

PART III.

THE WRITINGS OF OSCAR GEIGER

INTRODUCTION

As we have seen, Oscar Geiger's chosen medium of expression was public speaking, or oral teaching. Nearly all that he did set down on paper falls into the following categories: Letters; lecture notes; prepared speeches; articles in Land and Freedom.

His letters and lecture notes have already been drawn upon liberally in Parts I and II. Most of the material presented here in Part III appeared in printed form, either as pamphlets or in Land and Freedom. All of it bears upon the Georgist philosophy.

For his non-Georgist public Geiger had one message--the fundamental principles of the Georgist philosophy. The first three chapters of Part III consist of such statements. In his writings addressed to Georgists, Geiger discussed points in Georgian economics on which there was disagreement; and he also advanced his proposal for spreading the Georgist philosophy--the School idea. The second three chapters deal with some of Geiger's controversies and discussions with other Georgists on economic questions. In the final three chapters Geiger's plea to Georgists to cooperate in an educational program is represented by two speeches--one made long before the advent of the Henry George School, and the other shortly after it was founded--and two letters.

Notes prefaced to the writings explain some of the circumstances surrounding each item.

Not all of Geiger's printed writings could be included in this volume, but enough is here, I think, to be representative. It may not be formidable in quantity, but for a busy family man, business man, public speaker, teacher, oral philosopher, and founder of a school to have written as much is no mean accomplishment.

I. STATEMENTS OF PRINCIPLE

CHAPTER 1: TWO PLATFORMS

(The platforms of the two nation-wide political parties of the Georgist movement--the Single Tax Party and the Commonwealth Land Party--were both written by Oscar Geiger and were accepted practically as he wrote them, as described in Part I, Chapter 6. Both platforms were circulated widely in leaflet form as propaganda matter. - R.C.)

I.

PLATFORM OF THE SINGLE TAX PARTY

Adopted June 28, 1919



Acknowledging the Fatherhood of God and the Brotherhood of Man, and in order that the Brotherhood of Man may be better expressed in our laws, we, the Single Tax Party, adopt the following Platform:

Man is dependent upon the earth, of which his body is made and to which it inevitably returns.

Earth, air and water supply his physical needs. Air surrounds him, water flows at his feet. Earth brings forth abundantly of its products responsive to his will.

When he has access to this source of natural abundance and freedom to retain the products of his industry and skill, he is a free man. The essential condition of right human relationship begins in the equal opportunity of all men to the use of land.

In crude civilizations slavery and serfdom were encouraged to obtain the unpaid labor of men. Modern civilizations do not tolerate body slavery or serfdom, but, in their land laws, establish an unjust system that insidiously but effectively reduces many to economic dependence almost as helpless as chattel slavery and quite as intolerable; for a poorly paid and dependent class is inevitably created by obstructions to the use of land imposed by private ownership of land rent.

This cause and taxes on buildings and improvements, restrictions on trade, as by licenses and income taxes, and monopoly prices on commodities required for housing, building, heating and living, subject to servitude and misery those who are not the beneficiaries of these unjust conditions.

The parent of all monopolies is the private appropriation of the rent of land. Other monopolies exist because this fundamental crime against human rights is permitted to endure.

It is the duty of government to make the right of all men to the use of the earth secure under all changes of social conditions, and to so administer the land and other natural resources of the country that they will be of equal benefit to all its people.

When land rent is privately owned it is legalized extortion, as it is the exaction by an individual of the value of a privilege which he has no right to own; but when it is paid to the nation it becomes the means by which all men share equally in the use of nature and realize many of the benefits of a democratic government.

In order to carry into effect these principles, which underlie the Single Tax, we demand laws appropriating the full rent of land and other natural opportunities to the use of the National, State, County and Municipal governments, to be used for governmental expenses and for the common welfare, this rent to be collected on all land according to its rentable value. We demand that no portion of this rent be permitted to remain in private hands.

The rent of land belongs to the people.

Each individual should pay to the community rent for the land he occupies and all should share alike in the benefits accruing from the public administration of this vast fund.

Security of possession is essential to obtain from land the results of one's labors. This security is obtainable under a system which provides for periodical adjustments of the land rent according to the general and well diffused public demand that may exist for its use. The system now used to determine relative land values could be used to determine relative rental values.

Improvements placed upon the land would be saleable and would be untaxed.

While we demand that the rent of land shall be devoted to the public use we stand unreservedly upon the right to private property in any product made by man.

We are opposed to taxes on any industrial enterprise or its products, to taxes on buildings or other improvements, to taxes on necessities or luxuries, and to taxes on income or inheritance, because some income and some inheritances are earned and because such taxes serve no social purpose in securing greater opportunities for labor and capital, and are a violation of the right to property.

The legislation we call for will remove the enormous indebtedness placed on the people by land owners and for which they render no service in return. This debt is the capitalized value of the rent which the community must pay to them for the privilege of living on its own soil.

The legislation we demand will give us all an equal opportunity to supply our needs and to retain and use the products of our labor. It will enormously increase the production of wealth by the removal of burdens which now weigh down industry. It will permit land to be devoted to its best use as there will be no inducement to keep it idle. It will enable all who are willing to work to earn a bountiful living and will remove the fear of unemployment and poverty, and will create a state of society in which there need be no strikes to interfere with the general welfare, because of the unlimited opportunity it would give to labor. It would eliminate the class spirit and place men in relations of industrial harmony. It will free men from the bondage of excessive toil and will enable them easily to make adequate provisions for their old age. It will purify government by giving it an income to which it is justly entitled, thus permitting it to put an end to a variety of unjust

and oppressive taxes which violate the right of all men to retain what they have individually produced. It will instill in the people respect and affection for their government, for they will then recognize it to be the instrument by which their rights are established and preserved and under which they can live in peace and enjoy the fruits of their labor.

Our government was founded to insure a condition of justice to all its people. Laws which authorize intrusions on individual rights or that permit some to prey on others reflect a debased public conception of human relationships and morals.

We call upon all men who have a love of country in their hearts and a desire that our nation may be established in prosperity and justice and who believe in equal rights to all and special privileges to none, to join this party, take part in its councils and assist in its work; to the end that the principles enunciated in this platform may be established in our laws.

II.

PLATFORM of the COMMONWEALTH LAND PARTY

Adopted at its National
Convention held in
New York City, February 9th, 1924

WE, THE COMMONWEALTH LAND PARTY, formerly the Single Tax Party, in National Convention assembled, reaffirming the principles enunciated in the platform of the Single Tax Party at their National Convention in Chicago in 1920, declare:

THAT THE EARTH IS THE BIRTHRIGHT OF ALL MANKIND AND THAT ALL HAVE AN EQUAL AND UNALIENABLE RIGHT TO ITS USE.

That man's need for land is expressed by the rent of land; that land rent results from the presence and productive activities of the people; that it arises as the result of natural law, and that it therefore should be taken to defray public expenses.

That the earth is not now free to the use of all the people; that it has become the private property of a few; that this private ownership of the Earth enables the owners of land to take for private purposes the Rent of Land, which is created by the community and which therefore belongs to the community.

That the rightful ownership of all wealth rests on the production of such wealth; that no such justification of ownership enters into the ownership of land, as the Earth is not a product of labor; that therefore the appropriation of the Rent of Land for private purposes is robbery of the community, is in violation of man's natural rights, is without moral sanction, and is no less iniquitous because sanctioned by law.

That as a result of permitting land owners to take for private purposes the Rent of Land, which belongs to the community, it becomes necessary to impose the burdens of taxation on the products of labor and industry, which are the rightful property of individuals, and to which the government has no moral right.

That the Rent of Land, always sufficient to defray all the legitimate expenses of government, if taken for public purposes in place of all taxes, will provide a surplus available for public improvements, public benefits and human welfare, on a scale hitherto undreamed of.

That there is therefore no justification for taxing business, industry, labor or thrift, and that such taxes merely burden industry, breed evasions and dishonesty, drive wealth into hiding places, divert capital from production, increase the price of commodities and raise the cost of living.

That the Private Ownership of Land is a denial of man's right to the Earth; that it restricts the conditions under which the landless must produce; that it therefore lessens the return for their efforts and compels the employment of the entire time and energy of the great mass of mankind to obtain a mere subsistence.

That the struggle for existence is not fundamentally a struggle between capital on one hand and labor on the other, but between capital and labor on the one hand and land monopoly on the other. That capital and labor are the joint producers of all wealth; that together they are entitled to all wealth, and that they are both robbed of their production by their common enemy, the land-owning, franchise-holding few who, through their monopoly of the earth and its natural resources, exact from both labor and capital, and without any return to either, the first fruits of all their efforts.

That because of private appropriation of the Rent of Land and the resultant denial to the people of the use of the land, save at exorbitant prices due to the consequent speculation in land values, production of wealth is everywhere curtailed and an unfair and unnatural competition for existence arises, which in every field of labor and effort turns man against man.

That all evils arising out of our unjust economic system, such as business depressions, hard times, unemployment, poverty and the fear of poverty, bad housing conditions, and the crime, vice and diseases due to these conditions, are the result of the Private Ownership of the Earth and the appropriation of its products by the few.

That these conditions are becoming daily more intensified; that relentlessly the cost of living pursues the slender purse and robs industry of its toil; that the unnatural and unequal struggle between the landless on the one hand and the private ownership and monopoly of the Earth and its natural resources on the other, is strangling both the producer and the consumer.

That out of the false foundations upon which our economic structure rests, false ideas of life arise; among which are the theory that taxes should be levied according to ability to pay or on the evidences of industry and thrift (a false doctrine that is taught even in our colleges), that it is proper to take wealth by taxation from those who have it merely because they have it, that tariffs and subsidies are justifiable, and that oil, coal and mineral resources and the land values involved in public franchises are the proper objects of plunder to be exploited by the mighty; that as a result of these beliefs greedy parasites attack the public treasury through legislative channels, and men and nations vie with each other to

appropriate to themselves and for their private purposes, the gifts intended for all and the benefits of which should be shared by all.

That any attempt to adjust the glaring and evident inequalities and injustices of our present economic system by the taxing of income is a fallacy, is communistic in principle and must remain wholly ineffective to rectify such inequalities, as it leaves undisturbed the source from which all unjustly obtained incomes are derived; whereas the collection of the Rent of Land for public purposes, wherever it appears or whatever its nature, would stop unearned incomes at their source and would at the same time protect all honestly acquired wealth and hold it secure against confiscation through taxation.

That the violation of natural law cannot go unpunished; that the diversion of the Rent of Land into private pockets and away from public use is a violation of natural law, and that the evils arising out of our unjust economic system are the penalties that follow such violation as effect follows cause.

That none of the other political parties, Republican, Democratic or Socialist, appears as the opponent of unearned wealth or incomes obtained from land ownership, which is the foundation of monopoly, nor as the defender of wealth honestly acquired from labor, industry, enterprise, talent or invention.

WE THEREFORE DEMAND that the full Rent of Land be collected by the government in place of all direct and indirect taxes and that all buildings, machinery, implements and improvements on land, all industry, thrift and enterprise, all wages, salaries, incomes and every product of labor or intellect, be entirely exempt from taxation.

Furthermore, we pledge ourselves to formulate into law such measures as will make effective these demands, to the end that the cause of all economic ills will be forever abolished and economic freedom for all be forever assured.

A R G U M E N T

Taking the full rent of land for public purposes insures the fullest and best use of all land. In cities this would mean more homes and more places to do business and therefore lower rents. In rural communities it would mean the freedom of the farmer from land mortgages and would guarantee him full possession of his entire product at a small land rental to the government without the payment of any taxes. It would prevent the holding of mines idle for the purpose of monopoly and would immensely increase the production and therefore greatly lower the price of mine products.

Land can be used only by the employment of labor. Putting land to its fullest and best use would create an unlimited demand for labor. With an unlimited demand for labor, the job would seek the man, not the man seek the job, and labor would receive its full share of the product.

All labor and industry depend basically on land, and only in the measure that land is attainable can labor and industry be prosperous. The taking of the full Rent of Land for public purposes would put and keep all land forever in use to the fullest extent of the people's needs, and so would insure real and permanent prosperity for all.

As a result of the increased production that would follow the freeing of the Earth to the use of man, there would be more food, more clothing and more shelter. But normal man needs more than these, and as all will then be prosperous and able to satisfy their wants, men's efforts would naturally turn to acquiring comforts, education, recreation and those things which are now considered luxuries.

The freeing from taxation of all buildings, machinery, implements and improvements on land, all industry, thrift and enterprise, all wages, salaries, incomes and every product of labor and intellect, will encourage men to build and to produce, will reward them for their efforts to improve the land, to produce wealth and to render the services that the people need, instead of penalizing them for these efforts as taxation does now.

It will put an end to legalized robbery by the government which now pries into men's private affairs and exacts fines and penalties in the shape of tolls and taxes on every evidence of man's industry and thrift.

If the full Rent of Land were taken for public expenses, the sum now taken for Federal, State and local taxes, amounting approximately to \$7,500,000,000 annually, would for the most part remain in the possession of the people, as would also the value of the then enormously increased production (many times that amount), and together these would provide the increased return to labor and to industry.

