

# HGI JOURNAL

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## CENTENARY OF OSCAR H. GEIGER

On February 24th the Henry George Institute held a luncheon at the Roger Smith Hotel in New York attended by members and friends from New York City, Long Island, New Jersey, Boston and Philadelphia. The occasion was the 100th birthday of Oscar H. Geiger, businessman, philosopher, teacher and founder of the Henry George School of Social Science. (This event also featured a program on Fairhope. See page 11.)

Robert Clancy, President of the Institute, who studied under Geiger, reviewed the life and accomplishments of the founder as related in his book A Seed Was Sown. Born in New York February 24th, 1873, Geiger died June 29th, 1934 at the age of 61. In 1932, while the Georgist movement was in decline and during the Great Depression, he founded the School, and though he died a little more than two years later, the work went on and grew, reviving the movement.

Oscar Geiger compared his work to sowing a seed. And as with plants that reach maturity other seeds are thrown off and propagate elsewhere, so it has been with the Henry George School. Geiger has given us a workable method for spreading the Georgist philosophy, said Mr. Clancy: Let us continue it and create anew a Georgist movement stronger than before.

(Contd. on p. 8)

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### EDITORIAL

Currently much is hap-  
pening that is encouraging.  
Land assessments are being  
given a good deal of atten-  
tion and underassessment  
of land is being attacked  
on many fronts. Cities are  
upgrading their land assess-  
ments, notably Chicago,  
Hartford and Washington.

As we follow these devel-  
opments - and try to help  
them along - it is well to  
recognize that at the same  
time we as Georgists are  
concerned with more than a  
fiscal reform. By no means  
should we neglect the fis-  
cal means - for this is the  
one concrete measure we have  
of offer - but neither ought  
we forget the larger vision.

We have an economic out-  
look that runs the gamut of  
important economic questions.  
We have the goal of abolish-

ishing poverty. And we  
have a philosophy that in-  
cludes freedom, justice,  
and natural law.

To take the matter of  
poverty: In illustrating  
our fiscal reform, it is  
helpful to use the simple  
example of a piece of  
land and a building and  
show how a shift of the  
tax to the land will en-  
courage a better improve-  
ment. But we want more  
than better houses for  
slum dwellers - we want  
higher wages for them too,  
and our reform aims at  
that.

Articles in this is-  
sue suggest some of the  
aspects of the Georgist  
outlook: Oscar Johann-  
sen analyzes the current  
monetary crisis; tributes  
to Oscar Geiger reveal a  
broad interpretation of  
the Georgist philosophy;  
and on the fiscal side,  
Carl Shaw and Joseph Zash-  
in are devoting time and  
talent.

Oscar Geiger put it  
this way: "The Single  
Tax is not merely a way  
of levying taxes, but the  
basis of a social philo-  
sophy that enters into  
and improves every phase  
of human life."

## THE MONETARY CRISIS AND INTERNATIONAL TRADE

By OSCAR B. JOHANNSEN

Another international monetary crisis erupted in February which has been temporarily "solved" through the devaluation of the dollar. Why have we had so many of these crises in the past few years?

Probably the principal, but not necessarily fundamental, reason is that the nations of the globe are engaged in a world-wide trade war with one another. This war is predicated on the belief that the nation with a "favorable balance of trade" is the victor. This "favorable balance" exists when a nation exports more than it imports. Economists have demonstrated ad nauseam that this doctrine is fallacious. It is similar to an individual assuming he is better off if he gives away (exports) more goods than he receives (imports). While it is perfectly obvious that an individual to export more than he imports is foolish, unfortunately where nations are concerned it is not so evident.

Now, since all governments have made money their monopoly, they use this control over money as a tool to increase exports and decrease imports. How? By maintaining the fixed exchange rates between their currencies and those of other countries as low as possible. For example, if West Germany maintains the exchange rate of its money low enough compared with that of the United States, then its money is a bargain for Americans. This encourages them to exchange their dollars for marks with which to purchase German goods. At the same time, since for Germans the dollar is expensive, they are discouraged from buying American goods.

How is Germany able to keep its mark at a bargain for Americans? It is accomplished by having its central bank, the Bundesbank, buy the dollars flowing into Germany. If the Bundesbank did not interfere and let the free market operate, then as dollars flooded Germany, the mark's price in terms of dollars would

rise to a point where it was not a bargain for Americans. This would slow the exportation of German goods for they would be more expensive to Americans now. At the same time, it would make American goods cheaper for Germans, which they would then import. The tendency would be for the value of imports to equal the value of exports in both countries, i.e., imports would balance exports.

