

# Henry George Newsletter

High School Edition



Issue 16, Nov. - Dec. 1992

## INDIANS VOICE CONCERNS

There is a growing movement on the part of indigenous peoples worldwide to re-claim both their land and their traditions. At a recent United Nations forum, indigenous peoples were given an opportunity to voice their concerns, with the possibility that these concerns will be reviewed in the context of the UN's official International Year of Indigenous Peoples in 1993. This article may be used with the *Land and Freedom* series in American History on *Indian Land Ownership* (#1) and *Imperialism in Central America* (#16).

## SHARE THE WEALTH - RUSSIAN STYLE

Just a few years ago, if an article on Russia's shift to capitalism appeared in an American newspaper, it would have been labeled an April Fool's joke. Today, such an article is taken for granted. The shift from communism to a free - market economy is not an easy task. There are no precedents for such a change. Only time will tell if their planned voucher system will work. This article relates to two lessons in the *Land and Freedom* series: *World History - Emancipation of the Serfs* (#9) and *The Soviet 5 Year Plans* (#12). This article can also be used in conjunction with *Self-Interest* (#4) in the Economic Studies Series.

## Supreme Court

Prepared by the US Supreme Court, this 32-page booklet contains a brief history of the Court, its traditions and procedures, and a brief illustrated bio of each of the current Justices. *Write to: Public Information Office Supreme Court of the United States Washington, Dc 20543.*

## Plymouth Plantation

Although many of the pamphlets contain information about visitations to the Plantation, a number of them also give background period history of this historic site. One booklet contains a map of the site plus short biographies of some of the leading Pilgrims (such as Standish and Alden), plus an accurate description of various building locations. Another booklet, *A Field Guide to Field Trips*, deals with the Pilgrims world view, historical Archaeology and objects of everyday use. *Write to: Plymouth Plantation, PO BOX 1620, Plymouth, Mass. 02360.*

## FREE MATERIALS FOR TEACHERS

### Appomattox

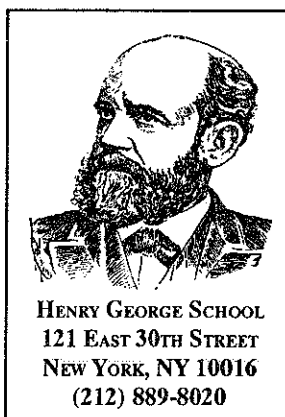
On April 9, 1865, General Robert E. Lee surrendered his men to U.S. Grant at the Appomattox Court House. While some of the material in this brochure is geared toward this site as a visitor's center, it is worthwhile reading for an encapsulation of the entire Civil War period. Printed on a 16 x 23 inch poster, it highlights the war at a glance, denoting the Eastern theatre on one side, the Western on the other. Maps are also part of the presentation. In addition, a short summary of last Civil War campaign is provided as well as information concerning two videos--a documentary and one entitled *A Soldier's Diaries*. *Write to: Appomattox Court House National Historical Park, PO BOX 218, Appomattox, VA. 24522-0218.*

### Ulysses S. Grant Memorial

The National Park Service will send limited supplies of its materials, including the following: *Facts and Figures* (detailed descriptions of the exterior and interior of the memorial); *Mosaic Murals and Benches*; and *Claremont Inn* (describes the legendary hotel that once stood north of Grant's tomb). In addition, the site brochure summarizes the highlights of the life of General Grant. *Write to: US Dept. of Interior, National Park Service, Manhattan Sites 26, Wall Street New York, NY 10005-1907.*

## National Aeronautics and Space Administration

The NASA Educational Affairs Division can provide teachers with a variety of programs and materials, covering a wide range of topics. One of the programs - the Teacher Resource Center Network - provides teachers with videos, slides, audio tapes and various publications, lesson and activities guides. There are nine such network-centers throughout US, each one covering several states. *Write to: NASA, John F. Kennedy Space Center, Kennedy Space Center, Florida 32889.*



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# Indians Voice Concerns in Rio

Reprinted from *The Christian Science Monitor*  
by Julia Michaels

It had been a long wait under a hot afternoon sun, but someone inside had vouched for them and now 10 Brazilian Indians were walking across the parking lot towards the conference pavilion. The photographers went into a clicking frenzy over the way the Indians' colorful feather headdresses, bare chests, swim trunks, and rubber flip-flops combined with the starched blue uniforms and police caps of the United Nations escort.