With real and permanent prosperity assured to all and unearned fortunes denied to all, the evils due to the present unjust economic system would disappear. Man would then express the better and higher qualities within him; good would take the place of evil; learning and culture would replace ignorance and crime; health would supplant disease; vice would vanish and early and healthy marriages would make possible happy and contented homes.

War and strife, now and always due to economic maladjustment, would disappear with the elimination of Private Ownership of Land which has ever been the cause of all the world's economic troubles.

Out of the darkness of the past, the mate of the bludgeon and the spear, a product of the power of might and the rule of the sword, born of greed, nurtured by robbery and murder throughout the ages, and carrying ever in its wake the ravaging and plunder of the people, the devastation of their countries and the impoverishment of the race, comes the Private Ownership of Land--the fount of all evil, the destroyer of mankind.

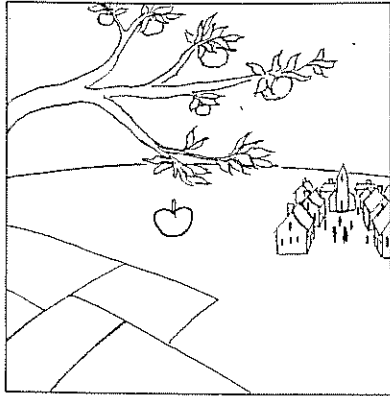
No structure built in violation of natural law can stand; civilization built in such violation must fall; other civilizations have gone down; the foundations of this civilization are crumbling.

IF CIVILIZATION IS TO LIVE, PRIVATE OWNERSHIP OF LAND MUST GO. IF PRIVATE OWNERSHIP OF LAND CONTINUES, THIS CIVILIZATION IS DOOMED.

CHAPTER 2: NATURAL LAW IN THE ECONOMIC WORLD

(Address of Oscar Geiger at the Henry George Congress, New York, September 13, 1927. It was printed in the September-October 1927 issue of Land and Freedom, and was also distributed in pamphlet form. It also appeared, in two installments, in the November and December 1927 issues of Reality, a magazine devoted to an exposition of the Bahai Movement. Other Georgists, such as James F. Morton, Curator of the Paterson (N.J.) Museum, and Julia Goldzier also contributed to Reality.)

This address was occasionally delivered by Geiger at the Henry George School of Social Science. It was my introduction to the Georgist philosophy, being the talk given at the first Pythian Temple forum I attended. - R.C.)



Natural law is the uniform occurrence of Natural phenomena in the same way under the same conditions.

The Law of Attraction of Gravitation is a Natural Law. We know that, because it acts the same at all times under the same conditions.

We know now why apples fall to the ground, but apples fell to the ground for a million years and one of them had to hit Sir Isaac Newton on the head for us to find out why they fall.

The Law of Attraction of Gravitation does not merely control the falling of apples to the ground.

It applies to all matter, and as stated in textbooks, reads: Every body attracts every other body with a force that varies directly as the product of the masses of the two bodies, and inversely as the square of the distance between them.

That sounds formidable, and it is. All Natural Laws are formidable; perhaps that is why they are so little understood.

Not to understand Natural Law, however, is not to understand Nature, for only through Natural Law can Nature be understood. This is generally recognized in Astronomy, Physics, Chemistry and Biology, but it is very little, if at all, known in the Social Sciences, and this is rather unfortunate for the Social Sciences, as Natural Law operates equally in this field as it does in all fields of being and living. Whether it is apples falling to the ground or mankind living on the ground, Natural Law operates to govern both phenomena.

As men gather and settle on some spot on earth in response to their gregarious instinct to live together and to produce the things they need, two values appear, each separate and distinct, one attaching itself to the things that men produce, and one to the land on which they live and work.

The value that attaches itself to the things that men produce is an objective value; it is strictly a labor, or man value, and is a value that man can control. It is high or low in the measure that the product is scarce or plentiful in relation to the demand for it. If high, greater production is encouraged; if low, production can be curtailed. This value is governed by the Natural Law of Supply and Demand.

The value that attaches itself to the land on which men live and produce is not in the control of the individual; it is entirely subjective. The individual in his production of wealth has no thought of this value, and could not control it if he

had. It is a value that arises out of the fact of his mere being and producing in company with other individuals.

No individual effort can raise or lower this value. It depends solely and entirely on the presence and activity of the community, and embodies both the expression of man's need for land and the service that society renders to the individual. This value rises and falls only with the movement and productivity of population. It is high in thickly settled and industrious communities, and low where population is sparse and production poor. This value is a social or community value; it is governed by the Law of Rent.

These two values, Product Value and Land Value, appear everywhere that men live and produce wealth; they rise or fall everywhere the same under the same conditions; they are Natural phenomena; and they in every way meet the requirements of Natural Law--the Law of Supply and Demand in the case of Product Value, and the Law of Rent in the case of Land Value. Are these Laws then not Natural Laws? If they are not, then neither is the Law of Attraction of Gravitation a Natural Law. If they are Natural Laws, they cannot be disregarded without meeting the consequence.

If we assume that men are freemen and have an equal right to life and liberty, then, out of the fact that Product Value is Labor Value or Man Value, it follows that men have the right to keep and enjoy the results of their individual toil or effort, and to freely exchange or sell or bequeath their product, and that they cannot, except by the violation of Natural Law, be deprived of it.

Society is an entity, as is evidenced by the fact that a value arises out of its existence, and also by the fact that it has needs and wants, and must raise money to defray expenditures, and by the further fact that it creates a fund which fully equals all its legitimate requirements. Who but a professor of economics would fail to recognize in this the working of a Natural Law? It is a violation of Natural Law to deprive the individual of his product--Wealth. It is equally a violation of Natural Law to deprive society of its product--Rent. The violation of Natural Law does not remain unpunished.

Whether the Darwinian Theory or the Biblical Story of Creation is correct, man must live by the sweat of his brow; he must render service, he must till the soil, reap the fruits, dig in the mines, and build on the earth. It is on the Earth that he has his being, and out of the Earth that he gets his living. Again assuming that men are freemen with equal rights to life, it follows that they have equal rights of access to the Earth.

Of all the Laws in the field of Social Science, the most fundamental and far reaching (and perhaps, therefore, the least understood in the science of Political Economy) is the Law of Equality; the Law that, being of like kind, like origin, like needs, and like means to supply those needs, men are equal and have equal rights to supply those needs out of the only source from which those needs can be supplied, the Earth. And the most flagrant and vicious violation of Natural Law is the private appropriation of land, which denies man free access to the Earth and enables its proprietors, or appropriators, to dictate the terms under which the landless may remain and produce on the Earth which the Lord, their God, gaveth them!

The appropriation of the land by the few diverts into the pockets of the owners of land the Rent which is the product of the community, and which is intended by Nature to defray communal expenses; and this appropriation of Community Value by individuals results in the appropriation of Individual Values by the community by way of Tariffs, Assessments, Tolls and Taxes, and thus begins the vicious circle of the Violation of Natural Law, which has brought all misery to mankind.

If there is any one principle more important than any other principle in the economic affairs of men, it is that the Earth is the birthright of all mankind, and that all have an equal right to its use; and if there is any one violation of Natural Law that is more devastating in its consequences than the violation of any other Natural Law, it is the private ownership of land.

And what are the consequences? Poverty is universal and persistent, crime and vice are on the increase, wars are more deadly than ever, nations crumble and fall and civilizations die. Almost all ancient civilizations have died. Babylon, Egypt, Greece and Rome are no more. Greece, where philosophy was born, where man is said to have reached his highest culture, is gone, and so is Rome, where imperial power reached its greatest consummation.

The life of civilization is about one thousand years. No civilization has lived more than eleven hundred years, and if our wise men of today are correct, this civilization, perhaps the youngest of them all, has not much longer to live.

Civilization is but a social composite of mankind at any given period and place, and is endowed only with such potentialities as are imparted to it by the minds and deeds and conditions of men.

As history dawns we find mankind divided into two great classes, those who have and those who rule, on the one hand, and those who serve and who have not, on the other hand. We find the land already appropriated, and those who own it the supporters of the Kings and the Clergy, while the mass of mankind is landless and living in comparative slavery and serfdom.

We have since then changed our terminology: for Kings and Emperors we have Presidents and Constitutional Monarchs; Despotism we call Democracy; and Slaves and Serfs are our Labor, or Laboring Classes; also to the Clergy we have added the Press and the Universities to administer the opiates of sacred institutionalism to the people. But those who build our modern industrial Pyramids and Palaces still live in hovels, and those who produce all the world's wealth still have the least of this world's goods. And this condition is daily becoming intensified, for wealth inevitably tends to beget more wealth, and power to increase power, while poverty tends only to ignorance, vice, crime, disease and misery.

What an astounding phenomenon, that producers of wealth are everywhere poor, and continually becoming poorer, while non-producers are continually becoming richer!

The social structure, at whatever time or place, rests on its producing class, as a pyramid rests on its base. Given a base that is weak and continually becoming weaker, it does not require higher mathematics to envisage the downfall of that pyramid.

History records no time when the producers, the mass of mankind, were left unmolested in the possession of their product, and history may be read as a chronicle of war and crime and devastation.

Henry George saw poverty and misery amidst increasing wealth and progress, and it would not let him rest. He knew that this is a dynamic, not a static world; that it is a world of law; that events are not left to mere chance and accident, but that everything in the universe, whether the infinitely large, as viewed through the telescope, or the infinitely small, as viewed through the microscope, is governed by law--intelligent, purposeful law; and being a man of infinite faith, he knew that poverty and its concomitants must be the result of the violation of Natural Law.

He found that, just as the motions of the heavenly spheres, and the appearance and reproduction of vegetation and life on earth are controlled by Natural Law, just so are the acts of men, whether as individuals or as society, controlled by Natural Law; and he further found that non-conformance to Natural Law in the field of Social Science, just as disregard of Natural Law in the field of the Physical Sciences, leads eventually to death and destruction.

We in this civilization no longer ascribe bodily ailments to the visitations of evil spirits, and no longer attempt to effect cures by the casting out of devils. We may not be much further advanced in our system of healing, but it is generally admitted among good medical authorities that permanent cure depends on knowing the cause of the ailment, and that the cause is nearly always found to be the disregard or violation of Natural Law.

Just as individual ailments are the symptoms of the violation of those Natural Laws that govern the life and well-being of the individual, just so are poverty, ignorance, crime, vice, disease, business depressions, hard times, war, the breaking down of nations and the death of civilizations merely the symptoms of social disease, warning us of the violation of those Natural Laws that govern the life and well-being of society.

Henry George was not the first to see that there was a relationship between the poverty of mankind and the private ownership of land by the few. It was seen in Biblical times, it was recognized by the early Christian Fathers, and it was sensed by the Physiocrats in France and by the Economists in England. But it remained for Henry George to show that the private ownership of land, which denied men access to the earth upon which they must live and from which they must satisfy all their needs and wants, is the primal cause, not merely of poverty and all the misery and wrong that follow in the wake of poverty, but that it is the basic cause of evil and injustice among civilized men; and that only by the elimination of the private ownership of land can liberty and justice be achieved and evil forever be abolished. It remained for Henry George to show that, potentially, this is a good world; that men are innately good, not innately bad; that Creation is based on justice, not on vengeance; that the earth is a banquet table, spread by the hand of a benign Creator and laden with an abundance of all things for which men have need, and at which every human being has a place.

Freedom, Equality and Security are man's estate in the intent and scheme of Nature. Freedom of access to land, equality of rights of opportunity, and security in the possession of his entire product are man's birthright, and these he will some day attain, even if through his ignorance men first must suffer, nations perish, and civilizations die for it.

But why wait? Why permit the misery and suffering of mankind to go on? If misery and suffering are due to the violation of Natural Law, why continue the violation?

"Render unto Caesar the things that are Caesar's, and unto God the things that are God's." Render unto the individual the things that are the individual's, and to society the things that are society's.

Give back to society the one thing that is made by society, and which therefore belongs to society, and leave the individual in possession of the things that he creates, and which therefore are his.

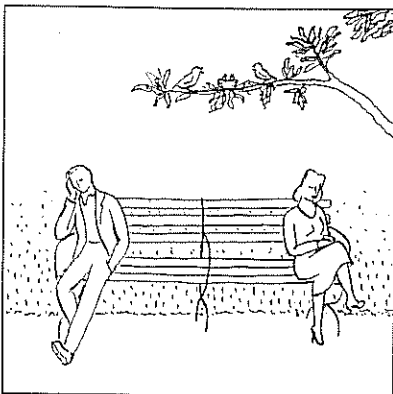
Take the rent of land for communal purposes, and stop the robbery of the community by the landowner. Abolish all tariffs, tolls and taxes, and stop the robbery of the individual by the government.

Observe the Law--the Natural Law--which is the Word of God, and let each take his place at the banquet table God has provided for all.

CHAPTER 3: THE SEX PROBLEM AND ITS SOLUTION

(This paper was originally prepared as a lecture (circa 1931) for a meeting of the Sunrise Club, a New York group of literati. Geiger used to speak there occasionally, and it seems that the Club finally demanded that he talk on something other than the single tax--something more "sophisticated." When he announced a talk on the sex problem they were pleased--until they learned, upon his delivering it, that it was only another single tax talk!