Why does the German government deliberately try to keep the mark so low as to be a bargain for Americans? Does it love us that much? Hardly. It is because the businessmen, the politicians and the bureaucrats in Germany believe in the favorable balance of trade doctrine. They think by exporting a huge quantity of goods, German labor and business will be prosperous. But what actually happens is that some Germans, as exporters, are benefitted, but at the expense of all the Germans. How does this occur? The Volkswagen company gets dollars for the cars it sells in America. It exchanges them at the Bundesbank at the fixed rate of about three marks to the dollar.\* By using these marks to pay its laborers and suppliers, they get into the German marketplace, tending to raise the price level in Germany. This means that all Germans are forced to pay higher prices so that the Volkswagen company, its employees and suppliers, can enjoy prosperous conditions.

Since the dollar is expensive to Germans, they are discouraged from buying American goods, so the dollars pile up in the Bundesbank. But this cannot go on indefinitely for the more dollars the Bundesbank piles up, the higher the price level in Germany, with the consequent outcry by the people. Therefore, at some time or other, Germany must either let the mark "float", i.e., let the free market operate, or restrict trade with America, or induce the American government to devalue the dollar.

If the dollar is devalued, then the mark is more expensive to Americans thus discouraging them from buy-

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\*Where does the Bundesbank get the marks to buy the dollars? It prints them, thus inflating the money supply.

ing German goods. At the same time, the dollar becomes cheaper for Germans, encouraging them to buy American goods. The reason the German government wants America to devalue is political. It can say to German exporters that the American government is at fault for making it more difficult for them to sell to America rather than the German government.

Fundamentally, the problem is unemployment. Since most nations export a large percentage of their production, it appears that they must export or suffer unemployment. Of course, all nations cannot continually export more than they import. At least one nation must do the reverse, and the United States has been that nation for the past decade or two. But as protectionism has arisen in America, it too has been actively attempting to export more than it imports. But this has meant that all the nations were now trying to increase exports at the expense of imports. But this is manifestly impossible, so sooner or later something had to give, and the result has been the recent monetary crisis.

None of the nations' currency machinations solve anything in the long run, for unemployment is not really dependent on the export trade. Rather, as Georgists know, it depends on the system of land tenure practiced. But most people do not know this. They believe in the favorable balance of trade theory. Therefore we can expect each nation will continue to manipulate its currency to encourage exports, and in particular, exports to America. At the same time, America is going to keep on striving to increase its exports at the expense of imports.

Clearly then, as the trade war continues, one monetary crisis after another will erupt. Eventually common sense will have to prevail. However, at the present time, the sad fact is that all the signs indicate that such will not occur for a long time to come. History teaches that before common sense prevails, trade wars often eventuate into active physical wars. Let us hope that history will not repeat, but only a foolish man would bet on it.

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## PROGRESS IN WEST VIRGINIA

By CARL F. SHAW

Since I have moved to West Virginia as an assessor, there have been interesting developments, among them the following:

The senior state real estate appraiser, George Hardman, taught a five-day course in February to all state appraisers and mappers. He is keen on taxing land values.

Our chief, Ron Pearson, has charged all assessors with the Number One priority of fully appraising all the land in West Virginia.

The Capitation (head) Tax was abolished in 1971. The Household Goods Tax was voted out of existence in the November 1972 elections.

The newly elected assessor of Kanawha County (which includes the state capital, Charleston), Dempsey Gibson, favors removing the developers' discount on raw land - this would encourage sale or development. The Charleston Gazette says of Gibson: "On land-holdings for speculative purposes, the new assessor says he mostly plans to look into what can be done about those in commercial areas where large lots are occupied by shabby, low-taxed improvements. A greater tax on the value of the land, he suggests, might deter the land from being held indefinitely, blocking progress until the price is sky-high for selling."

I am being transferred to five counties in the northeast panhandle of the state. There is a new super-highway there and Baltimore and Washington people are looking for cheap land there. As can be readily understood, the land is no longer cheap and there is little or no tax incentive to sell - the owners hold on. There is a job for me there!

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(Apologies to Ted Gwartney for leaving his name off the article on page 6 of the Oct. 1972 issue.)

## THE TAX MAP PLAN

By JOSEPH ZASHIN

Underassessment of land for tax purposes is the basic evil which defeats hopes for equitable land value taxation. The tax records of Pima County, Arizona where I have spent endless hours of research are full of such instances of underassessment - as are the records of the other 3000 counties of the United States!