Once inside, the Indians clipped their visitor passes onto their necklaces and went through the security check. Raoni, a chief of the Brazilian Caiapá nation, climbed up onto one of the concrete planters decorating the pavilion's skylit central hall.

"We need our land demarcated. We want to maintain our customs," he told the crowd of reporters. "We want to tell you that for many, many years you've been destroying the forests, and we're going to tell you that we're not going to let you finish gutting all of our forest." He added that the Indians want the white men to "leave us alone."

The visit of the 10 Brazilian Indians to the UN Conference on Environment and Development was brief and brought no immediate action on the part of delegates. But indigenous leaders say the visit demonstrated that the native peoples of the Southern Hemisphere are finally beginning to break into world affairs in their bid to seek justice.

"It was difficult to get anything from the UN [before now]," says Marcos Terena, president of the Brasilia-based Intertribal Commission, a nongovernmental group. "The South didn't have this tradition. So [with the conference] a new chance opened up to work within the United Nations.... One day we'll have a seat there."

For five minutes, Mr. Terena spoke on indigenous peoples' concerns at the conference plenary session. It was the first time a UN forum had officially taken up concerns of native peoples.

The UN conference did involve the direct participation of indigenous delegates from developed countries, such as Canada and Norway, but Costa Rica was the only developing country with an indigenous representative on its official delegation. The imbalance parallels differing histories that today contribute to different priorities.

"Indians in Brazil and Latin America are struggling for recognition

and the demarcation on their land," says Lydia Luz, coordinator of the Pro-Indian Commission, a São Paulo nongovernmental group. "But in the North they talk of sovereignty. They have demarcated their land; for them the fundamental question is political autonomy."

This difference was evident in conversations with many native peoples from around the world who were attending the official UN conference and its parallel non-governmental meetings. Mark Charfauros, who is from the 43,000-population Chamoru nation on the island of Guam, wants "complete independence from the United States," which he says has "enslaved" Guam.

But for Pedro Indcio Pinheiro, a chief of the Tukano, an equally small nation whose members live in Brazil, Colombia, and Peru, justice would be upheld if the Brazilian government recognized his people's right to their ancestral lands, thereby diminishing constant conflicts with whites over fishing and lumbering.

"We say you came from outside. We are the first owners of the earth, you came later," Mr. Pinheiro says that the Tukano tell non-native intruders, "[but] in the white man's law you need documents." The Tukano have been to see federal officials about their problems "more than 20 times," he adds, "and nothing happened."

Between the extremes of Guam and the Amazon are peoples such as Chile's 2 million Mapuche, most of whom are literate, thanks to the religious schools they attend. The Mapuches focus on keeping strong their lively music, rituals, and other traditions, but they also say they want the government to return land it confiscated from them in the last century, provide them with agricultural assistance and credits, offer bilingual education, and end discrimination.

Indigenous peoples meeting here managed to have some say at the United Nations, despite deep splits among various factions. Because they could not agree on a single native-peoples' event, at least four different factions ran separate programs paralleling the UN conference, ending with recommendations and demands that were passed on to official delegates.

The problem, explains Ms. Luz, is that many tribes have traditionally warred with one another and so have trouble thinking in larger collective terms. "In many native languages, the name of the tribe means 'people,' as if they were the only ones," she says.

The Indians were also hampered by the negative impact of a Brazilian news-magazine report during the conference that Caiapó chief Paulinho Paiaca raped a young white woman in May. The report diverted public attention from other issues, some Indians said. The alleged crime also pointed up the confused legal status of Indians in Brazil and many other countries; Brazilian law allows for both federal- and local-government involvement in such a case, while the local tribal council said it preferred to deal on its own with Mr. Paiaca.