"The Sex Problem" was later mimeographed and had a small distribution. It was printed in abridged form in the November 1939 issue of The Freeman. This abridged version was translated into Spanish and reprinted in Nueva Argentina, an Argentine Geogist publication. The unabridged version is presented herewith. - R.C.)



Hay-fever is a common and exceedingly annoying disease. There are cures for it by inoculation, but to get relief, I am told, a sufferer must go to high altitudes where there is no pollen in the air, or where, at least, there is a minimum of pollen, for pollen seems to be everywhere when it is pollen-time in the plant kingdom; and pollen in the air is the cause of hay-fever.

In the reproduction of plant life, pollen plays an all-important part. It is the male principle in the scheme of reproduction, the stigma being the female principle. When the time for plant propagation

comes, it seems to be nature's purpose to pollenize all stigmas and in its effort to do this it spreads pollen on all the winds in all directions, and so generously as not to miss any possible chance for propagation. This is one of the early stages in the mating of the sexes, and hay-fever may thus be considered a sex problem.

That, of course, is not the phase of the sex problem I am discussing and it is not my purpose to consider hay-fever excepting as an illustration of the seeming intent and determination of nature to reproduce plant life, and as a realization that she employs the sex method of reproduction even in the apparently passive and motionless life of the vegetable kingdom.

Having been pollenized, the thus fertilized stigma produces the seed which is the equivalent of the egg in animal life. In the earlier stages of animal life, when protection is difficult and the dangers of destruction great, we find in the enormous quantities of eggs and spawn laid during the propagating season that nature is here equally bent on reproduction with, of course, the sex method somewhat more defined.

As life becomes more complex and the means of protecting the egg and the fertilizing principle increases, we find a decrease in the number of eggs laid and greater watchfulness on the part of the parent in the hatching process, although the number of eggs and the quantity of fertilizing material are still great due to the principle of fertilization after the laying of the eggs.

As the organism becomes more complex and functions more specialized as in bird life, fertilization takes place before the laying of the eggs and we find greater care and forethought exercised in the protection of the egg and provision made for the care and feeding of the young after birth--in fact at this point we find the existence of family life. We also in this more complex state find fewer eggs; a greater degree of mind and sympathy evidently making mere quantity unnecessary if, indeed, not impossible.

In mammalia the eggs are not "laid" at all; fertilization and hatching both taking place within the body of the parent, and here we find still more mind and greater sympathy and, coincidentally, greater care of the offspring and further decrease in the number of births, until finally in man we find the greatest development of mind and sympathy, the greatest care of the offspring and the smallest number of births.

Even within the human family itself we find that with the further development of mind there is a further subjective decrease in race reproducing potentialities.

It seems then that in the constructive scheme of nature the creation of mind and sympathy is an objective, and that as this objective is approached quality rather than quantity is desired, and that provision for the decrease of quantity with the improvement of quality has already been made in the natural laws that govern these phenomena.

The obvious and most outstanding facts about the sex urge are that it is wholly subjective and in accordance with natural law; that it is perhaps the greatest factor in nature's scheme of reproduction, and that it has but one purpose and that purpose the re-creation and the perpetuation of the species.

I believe that perhaps the greatest part of the confusion about the sex question arises out of our failure to recognize the sex urge as a purposeful agent in the intent and scheme of nature to populate the world, together with our seeming general ignorance of the whole question of intent in nature, and of nature's determination and ability to enforce its mandates.

In none but the human animal do we find the exercise of the sex urge combined with objective circumvention of the sex purpose; and this in spite of the fact that the decrease in human births has already been subjectively effected by nature, and in spite of the fact that having more highly developed mind and sympathies man has greater appreciation of, and affection for, children. And also in spite of the further and more important fact that man has so conquered the forces of nature as to make them serve him in maintaining himself, and can therefore better care for his young than can any other animal.

The situation seems anomalous. It would appear that fewer numbers accompanied by greater sustaining abilities would make for freer and more unrestricted exercise of the reproductive potentialities; instead of which we find repression and circumvention, both attempts to foil the natural law, and consequently both failures excepting in their momentary and most superficial aspects.

Thus in the human animal we find a sex problem.

To speak of sex as a problem, however, I believe, as did the little boy about inverting the divisor and then multiplying in the division of fractions, is only to make it harder. Mathematics is not a problem; mathematics is something we must learn to help us solve problems. Perhaps sex is not a problem at all; perhaps it is just a fact in nature, one of the facts of existence that we must learn about to help us solve the problem of life.

Hunger and thirst are perhaps the greatest of all natural phenomena, for, normally all life is nearly always hungry and thirsty, yet neither hunger nor thirst in themselves are problems, though how to get food and drink sometimes may be.

Life itself presents a problem only because of the difficulty of "making a living." If it were easy to live, life would present no problem--and so with sex.

May it not be that it is the hindrances that stand between the sex urge and its free and full and natural expression that really distort into a problem what should be perhaps the happiest event in all human life?

In humans puberty may or may not be the mating time, but be it when it may, is there anyone who will hold that the urge when it does appear is always met and met naturally and normally and without any infraction of the natural laws or interference with the intent of nature? And is there anyone who is interested in "problems" of this sort who will hold that natural law, over any appreciable length of time can be successfully violated?

The married state may or may not be the ideal state in which the sex urge finds its best expression (I hold that it is, and that monogamy is the ideal married state), but be that as it may, marriage is universal, conventional, legal, "proper", moral, chaste, and in accordance with all the commandments, usages and habits of civilized mankind, and has everywhere the sanction of civilization in practice and

in theory. There is no general objection nor aversion to the married state anywhere. Why then do young folks of marriageable age not all marry and raise families?

I am told that some of the reasons are: The selfishness of men. The extravagance of women. High rents and the high cost of living. Not able to give her as good a home as she now has. Won't marry a man that doesn't earn more than I do. Can't afford to marry. Uncertainty of keeping the job. Earn only enough to support myself. Have dependents now and can't assume any further obligations. I know what I have and don't know what I'd get into. Afraid of the future. First want to save enough to buy a home. Have waited too long; it's too late now. The inconstancy of men. The inconstancy of women. The number of unhappy marriages that one sees everywhere. Have seen and experienced too much already. Have time to marry when I'm old and need a nurse. Don't believe in marriage. Don't need to marry--having too good a time now. Haven't been asked.

These, of course, do not express all the reasons for single blessedness, but they appeal to me as among the essential ones.

The reasons mentioned can in the main be divided into two categories; first, poverty and the fear of poverty; second, the fact that marriage is not a 'sine qua non' to sex expression.

Analyzing the second reason first we find the thing that makes marriage a non-essential in sex expression is the unmarried state itself; this state being general and continuous and manifesting the character and proportions of an institution; what wonder that youth--and not youth only--soon finds and deems itself a part of such an institution.

Then, too, as Shakespeare tells us, "Custom ever breeds habit in a man, and the thing first shunned and afterwards endured is finally embraced." These factors, coupled with a sense of hopelessness (conscious or unconscious) of ever attaining the married state; (or perhaps indeed the aim or hope of reaching that state by indulgence) create a callousness or desperation that lead directly to our "problem".

Now as to those reasons for the unmarried state that hinge on poverty, permit me for the purpose of brevity to assume a condition in which there is no poverty and no fear of poverty. Can one avoid the conclusion that in such a condition youth would not remain unwed, and does it not follow as a corollary that marriage would supplant all promiscuity? To me such a conclusion seems unavoidable.

The sex urge is one of nature's constructive measures; it would seem that poverty is its greatest obstacle; does it then not also seem that the sex problem is really a problem of poverty, and does it not follow that the repeal of poverty is the solution of the sex problem?

There are ten million women and girls of marriageable age at work (when there is work) in gainful and legitimate occupations in the United States, eight million of whom are destined to remain unmarried. And there is a vast, but uncounted, number of women and girls of marriageable age not so employed (or otherwise employed) who are likewise destined to go through life unwed.

The average earnings of women and girls at work are exceedingly low as the average wage of both sexes in the United States, including all high salaries, in times of "prosperity" is less than \$25 a week. Anyone who believes that these many millions of women and girls are at work in mills and factories, in shops and offices, and otherwise engaged, because they prefer such occupation to being mistresses in their own homes is welcome to his belief.

Every unmarried woman means an unmarried man, and anyone who cannot see in this condition of enforced singleness the basis of the sex problem must be seeking causes elsewhere than in the facts.

To say that the sex question insofar as it presents a problem is a question of biology or psychology is to beg the question altogether; it is the equivalent of saying that the sex question is merely a question of sex; both merely state the fact that there is such a thing as sex and a sex urge; neither tends to find or to solve, nor is either equipped to solve, the sex problem, unless, forsooth, it be by, or tends to, annihilation.

Individual sex pathology may come under the purview of biology or psychology, but even the problem of general or social sex pathology, if there is such a problem, would be beyond the spheres of biologic or psychologic inquiry or solution. To say there is no solution merely discloses proponents' shortcomings.

If it is conceded that the sex problem is merely a result of poverty, or an economic problem, the rest is easy, for poverty is only a lack of purchasing power and the only thing we have to do to remedy it is to increase the purchasing power of the worker.

Purchasing power, of course, depends on wages, and to increase purchasing power it is necessary to increase wages.

Wages are governed by the law of supply and demand, and are high or low in the measure that labor is scarce or plentiful in comparison to jobs, and this is also true of professional services, salaries and fees.

To increase the purchasing power of the worker or professional man we have therefore merely to make workers scarce in comparison to jobs, or jobs plentiful in comparison to workers. As the former can be done only by killing off enough workers, doctors and lawyers, etc., so as to leave a dearth of labor and professional men, let us apply ourselves to the latter and see if we can increase the number of jobs.

To increase the number of jobs we've got to go to the source of jobs. All work is done to satisfy human needs and desires, and all wealth, which is produced in response to these needs and desires, comes out of the earth. The more earth there is in use the more workers there are employed; also the more earth there is in use and the more workers there are employed, the greater is the production of wealth and the more wealth there is to go around. To get more jobs therefore we must get more land into use - we must make it impossible to hold valuable land out of use - and there is only one way by which this can be equitably done, and that is for the government to collect the full yearly rent of land in lieu of all taxes.

Did you ever hear of anyone paying the full rental value of anything and then not using it? Landowners are business men and will not continue a losing game. If men are compelled to pay the full yearly rent of land they will use their land or let it go to someone who will use it.

In cities that will mean more building activities, in rural communities more farms under cultivation, and in mining districts more mines in operation. Thus we have already increased the number of jobs and we have only begun.

The erecting of a building does not employ merely the hands that put it up; it employs also the men in the mines, the quarries, the forests, the foundries and the mills who furnish and shape the materials that go to make the building, and the men engaged in the transportation of this material and also the men who build the railroads, the steamships, and the trucks, etc. which constitute the machinery of transportation.

Increased activity on farms and in mines, in quarries, forests, foundries, mills and transportation, means also increased activities in factories, shops and offices.

Jobs will now seek the man, instead of men seeking a job. Competition will be between employers for workers, not between workers for employment. The law of supply and demand will do the rest, and the worker will receive the full value of his labor.

Nor is this all. More building lots and farms and mines and quarries and forests and foundries and mills and factories in use, means greater production, and greater production means a lower comparative cost of living.

Under these conditions poverty and the fear of poverty will be forever banished. Man will have a new interest in himself and in his surroundings; contentment and happiness will supplant hardships and misery, and confidence in the future will take the place of the consuming fears of to-day.

Then men and women will marry and they will marry young. The now permanent eight million counted spinsters, (and the now equally permanent though uncounted millions) will be at work as wives at their own firesides instead of in factories, mills, shops, offices, or as dependents (or otherwise engaged). The many millions of children and youths below the marriageable age that are now at work everywhere will be at schools and in colleges.

The work now done by these many millions of women and children will have to be done by men, and thus will be added still more jobs to those already provided, and the greater and more insistent demand for labor thus resulting, coupled with the reduction in the number of workers, will further raise wages, salaries, fees, and all payment for whatever service rendered, to the point where labor and services will absorb all wealth produced.

This brings us to another phase of the sex problem, or rather to what would seem as another phase to those looking to psychology or other extraneous sources for a solution of our problem, namely the phase that is presented by the immensely wealthy who have all the things that money can buy and neither work nor render services of any kind in return; the class generally referred to as the Idle Rich and

in which class we find some glaring examples of sex irregularities; indeed it is to this class that our writers are largely indebted for their eternal triangular situations.

Psychology may account for the fact that, having nothing to do but spend money, kill time, and seek enjoyment, the human animal in this class cannot avoid seeking new, continually newer, and perhaps grotesque situations and experiences to amuse him, and not having to expend energy to produce wealth or render services to maintain himself, must use that energy in gratifying the natural urges within him; and urge plus opportunity will do the rest.

Psychology does not account for the fact that there is an idle rich class; fundamental economics does.

Less than two per cent of the population of New York City own all the land in New York. Less than five per cent of the population in the United States own all the land and natural resources in the United States. According to the latest statistics 85% of all the wealth produced in the United States is absorbed by about 5% of the population, 15% of the wealth being left to the 80% who produce it.