Underassessment creates the inequity in which the favored landowners pay less than their fair share of the tax burden. And surprisingly (or unsurprisingly) those favored landowners include the wealthier and more powerful, who are subsidized in their tax payments by the rest of the body of taxpayers who have to pay more than their fair share to make up for the deficit.

Nor does underassessment affect tax revenue alone. Land should be an endless source for human needs, never failing as more and more human effort is applied to it. Instead, land is held out of production by the underassessment which abets the speculator. Not until he has obtained the huge tribute which he exacts for values he has not created, will he permit the land he controls to go into production.

For this reason, I have been urging the use of my TAX MAP PLAN. This attempts to show every parcel of land in a community noting thereon the assessed valuation of the land and of the improvements - and whether it is tax-exempt or not. This information, publicly displayed on maps, for ready examination by any citizen, brings to light all of the existing facts - inequities, underassessment, etc. It is one hope for a breakthrough in this ancient injustice, one hope for braking the runaway inflation in land costs which bears so heavily on all economic activities.

All a tax map requires is the doing. The information is available - assessed valuation of land, or improvements and whether the parcel is tax exempt. It can be done in any community.

GEIGER (contd. from p. 1)

Tributes to Oscar Geiger from absent friends were received, among them the following:

From GASTON HAXO, friend and collaborator of Oscar Geiger in many Georgist efforts: "Henry George founded the Single Tax movement by writing Progress and Poverty in 1879. For 17 years he gave every hour of his time and every ounce of his energy to fulfill his vow to abolish poverty. He made many converts all over the world and the future of his crusade for a free earth looked exceedingly bright. But he had given too much of himself to his cause and he died during his second campaign for Mayor of New York in 1897. He was only 58. His untimely passing caused the movement to lose vitality. It became scattered and started to decline until about 1930, when the torch he had lighted was on the point of going out.

"It was then that Oscar Geiger, ruined financially by the Great Depression, made his vow to use what time and money he had left to keep the torch of freedom from being extinguished, perhaps forever. He founded the Henry George School of Social Science, and like Henry George he gave all his time and energy to revive the Georgist movement. He succeeded but he died in the attempt two years later. He was 61, only three years older than Henry George.

"All we can do now to honor his memory is to dedicate ourselves to the task of making his dream come true."

From MILTON NORWALK, Secretary of the Round Table Club, a group of young friends of Oscar Geiger's son George: "In the early 1890's a young man hardly in his majority secured a copy of Progress and Poverty. He did not sleep that night until he had read it from cover to cover. With the light of the morning came a vision; a flame was kindled in him which lighted the whole course of his life and gave brilliance to his acts."

"As a youth he had been raised in the Jewish faith. Oscar Geiger had been a devout student of the Hebrew



scriptures and had trained himself for the rabbinate. But now all the fervor, the spiritual force, the religious faith of a lifetime channeled itself to another path. He embraced the Single Tax and all his life devoted himself to his self-imposed burden of propagating the faith so close to his heart.

"In season and out, to friends and acquaintances, at social gatherings, on soap boxes, to whomsoever would listen, he spoke the gospel.

"His one son George was named in honor of Henry George. George's young friends formed into a group that began with story telling and evolved into the Round Table Literary Club whose members were thoroughly conversant with Single Tax and which lasted for 20 years.

"When the Depression came, Geiger lost his fur business which he had spent his life in building, and he now devoted the rest of his life to building, alone and unaided, the Henry George School of Social Science.

"Oscar Geiger died as he had lived, active in the work he loved, Single Tax. Like Moses on Nebo, he gazed into the future and saw the fruition of his dreams in a promised land he could not tread - a world with justice for all and peace and freedom for the human race."

From WILL LISSNER, writer for The New York Times and editor of the American Journal for Economics and Sociology: "I first met Oscar Geiger around 1930 at the beginning of the Great Depression. I recall that he told me he was planning to open a school dedicated to teaching George's economics and social philosophy but until it was ready he was teaching students privately in his home. He offered to take me on and for several years I had the privilege of his tutoring.

"During our several hours together each week I learned to know and appreciate Geiger. He had been a rabbi assigned to an orphan asylum, but he left to make his living as a furrier. Attracted to the Henry George movement, he was active in it, and when the movement went into a decline, he vowed to spend the

rest of his life in building an educational movement that would revive it. The fact that there is a Henry George movement today we owe in large part to the work of Oscar Geiger.

"But Geiger's interest transcended economics, even philosophy. Another bond between us was that I had studied Swedenborg and was an admirer of Kant, Emerson and John Dewey. Bob Clancy produced a course on Geiger's philosophical outlook which shows how wide-ranging was his thought.