By the end of the Earth Summit, the native peoples' input, like much of the language considered at the conference, was watered down in efforts to reach agreement between North and South. Terena says that the term "indigenous peoples" was replaced with "indigenous populations," and that delegates axed a proposed indigenous consultative body to be set up under the UN aegis with a \$3 billion yearly budget.

Nevertheless, Agenda 21, a final document containing a world action program, recognizes indigenous peoples as fundamental elements in environmental recovery and recommends the use of their experience in sustainable environmental management. It also ensures their rights to their "habitats."

Finally, it recommends that the conference language concerning Indians be reviewed in the context of the United Nations official International Year of Indigenous Peoples in 1993.

## Study Questions

1. What do the Indians of Brazil want?
2. What was the importance of the Indians appearing at the conference?
3. What is meant by "demarcation of land"?
4. How have problems in South America differed from those in North America?
5. How does Agenda 21 attempt to come to grips with some of the Indians concerns?



## **Citizens of Russia To Be Given Share of State's Wealth**

MOSCOW, Sept. 30 - For its next economic gamble, the Russian Government will start issuing vouchers, worth 10,000 rubles each, to every man, woman and child in the country on Thursday, hoping that by year's end, they will take their share of state-owned industry and invest it in the shaky beginnings of a capitalist system.

"This is the starting point of the capitalist education of the Russian people," said Anatoly B. Chubais, the 33 year-old Deputy Prime Minister in charge of privatization, in an interview today.

According to the Government's rosy scenario, over the next few months, between 5,000 and 7,000 medium and large factories - about 60 to 70 percent of Russian industry - will reorganize themselves as joint-stock companies, in which citizens can buy shares with, their vouchers or cash. A 10,000-ruble voucher is the equivalent of about two months of an average worker's salary - about \$40 at the current exchange rate.

In the process, the scenario goes, state companies will become private, factory directors will become major stockholders, and Russia's reforms will get a shot in the arm, as stock exchanges take over where state subsidies left off.

Launched at a time when Acting Prime Minister Yegor T. Gaidar and his team of young economists are caught in a political struggle to keep the rest of their economic program on track, the voucher campaign is an attempt to win popular support for what its architects call the irreversible dismantling of the old Communist system.

But like other phases of Russia's economic reform program, this one comes with built-in delays, and unanswered questions. Only 75 to 80 percent of the vouchers will be distributed by the end of the year, while trading in shares will not start until Dec. 1. Even then, it is not clear how many eligible factories will have refashioned themselves into private companies, ready to offer shares for cash or vouchers.

Of all the problems facing Russia's grandiose privatization project, the biggest is public ignorance. In a recent poll, published in *Ekonomika i Zhizn*, 38 percent of the respondents said they thought the voucher program was "just a showpiece, and as such will not change anything."

Ask Russians on the street what they are going to do with their vouchers, and few, if any, have a clue. "You tell me where I can invest my voucher," said Lyuba,

a 30-year-old clerk in a fruit and vegetable store. "How can I find an enterprise that is not going bankrupt? If there were any non-bankrupt enterprises, I'd invest in one. But I don't see any."

For the 148 million Russian citizens eligible to participate, the voucher system will be something akin to a vast Monopoly game, in which everyone gets a certificate with a 10,000-ruble face value at the start. The vouchers may then be bought and sold, with some people seeking to pool vouchers - to buy a small store in their neighborhood, for example - and others seeking to unload them quickly for cash.

But along with the vouchers, the Government is issuing a warning to owners not to buy or sell them too quickly because their prices may vary. Some estimate that they will have an initial value of only 5,000 rubles, but others think the vouchers' value may jump to several times their face value.

The vouchers are not legal tender in the sense that they can be cashed in at a bank. But issuing them amounts to a huge infusion of money, and there are fears that this could fuel inflation.