Private ownership of land is the insatiate maw that devours the people's substance, fattening an idle class while leaving the mass of mankind to struggle for what this class leaves. If the yearly rent of all land were taken by the government in lieu of all taxes, thus forcing land into use and creating a demand for labor that could not then be fully satisfied, and thereby securing for the worker the full value of his product, there would be no surplus wealth to go to those who did not produce it. All wealth would go to those who work or render service. There would be no idle rich and there would be no workers poor.

There also would then be no marriageable person single, nor would unhappiness, as now, accompany the married state. Unhappy marriages are the inevitable outcome of mismatched couples, and under present conditions are the rule rather than the exception. It could not be otherwise; for love, which must be the basis of happy marriage, does not have a chance when girls are glad if only they can get a man, when a perpetual meal-ticket is the "sumum bonum" rather than the desire to be the mother of his children; and when men are looking for cooks, seamstresses, housekeepers and sex companions that will make living handier, safer and more comfortable, rather than for soul-mates. And how often is marriage on the part of the man the result of a financial bargain. There is an established price in the marriage mart, for lawyers, doctors, dentists and such like. I have not heard the latest market quotations, but not long back you could buy a pretty good young doctor for \$10,000 -- and a fair lawyer for about half that amount.

Is it any wonder that there are so many post-marital awakenings? Is it any wonder that there are so many disappointments? Is it any wonder that there is so much sex irregularity in married life? The divorce courts tell only a part of the story. The same considerations that determine the choice of a mate, make for a continuation in the married state whatever the hardships or indignities may be; and then, of course, there are the children - ever objects of strongest common interest and ever acting as the link that holds even unwilling mates.

Again, if there were no poverty and no fear of poverty the sex-urge would translate itself into love. Girls, sure of being asked, would not give themselves in marriage but where true affection called; and true affection combined with economic freedom is God's estate in the matter of sex.

Natural law governs all things in life. Sex and the sex urge are only tools in the workshop of nature, intended for the rebuilding or recreation of the species. Whoever mistakes them for something else has only himself to blame for faulty deductions. Whoever disobeys or violates natural law tends only to destroy himself. There is no permanent or safe way out but in obedience of natural law.

If we are looking for solutions that are to be permanent, we cannot remain superficial in our considerations and investigations. We must be fundamental. If curing a headache leads us to the stomach, it is there we must follow; if malaria leads us to the swamps, it is in their elimination that we must seek prevention, and if the solution of the sex problem leads us to economic considerations, it is in economic adjustments that we must seek a remedy.

Sex and the sex urge are facts, not problems. The conditions under which the sex urge is expressed (or repressed) are the problems confronting us. Eliminate poverty, want, and the fear of want, and you eliminate bachelorhood, spinsterhood, and unhappy marriages. Eliminate these and you eliminate the need, the desire, and the temptation toward sex promiscuity. Eliminate this and you have solved the sex problem.



FIRST NATIONAL CONVENTION, SINGLE TAX PARTY
New York, June 28, 1919
(Oscar Geiger's head is circled)

II. CONTROVERSY AND DISCUSSION

CHAPTER 4: THE INTEREST QUESTION

(A perennial subject for debate and discussion among Georgist economists was the interest question. Very few of Henry George's followers went along with their leader's treatment of the matter. Some formulated their own theories of interest. Others, while disagreeing with George, found in George's own philosophy the cause of and justification for interest that rendered the "reproductive modes" theory unnecessary; among these was Oscar Geiger. (See Part 1, Chapter 3). Still others, in rejecting George's theory of interest, also rejected the idea that interest was just and natural.)

Joseph Dana Miller allowed the matter to be fully ventilated in the pages of the Single Tax Review and Land and Freedom, and scarcely an issue passed without an article or letter on this moot question. It would be difficult to find any two of its Georgist expounders in perfect agreement on interest. Miller himself remained detached, holding that "when we have freedom, interest will take care of itself."

The following debate on interest between E. Wye and Oscar Geiger appeared in the May-June 1932 issue of Land and Freedom and is a good example of Geiger's reply to those who held that interest was unjust and unnatural. Both articles are abridged. - R.C.)

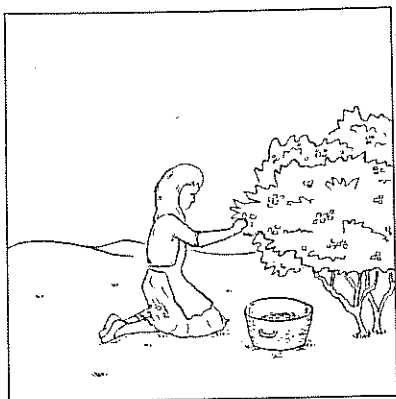
AS TO INTEREST

By E. Wye

I.

Dear A -

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Henry George, while in fact proposing a most radical change in the current postulates of political economy, a complete reversal of accepted dogmas and a profound alteration of society's basic structure, yet was not keen enough to see that his proposals were utterly impossible of execution within the strangling bonds of the existing resisting society. He proposed to proceed step by step in an attempt to reduce taxes, in order that a great amount of economic rent might be collected in their place--a futile plan, which after fifty years of devoted propaganda has not yet even begun to function. He would, for some occult reason, adopt the conventional terminology of a political economy which he wished to undermine, involving himself in a struggle to make plausible and more readily acceptable conclusions that were utterly worthless. For example, he stated that "in truth, the primary division of wealth in distribution is dual, not tripartite--not between land, labor and capital, but between land and labor." Yet essaying to add improvements to the structure already reared by the great writers on political economy rather than to bring their edifices crashing down to ruin, he must needs retain one important prop or shoring from their lumber-yard which has rendered his own tower of very doubtful stability. What I particularly refer to is his whole treatment of capital and interest.

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II.

Dear A -

With parrot-like reiteration comes the tiresome formula: "The three factors are land, labor and capital; the return to capital is interest." A slight variation, hailed by its author as a great scientific discovery, is the following: "Wealth used as a tool in the production of more wealth is capital; and in the wealth so produced is the interest due the owner of the capital and the wages due labor for the effort involved." A very favorite illustration given is that of the little child who goes in the berry-patch with a basket and gathers berries--the result of the picking being both wages and interest. No need here to include the idea of borrowing and lending. The "interest" just attaches itself to those berries, the amount of said interest being well recognized by the little girl or her parents, as the case may be. Now I could never see why the child's pinafore would not have sufficed, or if necessary even its fist, save that the labor expended in bringing home the berries would have been less efficient. If there was no monopoly in baskets, then the use of baskets was the conventional way of gathering or producing berries, an extension of the earlier mode of putting them in a big leaf for conveyance or into one's mouth for immediate consumption. Query: Should our economist not also include the child's clothes as part of its tools, since they protect the child from the briars during the operation of gathering? The fact is that without a monopoly or a patent right, tools become part and parcel of society's inheritance from the past, the knowledge how to use them becoming an easy conventional acquisition, and labor, while certainly being thereby rendered more efficient, can gain no special advantage under the law of supply and demand. Every advantage derivable from the growth of the arts in production, in invention and in the advances of scientific knowledge is absorbed in rent.

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III.

Dear A -

If you mean that under the existing system of private ownership of land interest is inevitable, you are certainly right, the all-sufficient reason being that the investor can now freely traffic in land rents and many forms of spurious capital, and he would be foolish not to look for an equal return for his money in the note, loan or bond market--and he gets it.

In the happier time to come, while land rent will greatly increase, it will accrue only to the public, the selling price of land disappearing and no income from this source being available to the private investor or speculator. Thereby the ground will be cut from under the feet of the would-be interest-monger.

Moreover, wealth (which includes capital) will be vastly more abundant and more evenly distributed--while he who saves wealth for any reason whatever will be confronted with the inevitability of its disintegration. Instead of increasing with time it will tend with time naturally to fade away. It takes continuous watching and labor to preserve wealth from decaying, moulding, rusting, dry-rotting, withering, spoiling, corroding, wearing out, or going to ruin. Its final disappearance

is inevitable. Labor is kept at work incessantly reproducing the capital of the world. George L. Rusby in his book "Smaller Profits" 4th edition, p. 27, says, "Indeed, one would look far to find in use today any capital two generations old." So it seems to me that he who happens to have a surplus of saved wealth will think himself fortunate if by loaning it to a borrower, the latter assumes the burden of its maintenance and restores it at the expiration of the term in the same condition it was in when he received it.

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IV.

Dear A -

It is also held by Georgists that the element of time enters into the phenomenon of interest. But Time cannot be differentiated nor considered apart from the methods of Nature. When we speak of Land we include the whole gamut of natural forces, processes as far apart in the element of Time as the ages-long laying down of the coal-measures from the instantaneous energy of electricity. It seems to me, on the contrary, that, far from being allied to the ways of Nature, and partaking of its manifestations, interest finds its origin in adventitious circumstances and persists under unnatural surroundings. It is all very well to say that capital is wealth used in the production of more wealth--such a description would seem to define tools and machines--but capital in itself produces nothing, it wears out, and even so it takes labor to set the machine going, and the machine itself is but a combination of modes of energy and mechanical advantages. Everything in the universe is of energy compounded, a machine being but an extension of human energy. The multiform modes of power that so distinguish modern invention are upon analysis all to be found acting within the human microcosm. So that the economic factors of land and labor are sufficient to cover the case. I think that a treatise on political economy might be written in which no mention need be made of either capital or interest, and I feel sure the terms would not be missed. The utmost that can be expected from the use of wealth is its maintenance or replacement. Otherwise, whether it be the product of land and labor devoted to the satisfaction of human desires or that form that is designated as wealth in the course of exchange, in neither case is there increase in measurable energy--nothing is discoverable beyond an interchange of one form of energy into the other, viz., the interchange from kinetic energy into potential energy, or vice versa. Leaving aside what is called Spurious Capital, which is a compound of monopoly and special privilege, with a power to levy tribute in the shape of dividends, interest and profits, what is the "interest" we are here concerned with and what is its origin? It is a convention of modern times springing from poverty (lack of wealth) on the one hand and superabundance of unearned possessions on the other. Its beneficiaries are landlords, bankers and investors who in the current maldistribution of wealth find easy and willing clients in the millions of the poor. If one were asked to describe as tersely as possible the world as it is in essence, one would make no mistake by calling it a world of debt and a world in debt. From the treasuries of the greatest nations down to the slim resources of the average man, all are head and shoulders in debt. The borrower must have money; the lender is ready to accommodate at a

price. Debtor and creditor. Do we have here an equally balanced twain, a double-star that might have swum into the ken of Emerson while writing his essay on Compensation? Not so, unless in the equilibrium of forces we are to justify master and slave, rent-lord and serf, conqueror and conquered, executioner and victim. For the debtor is ever the product and the sign of poverty. For him prisons have been built. He is the outcast, the broken man, the bankrupt. Our debts are not forgiven, for we never forgive our debtors--not for us the Lord's Prayer in this practical, business age!

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V.

Dear A -

Finally let us consider another phase of the interest question which Georgists are prone to belittle--just that common garden-variety of interest which the borrower pays to the money-lender. This sort of interest is, according to our friends, a mere side issue, unworthy of scientific classification--a case of the tail wagging the dog. It is in vain that you point out that the common man understands what you are talking about when you mention this kind of interest; the answer is that the common man is a negligible person in this great argument, and that it must be repeated that capital bears interest because we tell you so; we feel it, we believe it, we never discuss this branch of the subject with the common man. It would be only a waste of time.

Let me sum up before I close. In maintaining that the interest question is a purely academic question, orthodox Georgists from their point of view appear to be right. Aloft in their ivory towers, within their sacred groves, they look out upon the world with a calm, positive, secure and disinterested spirit, as befits philosophers absolutely satisfied that truth is theirs, theirs is truth--that this is all they know on earth, and all ye need to know.

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REPLY TO E. WYE

By Oscar Geiger

In the illustration of the little child going berry-picking E. Wye says: "Now, I could never see why the child's pinafore would not have sufficed, or if necessary its fist, save that the labor expended in bringing home the berries would have been less efficient." Exactly! And it was to obtain efficiency that a basket was sought and obtained. This basket was produced by labor, and labor is entitled to wages which it would have received had the basket been bought, or to interest (partial wages) as the basket was merely borrowed.

E. Wye continues: "If there was no monopoly in baskets, then the use of baskets was the conventional way of gathering or producing berries." If the use of baskets were sufficiently "conventional" to be general among berry pickers, then every berry picker would have a basket - having bought it. The fact that a basket is borrowed discloses both need and lack of baskets. Baskets for sale in a store

that sells baskets is not necessarily an evidence of monopoly of baskets, and E. Wye will admit the equity in the storekeeper asking payment for his baskets. Would a stock of baskets in a store kept in stock to loan them as required be any more evidence of monopoly? And would payment for their temporary use, instead of purchase for permanent use, be any less equitable? There are stores that lend camp chairs for funerals and parties. Is the payment charged for these inequitable?

