

The Bargyle



"A throat, mouthpiece, spout." Opinions expressed herein are those of the writers and not necessarily endorsed by the Henry George School.

HENRY GEORGE SCHOOL OF NEW JERSEY

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GONE FROM OUR PANKS

Lewis R. Harris Dec. 13, 1961
Margaret Tozier Badgley Feb. 1962
R. Douglas Badgley Oct. 24, 1962
Robert C. Bowers Oct. 27, 1962

CHANGES * BOARD OF TRUSTEES

At October meeting of Board of Trustees of N.J. School, Messrs. Henry Grosken and Henry A. Gleifers were unanimously voted Trustee Emeritus. Mr. Arnold Kleiner of Califon was elected to the Board.

SALT OF THE EARTH

Nothing makes temptation so easy to resist as being broke.

Daftynishions: Winter - The season that's so cold even the wind howls about it.

Witchcraft: A broom.

Cosmos: Very Expensive.

Taxpayer: A person who is more debt than alive.

Model Husband: One who, when his wife is away, washes the dishes every day--both of them.

Good Breeding: Quality that enables a person to wait in well-mannered silence while the loud mouth gets the service. Guest Towel: What often persuades people their hands don't need washing after all. Diplomat: One who can bring home the bacon without spilling the beans. Xmas: The five-week celebration of Thanks-giving by the gadget merchants.

Do you know what the easiest way is for a woman to get her PhD? Marry him.

What a depression we're in now - Everybody's working and everybody's broke. At least in the 1930's we didn't have to work.

TAXES IN NEW JERSEY

Selected Sales - Personal Income
Is there need for additional state revenue? (See end of Page 4.)

Tax Inquiry Council (T I C) Purpose: As name implies, the purpose is to inquire into the nature and effects of all taxation - to examine and evaluate. T I C is strictly investigative and educational. It is not political - pressure or propaganda. It will take no stand nor advocate any specific tax measures. PROGRAM - Encourage study of tax principles, distribute literature. TIC will not duplicate efforts of other groups such as Taxpayer's Associations, Foundations and Institutes. MEMBERSHIP - Anyone interested in the subject of taxes may become a member of the Council. There is no fee or obligation. FINANCES - Voluntary contributions to defray moderate expenses. There are no paid workers or fixed charges. ORGANIZATION - TIC is not affiliated with any other organization.

If you wish to be placed on mailing list for literature and notices of activities - send your name and address to - Tax Inquiry Council, 78 Clinton Ave., Newark 14, N.J. (NA 3-9333) John T. Tetley, Executive Secretary.

HENRY GEORGE SCHOOL OF NEW JERSEY
78 Clinton Avenue, Newark 14, N.J.
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CONTENTS

Only Truthful Economics Can
Solve America's Problems
Another Indian Scalping
Economics, Home Economics and
Political Economy
Tax Inquiry Council
Unearned Income & Taxes
Larger Taxbite on Homeowner

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ECONOMICS

HOME ECONOMICS

POLITICAL ECONOMY

A reader of The GARGOYLE asks: "Are Economics, or Home Economics and Political Economy one and the same thing? Will you please publish your answer in your paper next month? I think the answer might be appreciated by many students."

Perhaps others have experienced, as I did in an opening session of a Henry George school class. The course had been advertised as one in Fundamental Economic Principles, however at the close of the initial session a young lady student said to me, "I thought this was to be a course in Home Economics."

Economics is an extremely broad subject. The word itself in the Shorter Oxford English Dictionary is defined - "A - pertaining to household management." B-1, House-keeping 2. The science of household, rural and especially political economy."

Under "Economy" the above mentioned dictionary - 1. Management of expenditure; originally of household, later of any expenses - 2. Political Economy originally the art of managing the resources of a people and of its government (Adam Smith) later the theoretical science of the laws of production and distribution of wealth (McMillan) 1767."

Now, if the young lady had a concept of "economics" as being management of the household and considered such to be "Home Economics" she was justified in assuming that which we termed "Fundamental Economic Principles" as being the principles of home economics. Further it might be concluded, accepting the excerpts from the dictionary, that our reader could consider "Home Economics" and "Political Economy" one and the same thing.

However, I believe today, the common usage of "Home Economics" is that which deals with household or home management, and I do not think Home Economists refer to their field as "Economics", but rather use the full term - Home Economics.

Henry George in his book Science of Political Economy presents a lengthy explanation of the terms Economics and Science of Political Economy. This careful analysis of the terms might well be briefly reviewed here.

George wrote, the word ECONOMY comes from the Greek meaning, house law, or in a wider sense, adaptation of means to an end - a system by which natural wants are satisfied involving production and distribution.

Political, George said infers a relationship to the body of citizens or state - the body politic. Political Economy therefore is a particular kind of economy. In the literal meaning of the word it is that kind of economy which has relation to the community or state; to the social whole rather than to individuals.