Selling vouchers quickly - anyone, including foreigners, can buy - is sure to be a strong temptation for pensioners and poor families struggling to survive Russia's latest inflationary binge and the Government says about 35 percent of the people will do just that. The vouchers may not be used to make actual stock purchases until later this year or next year.

The voucher system is similar to one that was introduced last year in Czechoslovakia, where it was widely praised in the more affluent Czech lands.

But the system was also severely criticized in the less well off Slovak republic, where many derided it as a capitalist giveaway. Indeed, the criticism by Vladimir Meciar, the populist Slovak leader, became a factor in the breakup of the 75-year-old Czechoslovak federation.

Despite these problems, Russian leaders said they were optimistic about the system here.

"Our goal is not to make each citizen of Russia a businessman," said Mr. Chubais today. "Our goal is to let each citizen make his own choice."

But, in the absence of any kind of effective public education campaign, most Russians are already swapping snide jokes about vouchers, and "voucherization." Conservative newspapers have mounted a campaign against them, mocking the 10,000-ruble sum - about \$40 at the current rate of exchange - as worth "two weeks of a miner's salary, or ten bags of potatoes, or three cases of vodka, or in dollars, ten cups of coffee in the West." "The Government robbed the people with

rocketing inflation and is now trying to tip them with a voucher worth a pair of shoes, while the country is sold to local and foreign capitalists," said the conservative newspaper *Den*.

A conservative parliamentary faction, Civic Society, published a statement in the newspaper *Pravda*, saying, "This illegal scheme will not hand out property to the people but will rob them and lead to the laundering of mafia money."

Others, including former President Mikhail S. Gorbachev, continue to argue that state industries should be handed over to workers' collectives.

Mr. Gorbachev said at a news conference on Tuesday that the voucher plan was weak and "will only alienate people." He said: "I think it is a sham. I think it is deceiving people."

Mr. Chubais dismisses the opposition as a last-ditch effort by the Communist old guard.

"Their motives are crystal clear and they pursue only one goal," he said at a recent press conference. "The Communists and those who stand behind them understand full well that the distribution of property to the people, popular privatization, signifies the death of the command economy."

The value of the vouchers was based on an assessment of fixed capital, as of January 1992, roughly divided by Russia's population, which is 150 million. The figure for Government property nationally is 1.4 trillion rubles, a sum that is considered a fraction of the post-inflation value.

The vouchers, now being distributed on a regional basis through local savings banks, are the most visible, but not the most significant part of the privatization program. More important is the restructuring of the factories themselves, where workers and more particularly managers are being offered healthy incentives to take their companies private.

Mr. Chubais said today that of the companies required to privatize - defined as those with more than 1,000 employees or a fixed capital of more than 50 million rubles - about 41 percent had already submitted their plans for corporatization.

Of these, he said half had chosen the Government's so-called first option, which allows employees to get blocks of shares free or at discounted values, while reserving the bulk, or 60 percent, for public sales. The other half had chosen the second option, which allows managers and employees to buy 51 percent of the enterprise outright, but at 1.7 times the book value of the shares.

Mr. Chubais said today that he has not received complaints from factory directors protesting (*continued next page*)



the privatization plan. On the contrary, he said, a number of directors from enterprises excluded from this year's privatization, including the energy sectors, parts of the military-industrial complex and many other categories, are pleading to be allowed into the program.

The Government is choosing to overlook those enterprises that in recent months "privatized" themselves, distributing shares exclusively among current employees on the basis of often dubious interpretations of contradictory laws and decrees.

Under the Government's first option, factory managers, a group that typically numbers less than 10 people, are entitled to buy 5 percent of shares at book value. This offer is widely considered to be the key to their cooperation in a plan that will ultimately break their lifeline to state coffers.

The danger is for factories now on the verge of bankruptcy, which in recent months have once again become dependent on large injections of Government credits, issued by a sympathetic Russian Central Bank. A new law on bankruptcy, now being fought over in the Russian Parliament, is critical if privatization is to succeed, since only then will industrial managers understand the meaning of success or failure in market terms.