Similarly, water filters and coolers, gas stoves for apartment dwellings, towel racks for offices, and other articles of this nature, are loaned out for pay. The houses and apartments and offices and lofts that are rented are in themselves wealth hired out for pay. Is there anything wrong about that?

E. Wye says that putting berries in baskets is an "extension of the earlier mode of putting them in a big leaf for conveyance," but how does that affect the situation? If big leaves were not at hand, and one had to make a day's journey to obtain such a leaf, would not the possessor of such a leaf be entitled to one day's berry pickings as payment for it, or to a small share of a day's pickings for the use of the leaf?

E. Wye asks: "Should our economist not also include the child's clothes as part of its tools, since they protect the child from briars during the operation of gathering?" If the clothes protect the child from the briars, then there is wear and tear on the clothes in the process of picking, and the clothes must be replaced. There would then naturally be special clothing used for the purpose of berry picking, and if some one had such clothing handy that fitted the child, and the loan of this clothing was asked, the purpose would be to save the child's other clothing, and as the lender could have legitimately come into the possession of such clothing only by producing them with his labor or purchasing them, which is the same thing in economics, he would be entitled to wages for the sale, or interest for the loan.

E. Wye's next sentence is rather surprising: "The fact is that without a monopoly or a patent right, tools become part and parcel of society's inheritance from the past." Isn't this rather socialistic? In what manner or by what process do tools become part and parcel of society's inheritance from the past? This implies social ownership of tools and the machinery of production.

It is true, as E. Wye further says, "Every advantage derivable from the growth of the arts in production, in invention and in the advances of scientific knowledge is absorbed in rent." But the rent having been paid by the labor that produced the "arts" and the "inventions", labor has become quit with society, and society having so absorbed its part in the "advances of scientific knowledge" leaves labor in the undisputable and equitable possession of the tools and machinery it has produced, with no further rightful claim on the part of society.

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In Chap. III, E. Wye's explanation of the "inevitability" of interest "under the existing system of private ownership of land" can apply only to the rate of interest, not to its equity. Naturally, lenders of capital, especially in the form of money, will not lend out at a lower rate than the "market". And as long as land monopoly furnishes a fruitful market they would be foolish to lend at any lower rate than they can obtain in land investments.

E. Wye himself senses this, for in the next two paragraphs of Chap. III he shows clearly how the abolition of land monopoly will reduce the need for borrowed capital and abolish the fruitful money lenders' market. This is quite different from saying that interest itself arises out of and is based only on land monopoly.

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In Chap. IV E. Wye says, "Capital in itself produces nothing." How would he reconcile this with his admission in the first paragraph of his second chapter that the basket produced efficiency? Greater efficiency is all that has ever been claimed for capital by any of its economic proponents except Henry George, and George includes efficiency as one of capital's contributions to production.

E. Wye himself justifies interest as payment for tools and machinery (as wages for stored-up labor) in two beautiful sentences in Chap. IV: "Everything in the universe is of energy compounded, a machine being but an extension of human energy. The multiform modes of power that so distinguish modern invention are upon analysis all to be found acting within the human microcosm."

As to the claim that "the utmost that can be expected from the use of wealth is its maintenance or replacement," I should like to ask E. Wye whether the mere "replacement" of a "run-it-yourself" automobile without payment for the use of capital would be sufficient payment for its use? Or whether the maintenance or replacement of a house, an apartment, a store or a loft is sufficient payment for its use?

There seems to be a contradiction in terms in the following question and answer quoted from Chap. IV which demonstrates the difficulty, even in a mind so keen as that of E. Wye, of establishing a clear and valid argument against the equity of true interest. Question: "Leaving aside what is called spurious capital, which is a compound of monopoly and special privilege, with a power to levy tribute in the shape of dividends, interest and profits, what is the 'interest' we are here concerned with and what is its origin?" (Note what the question means to "leave aside.") Answer: "It is a convention of modern times springing from poverty (lack of wealth) on the one hand and superabundance of unearned possessions on the other. Its beneficiaries are landlords, bankers and investors who in the current maldistribution of wealth find easy and willing clients in the millions of the poor." Thus the "compound of monopoly and special privilege with a power to levy tribute in the shape of dividends, interest and profits" after being set aside is dragged in again to define "the interest we are here concerned with and its origin."

Surely if monopoly interest is the only interest we are concerned with, we cannot find justification for true interest. Also the very fact that we are concerned only with monopoly interest prevents us from seeing or trying to see what is true interest and what is its origin.

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In Chap. V is not E. Wye resorting to the straw-man building and destroying practice we are all so familiar with? "Georgists" (and that term can be made to mean anything the user may wish it to mean) are not necessarily economists; and if they do choose to appropriate that title, then economists are not always fundamental or logical. How does it affect the question of capital and its function, and inter-

est and its justification, what "Georgists are prone to belittle" -- or to emphasize? And what is that "common garden-variety of interest which the borrower pays to the money lender?"

If we are discussing economic factors and phases--especially if we are "Georgists"--why not adhere to economic reasoning and define our terms so that we can all agree on their meanings? "Interest which the borrower pays to the money lender" is not true interest in the fundamental economic sense. It is a combination of monopoly rent (largely), tribute (very materially), and wages and true interest (partially), and is collectible only because of the dire need of the producer to get possession of the wealth (or capital) he needs in production and of which our private land owning and private rent collecting system has robbed him.

To indict this form of "interest" is not an indictment of true interest, and to make it appear that because this iniquitous charge which is called interest is wrong, therefore there is no charge for the use of capital is, to say the least, obscure argumentation.

* * * * *

If labor is entitled to wages, it is entitled to those wages whether it works for hire or whether it works for itself. In the former case it is handed its share by the employer; in the latter case it keeps the product. The product, too, is labor--labor in concrete form; stored-up labor. The producer has a right to sell it; the return he gets is another form of wages. If the product happens to be a tool, and its nature, or the circumstances, make the loan rather than the sale of the tool advantageous or necessary, does the labor in the tool thereby disappear? If it does not, is the laborer or producer not entitled to wages for that labor, to payment for the use of the tool? The answer seems obvious. Whether it is a tool or a complicated machine, what is the difference? Its helpfulness to others makes its possession desirable and profitable. It cannot be reproduced except by the expenditure of a like amount of labor as that already put into it; such labor would have to be exerted or paid for if the tool or machine had to be made. Why isn't the labor already stored up in the machine, which has the added advantage of having already been expended and therefore now saving time (the time of reproducing it), entitled to its hire? If the machine were to be bought it would have to be paid for. Would that be inequitable? If not, why is the partial payment for its use considered inequitable?

We must learn to distinguish between natural and unnatural conditions, between health and disease. We must learn to seek causes and not take the apparent for the real.

Our social evils are due to violations of natural law; they are as pathological as the acts of a mind deranged and as unreliable in determining normal conditions.

The sun doesn't move in its relation to the earth even if it does seem to do so.

The disparagement of capital as a factor in production, even though it plays the minor part, or the attempt to invalidate interest because under the abnormal and unnatural condition in which we live, monopoly, usury, tribute and other legalized robbery is called interest, is like condemning the character of a man in health

because of his acts in a fever delirium. It is like saying the earth is flat and all the universe revolves about it.

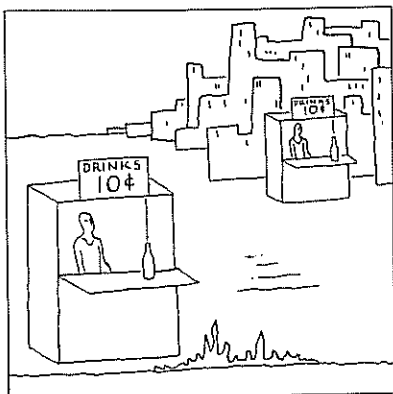
It is jumping at conclusions without seeking causes.

CHAPTER 5: RENT AND PRICE

(Among the economists of the Georgist movement in Geiger's day, a question second only to the interest question was, "Does the rent of land enter into (or affect) the price of products?" A group of Georgists, chiefly from the West and Mid-West and hence named the "Western School" held that at least a part of rent was passed on to the purchaser of products. The argument reached the pages of Land and Freedom in 1931 with the appearance of a book by Emil O. Jorgensen, a member of the "Western School," entitled The Road to Better Business and Plentiful Employment. Oscar Geiger wrote a lengthy review and criticism of this book for the September-October 1931 issue of Land and Freedom. The book and the review precipitated a storm that echoed throughout the Georgist world. Among the "regulars" who supported Geiger were Stoughton Cooley, George White and Edwin I. S. Hardinge (the last an Australian). Among the supporters of Jorgensen were W.R.B. Willcox and L. D. Beckwith of Stockton, California, editor of The Forum and No Taxes. The following debate between Beckwith (whose article is abridged) and Geiger appeared in the July-August 1932 issue of Land and Freedom. - R.C.)

RENT AS A PART OF PRICE

by L. D. Beckwith



It is true that we Georgists purpose to take the rent in lieu of taxes. It is likewise true that the total of all rent would then become the total of all revenue--we cannot say the total of all taxes, for taxes would be abolished.

And it is true that our whole Georgist philosophy, all our progress to date, and all we hope to make in years to come, will stand or fall with the truth of the Georgist dictum that one's own debt to society cannot be shifted under our system to another --not to any other.

But it does not follow that because one's own debt to society cannot be shifted that rent cannot be shifted and passed on to the purchaser in the cost of his living.

* * * * *

Is it possible to reconcile the two statements that rent is passed on and that one's debt to society (which would be paid in rent) cannot be passed on?

If these two statements can be reconciled, this reconciliation will not only clear away the confusion resulting from the debate that has arisen over the "straw man" in this case and which threatens to set these leaders at loggerheads.

We have heard ever since we were children that, while all dogs are quadrupeds, all quadrupeds are not dogs.

What is needed here is more alert observation than we have been exercising, that we may see more clearly than we have in the past that, while rent can be passed on and become a part of price, and that this must be so if justice is to be done, all rent cannot be passed on; that the rent that represents any given man's debt to society cannot be passed on and written into the cost of another man's living.

It is true that merchant John Doe's rent would be taken in lieu of taxes. All of it would be a debt owing to society. But whether merchant John Doe himself owes that much to society is quite another question.

It is not clear how any one could seriously believe that John Doe personally owes society that much and that none of his non-land-holding customers owe society anything for the protection they receive from our fire and police departments, for the schools provided them, for the health and sanitation service rendered them, and for the thousand and one other benefits they enjoy at so much cost to society.

To be consistent, Georgists must agree that rent (but not all rent) is passed on, does become a part of price, and is an item in the cost of living of us all. This must be so, or ours is not a democratic system, not a just system.

But saying this is not saying that merchant John Doe can pass all his rent on to his patrons; for that would be permitting him to evade his own just debt to society. Just as his patrons must pay in their purchases at his store their part of the cost of their protection while in the store shopping, and on the street going and coming, and for the guarding of their cars while they are left parked on the street, so must he pay his part of the cost of protecting his person while he is in the store and his part of the cost of guarding his store at night when he is at home asleep as well as during shopping hours.

Now, the only possible way these separate and distinct obligations can be apportioned is by a division of the rent into two parts, one of which he can pass on to his patrons in the cost of their purchases, and another part which he cannot evade but must pay himself.

It is readily granted that such an apportionment is beyond our human capacity. The man or men do not live who could even divide that rent between John Doe and his patrons, to say nothing of apportioning the patrons' portion among the hundreds or thousands who shop in his store.

Here is where the efficacy of natural law comes in, and the sublime beauty of the Georgist system; for, in a free market, all this would be automatically adjusted, accurately and with exact justice.

In his attack upon what he mistakenly supposed Jorgensen to have said, Edwin I.S. Hardinge says very truthfully that the expenditure of labor and capital is the cost of production; and George White, another of Jorgensen's critics, says truthfully that rent measures the advantage which attaches to a location because the cost of production there is less than it would be at an inferior location.

If now these advantages are the result of railways, docks, ship canals, markets, sewers, garbage systems, highways and other things that cost us an expenditure of labor and capital, why is not the added rent we pay because of these things as much an item of cost as our expenses were before the installation of these facili-

ties? Why is not the labor and capital expended in the provision of these facilities a cost?

What, after all, is our rent but our wages and interest in process of collection and transmittal to us in service dividends? And if labor and capital expended constitute a cost item, why are we not to count as a cost the labor and capital expended on river and harbor improvements, railways, docks, highways and the like that give to certain places their advantage over others in the matter of production and so create rent?

And if rent paid on account of these improvements is our wages and interest in process of collection for us and transmittal to us in service dividends on our citizenship, why is not that rent an item of cost and a part of the cost of living of those who pay it, especially as it is paid on certain of the processes of that production involved in their livings; notably upon the transportation involved?

How can this rent be anything but a cost and a part of price? And why should Georgists be disturbed that this is so? Or reluctant to admit it?

Could anything show more clearly and convincingly the scientific character of our proposed revenue system than this fact that the collection of rent in lieu of taxes would not only provide amply for the public need without taxing either Labor or Capital; but it would also collect for each of us our share of the wages and interest owing to us by reason of our contribution to the public welfare and to public progress, whether these contributions be made commercially, industrially or professionally, and that it would likewise collect promptly and in full from each of us the full amount that each of us owes society for what society has done for us?

