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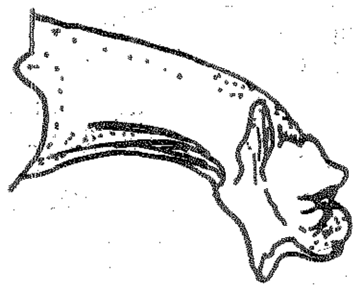
The Gargoyle



"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 No. 77 D E C E M B E R 1 9 6 3

S E A S O N S G R E E T I N G S

"It may be a long, long struggle;

but to see the truth and to do

what one can to express it brings

its own independent and rich reward."

Henry George

1897

* * * * * * * * *

The GARGOYLE wishes you

H A P P Y H O L I D A Y S

C H R I S T M A S

I hear the bells on Christmas Day

Their old, familiar carols play,

And wild and sweet

The words repeat

Of peace on earth, good-will

to men.

-.Longfellow

* * * * * * * * *

The HENRY GEORGE SCHOOL sends

BEST WISHES FOR THE NEW YEAR.

THE VOTE ON THE NEW JERSEY BOND ISSUE

The adverse vote on the proposed $750 million bond issue had a significance much greater than meets the eye. In rejecting it the people voted for the only real alternative - ECONOMY - something most present-day politicos don't understand and don't want to understand. They also rejected the double talk - that the alternative is a broad-based tax.

The people voted against further politicalization. They voted against big spending. They voted against big borrowing by government. They voted against more taxes, whether called broad-based, sales, or income taxes. They voted against increases in existing taxes.

Unless those in control wish to invite very proper and far-reaching recriminations, which logically might follow the bond-issue fiasco, they had better face the real issues involved and stop their wishful thinking. The key question is whether the public interest shall be paramount. It is not the care and feeding of an ever-increasing parasitic bureaucracy. (Continued on Page 2.)

HENRY GEORGE SCHOOL of NEW JERSEY
78 Clinton Avenue, Newark 14, N.J.
MA 3-9333, John T. Tetley, Director

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N.J. Bond Issue - Continued from Pg.1

The key propaganda line was false. It was repeated and repeated. It was never validated. It was that there are terrific needs for more spending. It was expected that a snow job of this kind would cause the people to accept plausible misrepresentations without question. The snow job didn't work.

The people know that there are no such terrific needs. They now know they must be on guard and must not accept without question the fabrications of politicos. They know that even the present program of government activities and expenditures cannot be justified, and therefore no longer can be taken for granted.

Under such circumstances, it would seem prudent for those responsible for future policy to face the fact that the alternative is not a broad-based tax, is not a sales tax, is not an income tax, and is not some kind of borrowing. There is only one alternative. It is real,solid,common-sense economy.

The outstanding lesson of this experience is that the people who are responsible cannot be expected to face the situation realistically. There is every reason to believe that they will not think and act in the public interest. The question therefore must be faced as to how the re-thinking that is so imperative shall be done with respect to the schools, the highways, the institutions, and the bureaucracy.

Mark M. Jones, Princeton, N.J.
President,National Economic
Council, Inc., N.Y.C.

Note: While economy in government is much to be desired - its ultimate effect will be to increase land values - therefore in addition to economy basic change in land-tenure system is imperative. Editor

LEO COHEN AND TAXES

Many of us grumble and inveigh against the injustice of current tax structures, and then take to preaching and teaching in consequence. But Mr. Leo Cohen, not only took to teaching, but extended the idea to action. Public action can be very difficult when it meets with great resistance.

However, his background prepared him well. He was a New Yorker who attended the University of North Carolina. Afterwards, he was a Latin instructor, and was later variously occupied in the export business with many countries such as Hati, Venezuela, Liberia, the British possessions, Japan and others. Between 1934 and 1941, he was in real estate in Brooklyn.

Now, desiring more time to himself, he is connected with several shoe businesses.

His studies have implemented his practical experience in economics. He discovered the Henry George School in New York in 1936; and has been closely associated ever since. He has been leader of various courses and currently has a class in Pompton Lakes, close to his home in Oakland, N.J.

He recently conducted a three-session seminar on tax-assessing procedures at Newark headquarters. And because it is so urgent to present day, wide-spread suburban development, he filled in the picture, with heavy black brush strokes, of the newest form of land exploitation, called "soil mining."

Mr. and Mrs. Cohen, who once hailed from Boston, have lived for some years in the residential, but rural,suburb of Oakland. In 1959, in keeping with his interest in tax matters, he proposed to the Borough Council the formation of a Tax Study Commission for the purpose of having a liaison between the local agencies,such as the Board of Assessors, and state agencies, namely, the State Tax Policy Commission. It was also to provide property owners with assistance in their tax problems.