Already, exceptions are being made for some of the giant factories that for decades dominated Soviet industrial output.

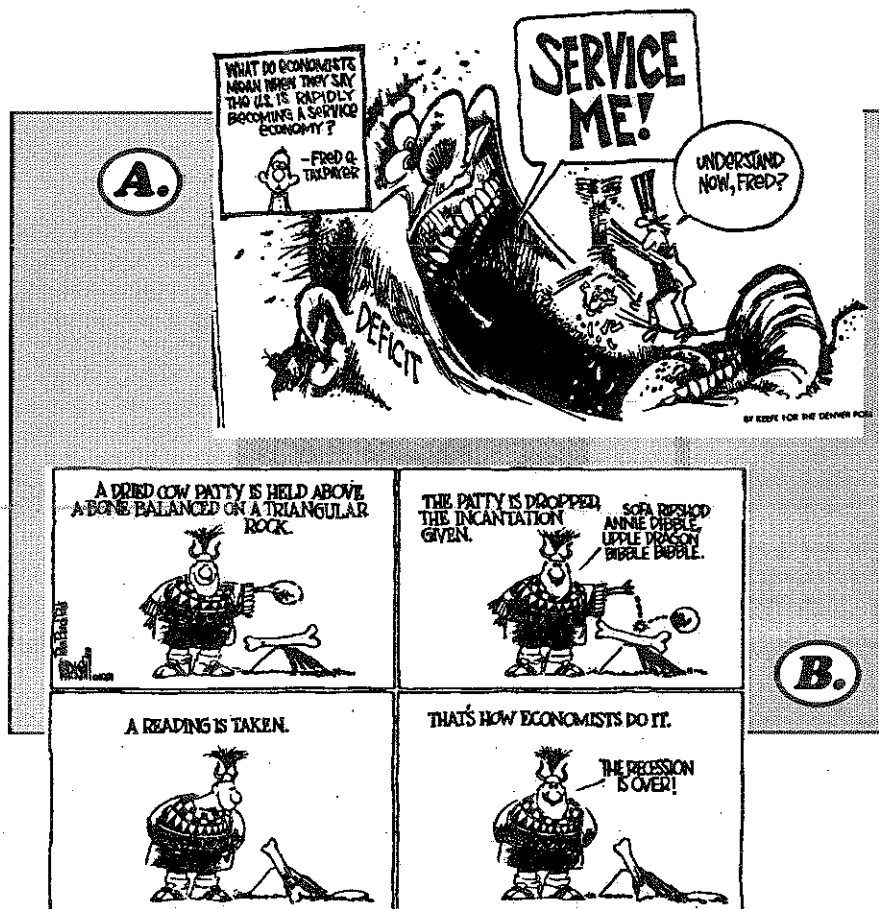
But "it is in our interests that our shares don't fall into the hands of those who trade vodka," said ZIL's deputy director, Viktor V. Novikov. - Celestine Bohlen

*Reprinted from the New York Times*

### Study Questions

1. What is the purpose of the vouchers and what does the Russian government expect from their issuance?
2. What are some of the drawbacks to this approach?
3. Why does former President Gorbachev think that the voucher system is the wrong approach and an illegal scheme?
4. What are some of the arguments used by those in opposition to Gorbachev?
5. What are some of the details of the voucher Plan?

## The Economy in Pictures!



- A**
1. What title would you give to this cartoon?
  2. What do the various figures mean?
  3. How does the service economy differ from the economy depicted in the cartoon?
  4. What is Uncle Sam doing to the taxpayer?
  5. How serious is the deficit problem in the United States? Cite some figures.

- B**
1. What title would you give to this cartoon?
  2. What do the four pictures show?
  3. Why do people seem to have such a negative view of economists?
  4. Give some examples of data that economists use to judge the economic conditions of the nation.
  5. Are you more inclined to agree or disagree with the meaning of this cartoon?

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