He went on - the tendency became to abbreviate and use Economic when Political Economic is meant. This combined with the confusion of human law, which deals with the body politic and with natural law which deals with the body economic, led to the term Political Economy. The French Physiocrats, said George, used Political Economy to distinguish the branch of knowledge with which they were concerned, from politics and called themselves Economists.

The confusion which the Physiocrats tried to point out continued at the time George wrote - the term political economy conveying the impression of a particular kind of politics rather than a particular kind of economy.

The word political implies civil government, human sovereignty, political division, nations. It is not the body politic but the body social or body industrial - the body economic - the whole of civilization with which the Science of Economics is concerned. So, suppose we leave "political" out of Economics, and leave Economics out of politics. Then we may segregate "Economics" - "Home Economics" - and "Political Science" or "Science of Politics".

John T. Tetley

ONLY TRUTHFUL ECONOMICS CAN SOLVE AMERICA'S PROBLEMS.

By Herman Ellenoff

Economics should be a Mind-Tool for understanding the basic laws involved in the production and distribution of wealth. A knowledge of economics should give one a Mental Stethoscope for understanding the "cause" and "cure" of the problems facing America: unemployment, the dependence on defense contracts and public works to give jobs, also the implications of ever-increasing Federal Debt.

An outline of the basic fundamentals facts of economics are as follows:

1. "Mother Earth" is the source of all production, all jobs.
2. Land, labor and Capital, are the factors in the production of wealth.
3. Of itself, land is not wealth. Merely holding title to land -- produces no wealth.
4. Population, by its number, activities both private and public -- gives value to land. The site of #1 Wall Street, New York, was assessed a few years ago, at \$6,800,000. A hundred miles away, a site of similar size could be had for \$300.
5. Ground Rent--the site-value of: city land, rural land and natural resources land, being population-made, belongs to population; and the community should collect ALL of it as a "service charge" for advantages to be had. Public utility franchises also come into this category.
6. Taxes and Ground Rent are NOT the same thing. Taxes are a forced contribution, a confiscation of

private wealth--to make up the deficit caused by the private retention of a large part of the People's Ground Rent. Ground Rent on the other hand, is a voluntary payment for value received at the location.

7. There are only three ways of making a living; by labor, theft, charity; (charity should be for the physically handicapped.)
8. There is no Santa Claus in nature. Nature gives to labor only.
9. Wages come out of the product sold and not out of capital. Both management and labor--work for the customer.
10. Labor and Capital, are both exploited by Two Robbery Processes: privately retained Ground Rent and Taxes.

Conclusion: Only truthful Economics -- Not Verblage of Political Fortune Tellers Can Solve America's Problems.

ANOTHER INDIAN SCALPING

Treaties which are made with the Indians are apparently made with the expectation that they will be broken. That, at least, would appear to be the case whenever land is involved. In New York State the rights of an Indian tribe were coolly dismissed when it was necessary to build a dam on some of their land and the same thing is now happening in Pennsylvania.

George Washington is the epitome of truthfulness and integrity and we are all wisely exhorted to follow his example. Unfortunately, this does not seem to apply to the Federal Government. When George Washington was President, his administration guaranteed in perpetuity the land of the Seneca Indians. Under the Pickering Treaty of 1794, the only way by which the land of the Senecas could be given up was by the Indians themselves voluntarily signing the land over to the United States in a treaty.

Today, this treaty comes into conflict with the demands of the Army Corps of Engineers, so it is casually broken. The Army Corps wishes to build a dam on the Allegheny River which would flood one-third of the tribe's 30,000 acres. It is part of a program to control the Allegheny, which often floods the area around Pittsburgh.

The Indians objected, saying they would lose their best land, which is also their hunting grounds. In addition, they have enjoyed special privileges on this land, such as free access to toll roads through them, exemption from property taxes and free hunting licenses. But the Government does not want to relocate the dam as that would mean condemning other more valuable land, so it is ignoring the Seneca promise George Washington made and utilizing its power of eminent domain. Anyway, it claims that the Senecas are American citizens and a Government does not make treaties with its own subjects. In addition, they will get the fair market value of the land.

The U.S. Supreme Court has refused to hear the appeal of the Senecas against the ruling of the lower Federal courts, which held against them, so their last resort is gone.

This is typical of governments. When a government decides to do something, it does it despite the fact that it ignores the rights of people. Private enterprise would have made some accommodation mutually satisfactory to both parties. But as government has might at its disposal, it uses it whenever it feels it must.

However, governments must have the same high moral standards that people have. If they do not, then no program of reform will ever work. Henry George's collection of economic rent is predicated on the expectation that the governmental action involved will be conducted on the highest moral principles. If this is not the case, then the economic rent collected would merely be used to perpetuate those in power and not as a means of equalizing opportunity among all the equal claimants to the opportunities available.