Not only so; but all this would be done automatically, with unerring accuracy, so that each would get all he paid for and pay for all he gets.

REPLY TO L. D. BECKWITH

By Oscar Geiger

In the above most kindly disposed defense of Jorgensen's position on the matter of "Rent entering into price," I fear that the author has lost sight of the fact that rent, so far as price is concerned, is merely a differential.

Production on low-rent land, or no-rent land, is no lower or cheaper (so far as rent is concerned) than production on high-rent (or the highest-rent) land. Whatever advantages there are in location or natural fertility that express themselves in easier or in greater production, are all absorbed by the higher rent, and conversely, the difficulties in production or the meagre rewards obtained on poorly situated or less fertile land are expressed in the lower rent that can be obtained for such sites or locations.

Where production is difficult or the product scarce, rent is low. Where production is easy or the product plentiful, rent is high.

Furthermore, if the rent-payer, the producer, could transfer the rent to the selling price of his product he would be getting back what he paid for the advantages that nature, location and the presence of the community gave him, and which,

it should be remembered, he did not produce. He would then be receiving both payment for his services to individuals and the money advantage of superior location to which he is not entitled. In such case also the purchasers of the commodity would be paying for advantages of location and fertility. This they are spared, however, for they can buy in an open purchasing market. To express in the price of the product the higher rent of his land a producer would have to be free from the competition of other producers, both those on similar and those on lower land rent sites.

Economic rent is thus seen to be a price that producers are willing to pay for the privilege of using land, and especially so as it is nothing that they themselves produce; for even though the rent is expressed in the terms of their product, nature, location and community are the factors that really are responsible for the added production, the added value. The value of the privilege being determined by the use that can be made of the land, rent is obviously an effect and not a cause, high rent being an indication that the advantages are great; low rent, that the advantages are poor.

Viewed in this light let us again read Ricardo's statement in his "Principles of Political Economy and Taxation," that "corn is not high because rent is paid, but a rent is paid because corn is high." With due apologies, may we not paraphrase Ricardo's statement to read: "Price is not high because rent is paid, but rent is paid because price is high."

What seems to be really troubling our friends Jorgensen and Beckwith is that the rent fund, seemingly produced by the user of the site, should be exclusively borne by him and not shared in by the entire community which benefits by the expenditure of this fund in the communal services that the fund secures for all.

The fallacy in this is two-fold. First, it is not labor or the producer who occupies the site that produces the rent. In a very real sense Nature or Society produces it. The user of the site, or the producer of wealth on that site, merely translates the value of the rent into tangible service, and that without any additional effort on his part. The same amount of labor or effort expended in a poorer community or on a poorer site in the same community would produce less. Thus the site itself produces; and thus the rent is not the product of the user of the site, and he is not deprived of anything that he has made by being forced to pay it.

If the rent could be transferred to the price it would give the producer the advantages of recouping for the payment of a privilege that is peculiarly his and that only he should pay for. Also, if the rent could be transferred to the price, the user of the site would be paid for what he did not produce, he would be paid for what the community produced, and thus there would be established and maintained another form of unearned increment. But Nature is wiser than its creatures, and rent cannot be transferred to price.

The second fallacy is that as all receive the benefits of society, all should as consumers pay their share of the total economic rent of the community by paying their share of the rent which, according to this fallacy, is expressed in the selling prices of the various commodities.

True, we are all consumers and our potential needs are the incentives that start the wheels of progress moving; but we are equally producers, unless we are minors or paupers, or come by our wealth unethically or unjustly (as under our present system many do), and it is as producers that our potential demands are made effective, and as producers that the private ownership of land robs us of our product by restricting the area open to our use and making us compete against each other for the limited opportunities that are thus left us, and in the scramble for which our needs and necessities compel us to take whatever we can get either in wages or in the price of our products.

Thus Nature in an economic sense deals with us as producers and not as consumers, and it is in our relationship to her as producers that our welfare is secured or imperiled.

Henry George saw and taught us this if only we would read him and understand him:

"The reason why, in spite of the increase of productive power, wages constantly tend to a minimum which will give but a bare living, is that, with increase in production, rent tends to even greater increase, thus producing a constant tendency to the forcing down of wages."

(Progress and Poverty, Book V, Chap. II)

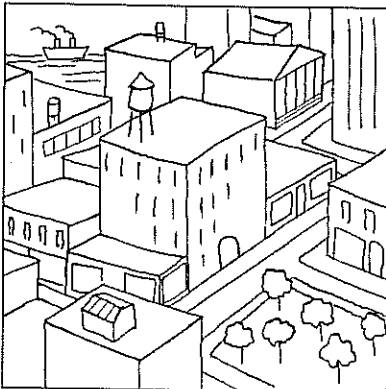
CHAPTER 6: SOME PRACTICAL QUESTIONS

(Harold S. Buttenheim, editor of The American City, was an advocate of the Georgist proposal, but modified as a "triple-tax" program to include graduated income and inheritance taxes as well as a land value tax. He did, however, concede that income and inheritance taxes could be abolished at such time as the land value tax would be found sufficient to meet governmental expenses. Though Mr. Buttenheim thus diverged from the main line of Georgist thought, Geiger maintained friendly relations with him and occasionally invited him to speak at Henry George School forums.

As editor of The American City, Mr. Buttenheim was conversant with many practical problems of municipal administration. In the following questionnaire, he posed some of these problems as they bore upon the single tax. Geiger undertook to answer them from the point of view of the principles involved. This "Questionnaire" appeared in the November-December 1932 issue of Land and Freedom. - R.C.)

A QUESTIONNAIRE

Questions by Harold S. Buttenheim, Editor The American City
Answers by Oscar Geiger, Director, Henry George School of
Social Science



1. One of the strongest arguments for land-value taxation is the fact that it would discourage the holding of land out of use. What is the best answer to the counter-argument of the city planners that too intensive use of land is a major evil in parts of almost all cities, and that any system of taxation that would stimulate this evil is against the public interest?

Land-value taxation would discourage holding valuable land out of use, not all land. Land-value taxation,

bringing new areas into use, will spread population, not center it.

2. If land were the only source of taxation, would not much land be abandoned by present owners, thus depriving local governments of much revenue now derived from vacant land held for speculative purposes? And would not the necessary result be higher taxes on land productively used?

If land were the only source of taxation, land would tend into use whether present owners abandoned it or themselves became users. Furthermore, land would pay rent whether used or held out of use and the entire rent going to the government would mean greater revenue than if part were retained by owners for speculative purposes. Land that is being held for speculative purposes has a selling value only because its actual or potential rent is not collected by government. The selling, or speculative, value of land is virtually nothing but capitalized uncollected rent. Land rent does not depend on productive use, but on productive usability and therefore cannot be burdened beyond its true value.

3. If, as Henry George says, "There can be no just title to an exclusive possession of the soil," to how large a political area does this apply? In other words, ought the ground rent of the city of New York to accrue to those who happen to live in the city at any given time, or ought the ground rent of an entire State be divided among the people of that State? If the answer to the last question is "yes", ought not this principle be extended to dividing the ground rent of the entire United States (or of the world) among the people of the United States (or of the world)?

The answer to this question is yes, and the ground rent will be divided among the people of the United States according to the needs of government. The Federal Government will apportion its budget among the States in the proportion that the amount of rent collected in each State bears to the Federal budget. The States will each add their share of the Federal expenditures to their own budgets and apportion their total budgets among their local taxing centers according to the rent each collects; the local bodies will collect the rent which thus will bear everywhere its just share of the total expenditures of government. If there ever should be a United States of The World, or its equivalent, whatever its expenditure would be, would be rightly apportioned among the adhering countries according to the total rent each collected.

4. In a slum section of a city an enterprising real estate owner, Mr. A, has the vision to demolish an entire block of undesirable tenements and substitute in their place garden apartments occupying less than 50 per cent of the land area. So great is the demand for these improved accommodations that he makes a handsome profit on his investment. The result is an increase of land values in the entire neighborhood. Under these conditions, ought the community to assess all of the slum land (and Mr. A's property) on the basis of the added earning power which Mr. A has given to his property? If so, how does he profit financially by his enterprise? And (unless a zoning ordinance prevents) how shall the other land owners, actuated by the desire for profit, be prevented from overbuilding their property with congested tenements? If the answer is that they would not do so because of lack of demand for so much new housing, is the levying of a higher assessment justified prior to demand catching up with supply?

Mr. A is pictured as demolishing a block of undesirable tenements (presumably congested) and substituting in their place garden apartments occupying less than 50 per cent of the land area. This is wiping out congestion. As a result of this improvement land rent in the entire neighborhood is pictured as having risen, meaning that this type of improvement is desirable. The land values having gone up and the higher rent being taken by the Government will compel all the owners in that locality to do as Mr. A did and build the desirable garden apartments that the people want (for it is only as people want such apartments that the land rent can be presumed to have risen) and which using 50 per cent of the land area will abolish both congestion and slums. Zoning laws have their uses and this answer should not be construed as an argument against them. It may, of course, be properly read as showing that for the purpose of preventing overbuilding and congestion in the particular case cited, zoning regulations are not needed.

The community will have no alternative to assessing all the land in the area at its true rental value. Mr. A will continue to profit as the hypothesis describes him as doing. The other land owners in order to make profits will have to build garden apartments--they already have congested tenements in a slum district. The garden apartments, built on 50 per cent of the land area sent up the land value of the entire area.

5. Is advocacy of income and inheritance taxes and gasoline taxes for national and State revenues, incompatible with advocacy of land-value taxes for municipal and county revenues?

I believe the rent of land, as it will be if collected by the Government in lieu of all taxation, will be sufficient to defray all Governmental expenditures, Federal, State and local, and, if it is, no additional taxation will be necessary. Indeed the very act of collecting other taxes will delay the total land rent from rising to meet the expenditures.

If the substitution of land rent for taxation is to take place over a period of time, naturally present methods will be largely retained during the transition. During such period of transition I am in favor of abolishing all indirect taxes at once and retaining direct taxes. Those mentioned by Mr. Bottenheim are direct taxes.

6. Has anyone any figures, other than wild guesses based on the previous guesses of some one else, as to the total land values or economic rent of the United States, and as to how nearly such rent would pay the cost of all government and public works, National, State and local?

The most conservative and perhaps the most accurate estimate is that in Eugene W. Way's pamphlet, "Taxation and Starvation," which gives the total ground rent of the United States in 1930 as \$8,234,261,000. The total expenditures of Government, Federal, State and local are approximately \$12,000,000,000. If all taxation is abolished and all the rent of land is collected in lieu thereof, the land rent can, in my opinion, be confidently expected to rise until it meets all the needs of Government.

7. With our rapid approach towards a stationary population, and with the steady trend towards decentralization of homes and industry, is it not probable that ground rents will tend to decrease in future, thus lessening the possibility of meeting all Governmental costs by land-value taxation?

As I am impressed, cities are growing in population while farming and rural communities are decreasing in population. This would seem to me to indicate a present tendency towards centralization, not towards decentralization. However, it does not matter. Decentralization of population will carry land values from urban to suburban areas, from cities to rural sections, from where the people were to where the people go. Land value is always a people value and appears where people are. The movement of communities only shifts the land value; it does not reduce the total. Only a decrease in the total population or in its productive or law-abiding qualities can do that.

8. How nearly 100 per cent tax on the economic rent of land would produce the most desirable results?

If 100 per cent were taken, what inducement would there be for builders to use the best sites, or for farmers to till the best land?

If less than 100 per cent were taken, how would land speculation be prevented?

Whatever the percentage-- 80 per cent, 90 per cent or 100 per cent of the economic rent--how will land values be determined and the tax rate fixed when the sales value of land has diminished greatly or disappeared as a result of site-value taxation? Will the assessor estimate the land value of a particular piece of property at what it would be if that property -- and that property alone--were exempt from taxation?

Theoretically, 100 per cent of the rent of land should be taken to obtain the most desirable results. Practice may counsel some modification. The inducement to builders and farmers to use the best sites will be the labor and capital saved to obtain the equivalent results on poorer sites, or the greater returns that the best sites will give with the same expenditure of labor and capital.

If less than 100 per cent of the land rent were taken, land speculation could not be prevented. Of course, it will have been minimized.

If land rent is taken in lieu of taxation we will not be concerned with "land values." Land values substantially are uncollected land rent. Land rent will be determined, as it is now, by what a willing renter will pay for the use of land. Land rent is being estimated, collected and capitalized now, only that now it finds its way into private possession. Why should public collection make it more difficult to estimate?

9. How should small residences, vacant lots, golf clubs, etc., be assessed in sections where temporary continuance of present use might be desirable, but with proper provision for ultimate capture by the community of unearned increment?

If the "capture by the community of the unearned increment" is contemplated, such steps toward this desired end, whether immediate and in total or gradual and in proportionate parts over a period of time, should apply to all manner and size of land values, or rent. I can see neither advantage nor equity in singling out a particular kind of holding for special treatment.

10. How should sites be assessed which a municipality desired for future schools, playgrounds, etc., but which it is not now ready to purchase?

