - is an indicator of the value of a parcel of land of certain quality and location, according to its potential profit for a given period of paying-for-itself....

Ed. Note: the full text of this translation by Marina Pavlova is available upon request from the New York HGS.

Tideman on a morning television talk show that regularly has 100 million viewers. Jeff told us "how disconcerting I found the bright lights, the import of the moment, the odd sensation of simultaneous translation in his left ear, the realization that I would be telling a nation addicted to taxes and subsidies to abolish both." Jeff consoled himself, "If the medium is the message, 100 million Russians et al did hear the two most popular morning talk show hosts say, several times, the word 'geonomics.' Perestroika has catapulted the economics of sharing Earth into the limelight." **Geonomics** is the term Jeff coined for his synthesis of Georgist economics and Green politics, and literally means "proper planet management." (See article on page five.)

Between the afternoon taping of the TV program, and its broadcast the next morning, Tideman, Smith and Cord testified before the new Supreme Soviet ("of Russia not the old USSR of whose existence we found scant evidence," said Jeff. "Uniformed guards on the borders of the Baltic Republics helped bring home this fact.") The hearing, on taxation, was chaired by the Green People's Deputy from St. Petersburg, Petr S. Filippov. One concern, expressed by the assistant to the PD from Karelia, Alesander Kaimin, was how to keep their natural resource rent out of the hands of the central government in Moscow. Even so, before returning to the US, papers were left with one of the tours

hosts, Dr. Alexander Sagaidak, secretary to Russian Vice President Rutskoi, who took them to personally deliver to Mr. Rutskoi. Highlights from Jeff Smith's talk are also to be exhibited at the Museum of the Revolution, promised its curator.

In the Baltic Republics, our travellers found Sweden to be a popular economic model, with the accompanying willingness to tax land - along with everything else! But as Smith observed, the Nordic states with high tax rates today had low rates when they were young and growing. "Living off the largesse may soon be over. Inflation, unemployment, crime, and nationalism are rising. The tax-and-spend Greens were recently booted out of parliament in Germany and Sweden." Having to present Georgist ideas as both an alternative to communism and as superior to the Scandinavian praxis, "We could not present our ideas as another tax, merely a minor tinkering with capitalism. We had to package abolishing taxes and sharing Earth's worth as a new system, a new kind of market that works right for everyone, a part of the global paradigm shift."

In Vilnius, Lithuania, the delegation made a presentation that stressed untaxing labor and capital as well as taxing land value. Many Greens were in attendance, a member of parliament, a Vilnius city council deputy, a deputy minister of agriculture, and Kestutis Urba, former treasurer of Sajudis, the National Movement which received over 80% in the last election.

Urba told the gathering, "I have asked the Sajudis economic committee to adopt a resolution calling for maximal taxation on land - sites and resources - and minimal taxation on income, and to move this resolution at next month's plenary of Sajudis, which would then introduce it before the national Parliament for inclusion in our new Constitution." DEP First Deputy Director Kestutis Zala asked if Smith's Institute would be "willing to review our proposed legislation to ensure it attains the geonomic ideal." (You can guess Jeff's reply.)

Prof. Nic Tideman is returning to the East once again in late November. Future possibilities abound, some already being started: exchange of articles in Russian and American journals; seminars on economic theory and land assessment; publication of Henry George's works, and related titles, in Russian; exchange programs involving students and professors; reviewing proposed legislation; testifying before official hearings; contracting for land assessment services and for studies showing the efficacy of abolishing taxes on production; co-writing press releases and feature magazine

"SEEING THE CAT" IN RUSSIA: or Is Geonomy Inevitable?

Ed. Note: "Do you see the cat?" was an favorite expression of Single Tax advocates. It referred to the visual puzzle of discerning the figure of a cat disguised as other features in a drawing, such as tree branches. In Single Tax talk, it asks if you see the hidden cause - and solution - to poverty and inequity in society. The title of this piece is ours, the article itself is by our intrepid geotrotter, Jeffery J. Smith.

Probably, geonomics will not succeed without geonomists committing themselves to a major investment of time, money, love, and determination. But there are eleven reasons to believe that geonomics will almost inevitably succeed. Consider the following:

1) Russians are desperate to live in a functioning economy. Geonomics, to the extent it has been tried, has worked wherever so tried.

2) Russians seek a market economy. Geonomics gives market forces the widest possible play that is also fair, by making the distinction between private property and public "trusterty".

3) Russians have grown weary and wary of states: one politician gained prominence calling for an end to taxes; one calling for an end to subsidies (now Vice Premier Saburov). Geonomics cuts the power of government, replacing taxes with user-fees and subsidies with a citizens dividend.

4) Russians don't want total laissez-faire economics. Geonomics charges polluters, depleters, and users in general.

5) Russians know slavish mimicry will not work; they must come up with something new. Geonomics is the latest model of market economics.

6) Russians know that much work is waste, that jobs pay them to "hurry up and wait." Geonomics acknowledges this fact by creating two income streams: wages from work, and the citizens dividend from

the worth of the Earth.

7) Russians see land as "Mother." Geonomics is nurturing, sharing fairly the advantages of nature.

8) Russians are not imperialists; they're not ashamed of losing the Baltics (unlike some American regarding "our oil" or the Panama Canal). Geonomics is decentralist, collecting revenue at the local level (and global, abolishing tariffs and quotas).

9) Russian women work hard for what's needed. Geonomics, so far, has inspired some very talented women, and could become an expression of the latent women's movement in Russia.

10) Russians are the most literate people in the world. Geonomics is a part of the paradigm shift that is best conveyed through reading.

11) Russians love cats. Every hotel's restaurant we visited had at least one. Our burly bus drivers competed with each other to be the next to pet the kitten. Geonomists, too, are cat lovers.



"Do you see the cat?"

articles; radio and TV interviews; co-producing a dramatic film documentary and an illustrated popular booklet explaining geonomics; and even more ambitious projects such as setting up tuition-free schools with the cooperation of the Soviet Town Planning Institutes.

Jeff Smith hopes two bi-lingual teams can be set up, one in North America, the other in Russia, to work to develop these programs to their fullest potential. Selling the complete message of geonomics is more likely to succeed than selling the land value tax on its own, he told us. Environmental concerns are big in Russia, re-

flected in the fact that the next land revenue law has been adopted, in part, for "the protection of nature," as well as for "the leveling of natural advantages." Funding will of course be needed, and he's working on that, too. Anyone wishing further information should contact Jeff at the Institute for Geonomic Transformation, PO Box 157, Santa Barbara, CA 93102 (phone 805-969-7024). Other participant-contacts in the US are: Dr. Steven Cord, Center for the Study of Economics, 2000 Century Plaza, Suite 238, Columbia, MD 21044 (phone 301-740-1177); and New York HGS Director George Collins. 