Thus, along with the education of the people on the necessity for collecting economic rent must be education on the need for government to conduct itself on the same high moral plane that men expect of one another. Is this possible? The answer to that is not easy. History does not give much evidence of high moral standards on the part of governments. It does seem to indicate that those governments which are closest to the people tend to have the higher standards. That may be why our Government seems to have more consideration for people's rights than most other ones.

One thing is certain and that is that wisdom in economics must be accompanied by morality in government for George's ideas to be successful.

Oscar B. Johansen

SENSE AND NONSENSE

In view of the fact that the politicians are offering the people all kinds of programs to make it easier for the citizens to pay for their education, their medical expenses, their old age, and a host of other important needs, why doesn't the Federal Government come forth with a program which will be of real help to everyone and probably be the most popular of all. It is a program designed, on the average, to save the people at least about 1/3rd of their income.

What is it? It is the GPT plan. This is a plan for the Federal Government's plan to pay your taxes.

After all it is very difficult for most of us to pay our taxes, in many cases, much more difficult than for us to pay our living expenses. So, let the Government pay them. Everyone will certainly approve as no one likes to pay taxes. In addition, it will promote harmony among the people as taxes cause con-

UNEARNED INCOME AND TAXES

tinnal disputes among the citizens. And no one will care how high taxes go as long as the Government pays them.

And who is better able to do this than the Government. The bureaucrats are always telling us how much better the government can run the hospitals, insurance, transportation, etc. Well, if the Government is so efficient in handling such complicated problems as these, certainly they should be efficient enough to take care of paying our taxes for us.

Where will the Government get the money to pay our taxes? That's its problem - not ours.

Do you know what the smart speculators in Wall Street are doing these days? They are putting all their money in taxes. Taxes are bound to go up.

Now that the election is over, we find out that the Federal budget will show a deficit this fiscal year of \$7.8 billion instead of the estimated half billion surplus, which was predicted last January. This, together with the \$6.3 billion deficit for the previous fiscal year, makes a total of \$14 billion in two years. And for the next fiscal year, beginning July 1st 1963, the deficit is expected to be \$10 billion. This does not take into account the tax cut which has been promised. Thus within a three year period the deficit would amount to over \$24 billion, and probably much more. What does this all add up to really? --- Inflation!

Newspaper reports indicate that the New Jersey State Tax Policy Commission will recommend in December that N. J. adopt a 3% selective sales tax to bring in about \$150 to \$180 million a year.

A small majority of the Commission are said to favor dividing up the \$180 million this way:

Almost double School Aid, raising it from \$100 million to \$170 million.

Almost triple roads and bridges, raising allotment from \$15million to \$45million.

\$5 million for the Kerr Mills medical care for the aged program.

That leaves some \$75 million they don't know what to do with.

The State Budget Director and some other state officials have publicly stated a new tax is not a necessity, and since in 1963 eleven Senate seats and the sixty Assembly seats will be up for election, it is assumed no tax will be enacted before the election.

However, if the tax is enacted, the people of New Jersey will have a concrete demonstration of Parkinson's Second Law, which says that expenses always rise to meet income. One may wonder why school aid must nearly double and why almost three times more funds are needed for roads, but don't worry, reasons will be found. As for the extra \$75 million, it won't be long before it will be said that

The real unearned income is that which accrues to an individual without having done anything which contributes to production. Of the several types of such income is that which issues from the site value of land. The recipient of such an income does nothing to earn it; he merely sits tight while the growth of the community about the land to which he holds title brings him an unmerited gain. This gain is at the expense of all true producers, whether they be laborers, entrepreneurs or investors in industrial equipment. The taxation of this gain can do nothing to deprive the community of any service since the donee is rendering none. The land will be there for the use of society whether the return from it is taxed or free. Society creates the value and should secure it by taxation.

Frank D. Graham, Professor of Economics, Princeton University.

LARGER TAXBITE ON HOMEOWNER

It is our considered opinion that the homeowners are in a tight squeeze tax-wise from which they will have to extricate themselves alone, because nobody else is going to do it for them. As long as they remain a mute body of acquiescing citizens, the tax bite will be put on them for one excuse or another.

All homeowners should also be alerted to the double attack to which they are in eminent danger: (1) the very emphatic recommendation by a number of tax experts in Washington, D. C., to have all homeowners include the imputed rent of their own homes as income on their Federal tax returns; and (2) the removal of the deduction for interest on home mortgages.

E.S. Hansch - Taxpayers Digest, Portland, O.

WRONG FEW

A woman who did not understand the language of business went into the Bank of England to consult someone about her loan holding. The clerk to whom she talked happened to be rather a grave person. He inquired: "Is it a case of conversion or redemption, madam?"

"Conversion? Redemption?" faltered the woman, "Er-pardon me, is this the Bank of England or the Church of England?"

TAXES IN NEW JERSEY

Speakers for clubs, organizations - no charge! Write or telephone N O W.

Tax Inquiry Council.

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