Once land rent is collected by Government, there will be no need of municipalities to purchase sites. It will purchase merely improvements. These it will always have the right to purchase--and condemn if need be--as it has now to purchase and condemn both site and improvements.

11. Farm lands and oil lands now in use are capable of producing more food and oil than the Nation requires. If land-value taxation brought more of such lands into use, would not this be contrary to the public interest?

Farm lands and oil lands now in use are capable of producing more food and oil only because potential consumers of food and oil are unable to translate their potential demands for food and oil into effective demand.

Land-value taxation will bring more of such lands into use only as more of these products are needed. Farms and oil lands, as all other lands, will pay only their rental value. Rental value of land depends in part on the value of what the land produces; the value of the product depends on the relation of supply to demand. If there is enough of a product to satisfy the demand, the price of the product will indicate the sufficiency and the rent of the lands that produce these commodities will, in turn, reflect the lowered demand by lower land rent. Thus no land will be forced into use beyond the actual demand for the product of such land, and there would be nothing contrary to public interest.

As the question confines itself to the Nation's requirements, let us not forget that if the United States adopted land value taxation (the collecting of the total annual rent of land in lieu of all other taxation) it would not be more than five years (in my opinion it would not be more than three years) that the civilized world would be compelled by the threatened loss of its labor, to follow suit. It will then be almost impossible to satisfy fully the demand for all products, including those of farms and oil lands.

12. It is claimed that taxes levied upon land values cannot be transferred by the owner to the purchaser or tenant. Is not this so only in respect to such taxes that do not increase the real value of land?

Let us assume that a city issues bonds for important public improvements--say a sewage disposal plant and a new high school and a park and playground system. The interest on these bonds means additional taxes on all of the real estate in the city. The improvements, however, increase land values by attracting new residents and by making the city a more desirable place for those already there. Land owners are thus enabled to secure higher prices from future purchasers or tenants. Does not this mean that the added taxes are paid by the future purchasers or tenants, and is it not desirable that this should be so?

It is true that taxes levied upon land values cannot be transferred by the owner to the purchaser or tenant. It is equally true, however, that unless the entire rent of land is taken by the government there is a part of land value left which will translate any community improvement such as mentioned in the question, into private gain to land owners. If the full land rent were taken in lieu of taxes, there would be no "purchasers of land", and the value of houses or improvements on land are not determined by what the community does, but by the cost of reproduction. Land-value taxes are the only taxes that "do not increase the real value of land."

13. Is not the taxation system of Pittsburgh proving more advantageous to the United States Steel Corporation than anyone else, and is it not possible that this and other great companies in the vicinity have been influential in bringing it about for their own selfish reasons?

I am not familiar with the activities of the corporate or land holding interests of Pittsburgh in bringing about the taxation system known as the "Pittsburgh Plan,"* but from its very inception I have held that at its best that plan is insufficient as an illustration of what land-value taxation, properly applied, will do. Unless we collect all the value that reduction of taxation on improvements adds to the land we are benefiting only land owners.

14. In a system of land-value taxation, how could great capitalists like Ford be made to contribute substantially to government cost?

Ford owns all the land on which his factories and work shops are located and most of the land upon which his workmen live. He owns all the mines out of which his raw materials come; he owns many railway rights of way. On all of these lands he pays only nominal taxes. If he paid the full yearly rent of all his lands and of the natural resources he owns, the government would be getting all that it is entitled to and much more than it is getting now. If land rent were collected everywhere, the demand for labor would be so great that Ford would be competing with all other employers for workers. Labor then would be receiving its full share of the product. If the government received all the value that the community created (land rent) and the workers received all the value they produced (wages), all that would be left to Ford, or other "great capitalists" would be the wages of superintendance, the wages of management--perhaps the wages of forethought and ability--but never more than the wages of effort. Huge incomes are not based on the recipient's productive powers, but on his ability (through his own efforts, or through the instrumentality of circumstances) to secure to himself the product of others.

15. It is claimed by Single Taxers that if land were made free by governmental collection of ground rent, no man would work for wages less than the amount he could wrest from marginal land by his own efforts. Would the farming of marginal land provide a decent living with the present over-production of farm products and widespread distress among the rural population? And would not the taxes of many small farmers be increased rather than lessened?

The claim of Single Taxers as stated in the question is correct, but marginal land under the Single Tax will be something altogether different from marginal land under the present system of private land ownership. There probably is no free marginal land left in the "civilized?" world today, and workers everywhere are compelled to sell their labor at the mere cost of keeping body and soul together--and they are not very successful at that.

There are not enough people in the world to use productively, under the Single Tax, even those lands that we class today as the most productive. With the best lands open to the use of producers as they will then be, what we have been accustomed to call marginal lands will become forests and parks. The return on best lands obviously will provide "a decent living."

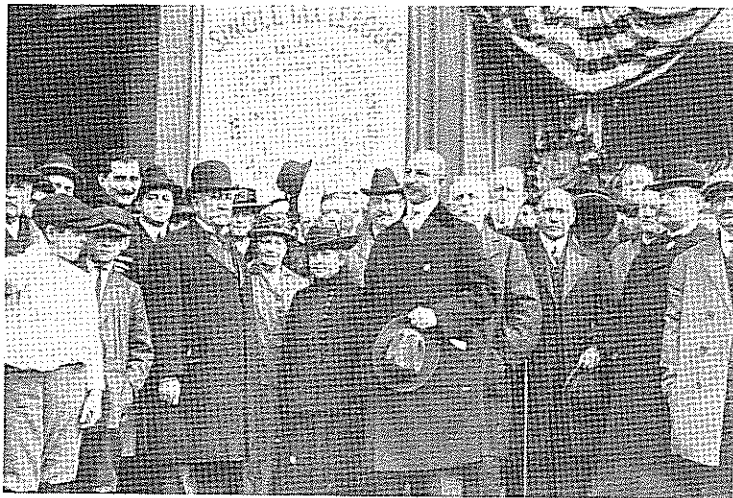
*The "Pittsburgh Plan" is really a State law applying to Scranton as well. It is known as the graded tax law and limits the tax rate on buildings in these two cities to one-half of whatever rate is levied on land values. R.C.

What Mr. Battenheim calls over-production he knows to be under-consumption. If potential consumers could buy there would be no over-production. Many of the farms that farmers now are working would, under our system, pay virtually no taxes at all. They are, many of them, in out-of-the-way and almost inaccessible regions. But farmers, under the Single Tax, will always pay low "taxes" (to adhere to the language of the question), for farm lands and rural lands generally will always pay lower land rent than city and suburban lands. It is our modern tax system together with rent to private land owners and interest on land mortgages that burden the farmer, and keep him poor. All taxes on his buildings, farm implements, and the commodities he buys removed, and the need for paying rent and interest to private land owners abolished, the farmer will be in fact what he is said to be in fiction, the most independent man in the world.

16. In a system of land-value taxation, how could we correct the lack of balance between production and consumption which brings on crises?

Under Henry George's system of Land Rent Socialization there will be no "lack of balance between production and consumption" to correct. Nature has provided the laws that will do all the regulating that will be necessary. The Law of Supply and Demand is not a fiction or a figment of the brain, nor is it a human invention. Among other things the law of supply and demand establishes prices of commodities that are the indexes that may guide producers. Under a condition of freedom, with speculation removed, as it then will be, these indexes can, and will, be observed.

Would it be amiss, however, to add that with all labor employed, and all producers receiving the full value of their product, which is the condition that will prevail under the Single Tax, the effective demand for commodities will be so great that not only will there be no over-production, but more and newer and better machinery will have to be invented to keep pace with consumption.



THIRD ANNUAL CONFERENCE OF NEW YORK STATE SINGLE TAX LEAGUE at the Union Square Hotel, New York, Nov. 6, 1915. This photograph is from a newsreel taken by Universal Studios and was shown in motion picture houses throughout the world. Oscar Geiger may be seen, bareheaded, to the left, rear.

III. THE SCHOOL IDEA

CHAPTER 7: READING CIRCLES

(This was Geiger's paper for the Second Annual Conference of the New York State Single Tax League at Buffalo, September 5, 1914, and was delivered by himself. It was printed in the September-October 1914 issue of the Single Tax Review. Some account of the immediate effects of this talk is given in Part I, Chapter 6.

"Reading Circles" was rediscovered and reprinted in Land and Freedom, January-February 1937 - five years after the founding of the Henry George School of Social Science - with comments by Helen D. Denbigh showing how Geiger's speech embodied in embryo form the aims and achievements of the School. - R.C.)



Fundamental Social Betterment, to be lasting, must come in response to a demand from the people, and the people must understand before they can demand. If we are ever to get the Single Tax on the statute books so that it will stay there, we must first get it into the minds of the people. We must get the people to want it and to get them to want it we must first get them to know it.

It is proper for us to try to get whatever measure of justice we can by such legal enactments as with the present state of the public mind we are able to obtain, but we must not delude ourselves into believing that merely direct effort toward legislation in the people's state of mind will secure fundamental justice, or if by chance it does, that it could be maintained. The people themselves would soon undo or sanction the undoing, passively if not actively, of any law, however just or right it may be, which they did not understand. Vested interest would soon proclaim the sacredness of contract, the inviolability of predatory and time-honored institutions, and successfully show how their sacred rights were being violated.

The people are not proof against resounding phrases, against the wiles and cunning of the political boss and the corporation hireling. They must be educated. There is no enduring short cut to freedom. The path of democracy lies through education.

This accepted, there remains only the selection of effective methods of educating the people. There are many ways, most are expensive, while many are fraught with the requirement of undue effort, and therefore wasted energy. Most methods of educating the people are a sort of hit-and-miss affair, more often missing than hitting.

This wasted energy we should try to overcome, and I believe the method I am about to propose in great measure does this. I hope you will give it your consideration.

Our propaganda should be separated into two component parts. First, publicity, by which the Single Tax is brought to public attention sufficiently to stimulate the

curiosity and the interest of the individual to want to know something about it; and, secondly, educating that aroused interest.

How publicity can best be promoted is not my purpose to explain in this paper. We have among our membership experts in the art of publicity, who, I am sure, if called upon to do so, will ably and willingly plan a State-wide campaign of publicity that could be carried out with economy and produce results.

My purpose is to interest you in one method of educating the individual. Like the fellow who wanted fried fish and conceived the happy idea that he must first catch his fish, so to educate the individual we must first get him.

Individuals merely are not hard to get, but not all individuals will serve the purpose of our propaganda. We must get the individual who wants the light and having got the light is able and willing to spread it. The Single Tax cannot be forced on any one. When we think we have accomplished such a feat we have merely wasted energy. We must draw from the ranks of those who want to learn, and I believe the Reading Circle lends itself as the best instrument for the purpose.

One's willingness to join a Reading Circle is also the touchstone of his quality; of his fitness for the Single Tax. This man is willing to learn. He is willing to go somewhere to listen, to ask questions, to argue, perhaps to read and then in turn to instruct. In short, it is his action that proves his quality. Our duty is to supply the place to which to go, the things to hear, and the person of whom the questions may be asked. I know of nothing that so effectively supplies these as the Reading Circle, conducted, of course, as is intended, with subject matter and formula carefully prepared.

Furthermore, the Reading Circle soon becomes the meeting place, the clearing house of idealism and philosophies, and what attraction is there greater than a crowd mutually met to talk?

One of the great advantages of Reading Circles as a method of propaganda is the ease with which they are started, and, once started, the ease with which they are kept going. In fact, once started, they cannot be stopped.

As in describing any circle, however, we must have a centerpoint, a place from which to start, so in a Reading Circle we must have the point around which the circle can be described. This point is the reader or leader of the circle. These readers must at first be chosen from ourselves, nor should the choice be limited. These readers must be ourselves.

We are not teaching a philosophy merely. We have a gospel to spread, and we should not delay longer what should have been done years ago.

What a difference it would make today if "Progress and Poverty" were known and understood throughout this State as only Reading Circles can make it known and understood. What would be the possibilities at the coming Constitutional Convention if for twenty years the Single Tax had been systematically and positively taught? It is not too late now. This league has been organized for the purpose of bringing about the Single Tax. It has among its members those who have done much for the Single Tax, many who want to do more, all who can do something. Each and every one can help. Holding meetings and conventions is not enough. It is the work that we

do among the people that counts. And nothing will bring us closer to the people than the Reading Circle, and I have spoken on street corners for years and button-holed people wherever I could find them.

The Reading Circle gives you a grip on your audience that nothing else can give. It creates a feeling of fellowship that tends to break down the bars of prejudice and bigotry and puts the reader into sympathetic relation with his hearers.

Perhaps the most important advantage of the Reading Circle as a method of propaganda is that it does not require great skill, or, in fact, any previous practice whatever on the part of the leader. Of course, any experience in public speaking that the reader may have is that much gained but no previous practice in teaching or public speaking is necessary. What most likely will result is that not only the reader but also the other members of the circle will eventually be able to express their thoughts in public if they were not able to do so before.

Not least among the advantages of the Reading Circle as a propaganda method is the fact that money is not an essential requirement for its success. Meeting halls are not necessary. Meetings can be conducted in the home of the leader or of one of the members. In fact, the home as a meeting place has many decided advantages. Some may prefer school rooms, where such can be obtained.