"I remember his passing in 1934 when the School was on 79th Street. More than a hundred people crowded into the small quarters to hear the eulogy by Lawson Purdy who said that the truth to which Oscar Geiger dedicated his life would live on, thanks to his efforts.

"Nearly forty years have passed - and that truth has indeed survived. We have yet to see it manifest in our economy and our society, for ignorance dies hard. But I am as certain as Geiger was that if I do not see it in operation, my descendants will. For that achievement we will owe much to an army of people. And prominently standing in their midst is Oscar H. Geiger."

Other messages included one from MARC BERK, an associate of Geiger's in the early days of the School, who wrote that "Oscar Geiger did not spare himself in attaining his goal of spreading the Georgist philosophy through education. He was a gentle, humble man. He inspired confidence and he succeeded in getting a great variety of people to work together for the common cause, before and even after his death."

Messages were also sent by younger people who had never met Oscar Geiger but were greatly influenced by studying his philosophy. Among them: GEORGE COLLINS, Director of the Philadelphia Henry George School, who said that Henry George's and Oscar Geiger's philosophy combined have become his own philosophy; and WILLIAM CAMARGO, a Director of the Henry George Institute, who had studied science and through Oscar Geiger came to a spiritual understanding of the teachings of science.

## COMING CONFERENCES

Fairhope, Alabama will be the scene of a Consultation of the Henry George Groups, from Friday, April 6 to Sunday, April 8. If you are interested in attending, write promptly to John T. Tetley, Director of the New Jersey Henry George School, 50 E. Washington Terrace, E. Orange, N.J. 07017.

Fairhope, largest and oldest of U.S. single tax enclaves, was the subject of a slide presentation by Karl Otto at the Henry George Institute luncheon on February 24th. Mr. Otto spent six days in Fairhope, taking pictures and interviewing personnel. The impression of an attractive and well-ordered community emerged. The Fairhope Single Tax Corporation owns a considerable portion of the land of the City of Fairhope. It collects a land rent from its lessees and from this fund pays some social services as well as the property taxes levied by the City.

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A Conference on the Property Tax will be held at Glendon College, York University, Toronto, July 4 to 7. Among the participants will be Arthur Becker, Mason Gaffney, C. Lowell Harriss, Ted Gwartney, Dick Netzer, Hud Stewart and representatives from South Africa and Australia. There will also be meetings with Ontario officials and mayors of Metro Toronto. For detailed information, write to Mal McCarthy, President, School of Economic Science, 2304 Islington Ave., Rexdale, Ont., Canada.

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An International Conference on Land Value Taxation and Free Trade will be held on the Isle of Man, British Isles, September 8 to 15. The Villiers Hotel will be the scene of the Conference which will emphasize practical application of land value taxation including problems of urban renewal, valuation, town planning, property taxation, etc. A specially priced package is being arranged. For complete information, write to Mr. V.H. Blundell, secretary, International Union for LVT & FT, 177 Vauxhall Bridge Rd., London S.W.1, England.

## PROGRESS OF THE INSTITUTE

On December 12, a visitor from Melbourne, Australia, George Hardy, spoke to members of the Institute. Mr. Hardy is author of two books, Monopoly and the Individual and Society in Conflict, which will soon be available to American readers.

A holiday social was held at the Barbizon Hotel in New York on December 29, and a luncheon at the Roger Smith Hotel on February 24 (see page 1). Coincidentally, 34 friends attended each of these events.

The Nominations Committee is now working on the nominations received for this year's elections and ballots will go to members around the 1st of May.

A correspondence course in Progress and Poverty has been launched. Some students are already enrolled.

The Spanish Division continues to produce terrific results. The current term of classes at Xavier High School has 115 students enrolled in 4 courses (Progress and Poverty, Protection or Free Trade, Science of Political Economy and Agrarian Reform).

Among new HGI members we are glad to welcome the following:

PERRY PRENTICE, former editor of House and Home, now President of the Robert Schalkenbach Foundation. He lectures and writes extensively on land value taxation and continues to exert considerable influence.

DON SHOEMAKER, editor of The Miami Herald and a descendant of Henry George. He spoke at the Conference of Henry George Schools in Miami in 1968. Letters from Georgists appear regularly in the Herald.

FRANK E. NELSON, chairman of the Taxpayers' Lobby of Delaware, a citizens' watchdog group which holds public forums, keeps after public officials, and promotes land value taxation.