The only thing that is needed to successfully conduct Single Tax Reading Circles is a guide, a primary book such as Rusby's "Smaller Profits, Reduced Salaries and Lower Wages," or "The Story of My Dictatorship," followed by some such book as "Social Problems" and leading eventually to "Progress and Poverty." Or as has been suggested, starting with a series of questions and answers made up from such a book as Rusby's, and filling a session of about two hours. These questions and answers are intended to direct the discourse and not necessarily to be used in stereotyped fashion, unless that method for obvious reasons may be deemed the best.

All that is needed is a beginning. The League, or some one authorized by the League, should prepare and have ready new matter for this purpose, and be ready to direct and advise when such advice is needed.

There is no limit to the possibilities. Men congregate naturally. It is in the nature of things for them to do so. Our mission should be to use this tendency to induce men to gather to talk the philosophy of Henry George.

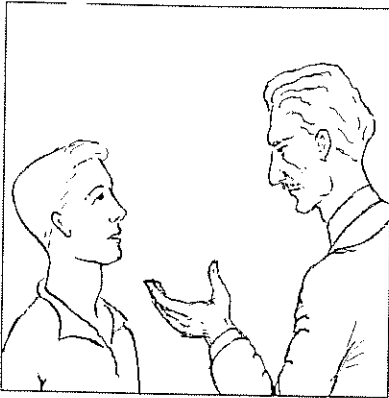
I believe Single Tax Reading Circles can be made a custom. The reading circle spirit, once properly inoculated, is catching, being both infectious and contagious. The possibilities are unlimited. Each Reading Circle will, in the natural course, draw to it some person from a more distant neighborhood, who in time will form the center of a new neighborhood circle himself. Whoever has once been part of a Reading Circle will readily serve as the nucleus for another.

It will be part of the work of this League to keep in touch not only with the readers or leaders of the various Reading Circles, but also with each member of such circles, and to help and encourage this work. It will give the League a list of names (if indeed not a list of members) that could not be otherwise obtained. And who does not see the possibility of an endless chain of circles each ever prolific of further increase?

I can see only one outcome to the proper expenditure of effort in this direction on our part. The people will respond if we are in earnest and our work will be crowned with success. We will lay the foundation of justice and democracy so firm and true that it will not be dislodged and that Freedom, Social and Economic, will be served.

CHAPTER 8: THE HENRY GEORGE SCHOOL OF SOCIAL SCIENCE

(Geiger prepared this account of his aims and hopes for the Henry George School for the Seventh Henry George Congress (sponsored by the Henry George Foundation of America) held in Memphis, Tennessee, on October 10, 11 and 12, 1932. The pressure of School activities prevented him from attending the Congress and his address was read by Joseph Dana Miller. It was later distributed as a leaflet. - R.C.)



Friends and Followers of Henry George:

I have been asked to tell about the Henry George School of Social Science. May I be permitted to confine my words to the aims, the hopes and the possibilities of the School, rather than to its achievements? Although these, in the short time that the School is functioning, have given assurance to those whose efforts and assistance have made the School possible, that the work it has undertaken is feasible, its methods fruitful and its purposes attainable.

It is thirty-five years now since Henry George left this sphere of life. Those who knew his philosophy while he lived are all now on in years and few are left to carry on the work that he began. Those who did not know his teachings while he lived, likewise are on in years and burdened with cares, and comparatively few of these have more than heard of him or of his books. Those who have come upon the scene since he has gone, have had little chance and very poor advantage to learn of the great truth which he made clear and which alone can make men free.

The materialistic outlook of this civilization, the acquisitive precepts inculcated by our present economic conditions and our modern methods of education, the lack of vision on the part of our leaders, our preachers and our teachers, the paramount need of securing the necessities of life and the consequent fear, or ignorance, or cupidity of those in high places, all combine to obscure the teachings of Henry George.

If we to whom the vision has been brought are to do our part in bringing the light to others -- as surely it is our duty to do; if we are to do our part in leading mankind out of its economic and spiritual darkness; if we mean to share in the task of making this world a better place to live in, and the human race really a brotherhood; it is for us to supply the vision, the leadership and, above all, the teaching that is lacking in our present day.

Where, better than in the minds just opening to the realities of life; where, better than at the age still on the threshold of life -- that yet unspoiled age;

and where, better than in those who are still preparing themselves for the tasks of living and of doing, can we find the soil that is as ready and as fertile for the seed we have to sow, and where better can we hope for this seed's fruition?

It is the youth of today that is the hope of tomorrow -- youth untarnished by misconceptions, unhardened by the knocks, the trials and the disappointments of life; and it is to youth, to intelligent youth, that our appeal must be made if it is to be heard, if it is to be heeded.

The youth of today will be the men and women of tomorrow, the workers, the doers and the voters of tomorrow; and it is the youth of today that will be the leaders of tomorrow. Where better, then, than in the minds of youth can we plant the seeds of truth -- the Truth that is to prevail tomorrow; where better than in the hands of youth can we place the torch that is to light the way tomorrow?

But is it really tomorrow? In a very real sense there is no tomorrow. It is not given to man to see tomorrow. The farmer more than any man looks to some tomorrow for his rewards, yet his work is done when, today, he has prepared his ground and sown the seed destined to bear the desired fruit. Its growth is in other hands. For him it is but to do his work well today, assured that in the measure that he has done it well, its results will be good. And so must we prepare the ground and sow the seed. The seed we know is good; in the measure then that the ground we select is fertile, and in the measure that we do our planting well, we, too, can be assured that the results may be left in other hands. "The stars in their courses still fight against Sisera." If we will but understand Nature we will believe in her and trust her; and if we do her bidding she will work with us and for us.

Nor is the teaching of youth merely the planting of seed that we must wait to flower on some tomorrow of manhood. Youth is a contact point that has its ramifications everywhere. There are the parents and the elders of youth that attend upon its whims and wants, that listen to its pleas, that hang upon its words and thoughts. There are the teachers and the mentors of youth that are concerned with every phase of its development; and there are the youthful friends of youth. Youth is active; youth is restless; youth is insistent. Teach youth and you teach also an unseen host that cannot otherwise be reached, a host that cannot otherwise be taught. Teach youth and you teach the world.

This is the task the Henry George School of Social Science has set itself to do.

Students of Colleges and senior students of High Schools are brought to the School by contact through their student papers, by pamphlets and by direct contact through its director's talks before their clubs and classes. As they become convinced, they influence others to come. Already an undercurrent of thought in our direction -- diminutive as yet it is true (for the School is only in its earliest beginnings) but promising nevertheless -- has developed in several of the High Schools and Colleges, which with the continuance of the School is destined to assume proportions that only vision and confidence in its rightfulness can as yet foresee.

If Truth were the goal of our Schools and Colleges; if seeking truth and teaching truth were their object and their purpose, our task, as our master's, would have been done. The truth that he made clear "would have been accepted long ago." "It

would never have been obscured." But truth is not their goal; their task admittedly is to impart "learning", and mere learning is often fraught with error.

If then what we know to be true is not included in School and College curricula, it seems our duty to supply the need extra-curricular. To this there cannot be, nor indeed is there, any effective opposition. Socialism and Communism have already made inroads in these extra-study fields, and it is for us to say whether, or how long, we mean to sit idly by and watch the stream of learning be poisoned at its source. Error cannot enter where truth is enthroned. Shall we to whom the truth has come do less than they do, themselves misguided, can do naught but misguide others?

It is the aim and purpose of the Henry George School of Social Science to teach Fundamental Economics and Social Philosophy to those still learning; to those to whom study is still a habit. It is its purpose to send these forth into the world of life and living; into their chosen fields of labor, industry, politics and education, so fortified that error cannot prevail against them; so prepared that Truth, our truth, will, through them, reflect itself in every field of their endeavor. It is the purpose of the School to create not merely future followers of our cause, but its future leaders and its teachers. Already it gives promise of achievements in this direction.

CHAPTER 9: CORRESPONDENCE

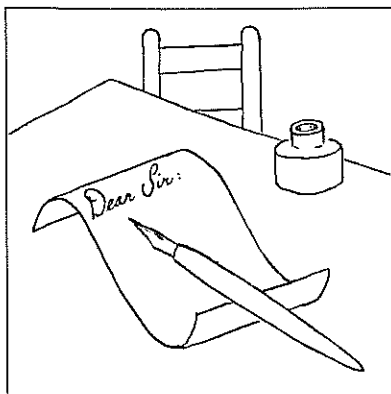
(When the Henry George School was founded, there was praise, criticism and advice from many quarters. Geiger soon found himself busy writing to Georgists all over the country explaining the purpose of his new venture. Some letters are quoted in Part I and here is another sampling of his correspondence. - R.C.)

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Letter from Dr. G. K. to
Henry George School of Social Science

June 14, 1932

Gentlemen:



I regret that the desperation of conditions precludes me from contributing to any work beyond what I myself always try to do.

I regret much more, however, the advent of the "School." I protest that if Henry George were living in these days of agony which mark the truth of his predictions he would not waste one moment in such a defeative futility.

To me, it marks just about the peak of the mistake into which we have been led for years - making a Cult of what should be a Flaming Sword. If any person cannot understand Single Tax from reading Progress and Poverty, his mentality is moron or his morality is nil. The intimation that any bunch of college grads must have "lessons" is rotten. If these young people want to help the cause, let them hit the grit and do it. If not,

who are we, toilers in the dust that we have always been, to bother with them; they are the product of miseducation. They have not been "leaders" even in the folly taught them as to politics, economics, etc. in the class room drool. Do we need to appeal to them to come in and become "our trained, educated leaders" - or go after any of the schools. No. I am sick, tired and disgusted with a snobbery that has prevailed in our own movement - which seems to be based upon the bright idea that if we can get some of the ultra-ultras on our side they will reach down and lift up the masses. So, we make a simple principle of right a very, very high-brow proposition to be presented to eminent business men and distinguished educators and all that blah.

I do not want to rave, but I am going to speak my mind. Our movement has been dragging along without getting anywhere for about two decades, just owing to these futile and academic ways of "education." The nation and the majority of its people are bankrupt - and if we can't lead, the Reds will. It is no time for pussy-footing.

Yours truly,
G.K.

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Reply to Dr. G. K.

Dear Doctor:

I admire the spirit of your letter of June 14th and am inclined to agree with much of what you say.

True, a reading of Progress and Poverty should make anyone a Single Taxer. But how are you going to get any appreciable number of people to read it?

True, it is unfortunate that college students do not know either George or what he taught; then how do you expect them to "help the cause?" If they are the "product of miseducation" are they to be left so? Perhaps it is to their credit that "they have not been leaders even in the folly taught them as to politics, economics, etc. in the class room drool."

If we do not teach and train the educated youth of today in our cause, who are to be its leaders tomorrow?

Although the school is young, we have already a small nucleus of adherents in some of the colleges here, and we expect to have a fairly good working group in every college and high school by next year that will do much to counteract the socialistic-communistic and ultra-conservative tendencies in both student and faculty bodies.

Your impatience is praiseworthy, but there will never be a harvest if we do not sow seeds and there is no better ground in which to plant than that already prepared.

If the School is supported, it will give a good account of itself, and I am sure you will then feel glad of its existence.

Faithfully yours,
Oscar Geiger

Letter to B. L. S.

1932

Dear Mr. S.

I agree with you that my statement "as conditions become better" was optimistic. I, too, am looking for worse conditions after this artificially bolstered activity is ended, but I am not looking for the final crash just yet. Rent is falling and will eventually drop to where it will express true economic conditions; then will follow a period of low wages, low interest, small incomes, big and continually increasing governmental indebtedness, enormous taxes (all incorrectly placed) and then finally (unless economic insanity has ended or war has been declared) will come helplessness and chaos; even war cannot put it off indefinitely.

My hope, however, is that during the somewhat extended period of poverty and mounting debts, we will have a large and attentive audience and I believe an intelligent and chastened one.

Only fear and suffering bring quick fundamental changes in governmental matters and we will need such a period as I seem to see approaching to put spiritual sense and economic wisdom into the hearts and minds of our leaders.

The Henry George School of Social Science, and its eventual branches or counterparts, if properly supported, should put Henry George into people's minds generally. But we cannot stop, we must go on; we are going on. I mean to devote what is left of life to me to establish an institution that will continue of its own momentum after I am gone. The better and firmer we build now, however, the quicker and better the work will be done.

Sincerely yours,

Oscar Geiger

Letter from James F. Morton to Joseph Dana Miller

Dear Joe, -

May 20, 1932

....I managed to drop around at Juanyta Clivette's meeting last Wednesday evening, to give Oscar (Geiger) a bit of backing. He made an admirable speech under some difficulties, a pack of young hoodlums having gathered in the hall, and deliberately raising a racket to disturb the meeting. Max L_____ provided the chief opposition, making some of the most ridiculous arguments against the Georgist doctrine that I ever heard. Max's "intentions are honorable"; but in some respects he is about as perfect an ass as ever came from the hands of the Creator. I had my say after him; but his hide is too thick to be penetrated by reason. Oscar is a joy forever; and I love him more and more whenever I see him...

Ever yours,

Jim