This was later done, with Mr. Cohen as Chairman. In this capacity, he was one of eleven individuals who spoke for tax justice before the Commission on State Tax Policy and the Tax Advisory Committee. Dr. G. W. Esty, President, of the Henry George School of New Jersey also appeared at these hearings and suggested "Land Value Taxation" be investigated.

The committee which Cohen heads is a hard-working group and it oftens finds itself at loggerheads with those involved with taxation, at a local,county or other level.

Early in its existence, a statement of principles was drawn up, called "The Oakland Postulate", for presentation to the town officials. It bears the frank and unmistakable mark of the concepts set forth at the Henry George School.

At least for practical purposes, the tax assessors were forced into better taxing procedures when Mr. Cohen and his group proved that grave errors had been made on property,with resulting corrections. It goes without saying that they have had a continual battle to accomplish each victory.

May he have the strength for future effort and be repaid by greater backing on the part of those in position to give much needed assistance in the struggle. This is the kind of work requiring tremendous sacrifice in time, effort and with little reward.

Happily, Leo Cohen and his wife have a long-time love affair with the sun-drenched lands of the Carribbean. He asserts they have unsurpassed powers of renewing the spirit. Moreover, they just enjoy every minute on whatever island they decide upon; and so, away they go in the winter. And, no doubt, the local tax assessors are equally enthusiastic for the brief respite.

Virginia Harvey.

A fine is a tax for doing wrong. A tax is a fine for doing OK.

LAND REFORM AND JUSTICE

Iran, the world's oldest monarchy, is undergoing a revolution the principal ingredient of which is a land reform program.

The country is about the size of the U.S. east of the Mississippi River and has about 21 million people. Although largely mountaineous and arid, it does have excellent farm land as well as extensive ore resources. Its chief claim to fame today is its oil fields which make it one of the major oil producing countries of the world. The fields were nationalized in 1951, but a consortium of foreign oil firms produce the oil. This mitigates the evils, effects of socializing the industry, at least to a degree. Under a 50-50 arrangement, Iran is expected to receive $400 million this year, which is a tremendous sum for a country as backward as it is.

Most of the people are illiterate and very poor with the average family income being $170 a year. It is not surprising that the country is backward as it is reported that before the reform movement began Iran was owned by 1,000 families. Imagine what the U.S. would be today if the eastern half of it were owned by only 1,000 families.

Interestingly, the reform has been initiated from the top rather than from the bottom for the Shaf, the ruler of the country, is the moving force behind it. With modern communication and transportation making it impossible to keep the peasants any longer in ignorance of their deplorable state, he is afraid that unless some drastic steps are taken, both he and the other landlords will eventually suffer the same fate which overtook the aristrocrats in the French revolution.

His program is the usual one of redistributing the land, with the objective being to divide up the farm land into individually owned plots which will range in size from 100 to 600 acres, depending upon the fertility of the soil. The former landlords are to be compensated in ten annual instalments with the price of the land being based principally on the former tax assessments.

To date, land around 6,000 villages has been distributed to 230,000 peasant families, which amounts to about 1,200,000 people. Obviously much remains to be done.

The reform has not gone smoothly. For one thing, the ignorance of the peasants has been a handicap and attempts to induce them to adopt modern techniques and equipment overnight have been resisted. For another thing, the landlords are unhappy for they believe they will never be fully paid and, in addition, claim the price of their land is too low. The Shah drily points out that they are being paid what, they themselves, let the land be assessed at for years and they never complained that their assessments were too low.

While the Shah has become a hero to the peasants, he is well aware that this revolution will develop increasingly serious opposition from the privileged groups for he has taken the precaution of surrounding himself with an army of 200,000 which he has not hesitated to use ruthlessly.

The Shah is learning the great difficulty of a "benevolent dictator" effecting a reform as revolutionary as one affecting the land. Even with the best will in the world, it is a difficult problem and Georgists should not underestimate it.

With the world becoming increasingly aware of the necessity of land reform, the practical problem arises of how to implement it. While George gave a practical solution, for good or bad, on how to collect the economic rent, still it is predicated on an informed, literate people who will understand what is being accomplished.

It would appear that it should be easy to institute George's ideas of taxing land values when there are few landlords, as in Iran, for the people would not object. However, it would not likely receive much popular support for not only would most of the landlords oppose it, but the mass of the people, while not opposed, would probably be indifferent due to lack of understanding. They understand a program in which they are given a piece of land which they call their own, even though it is heavily mortgaged. It is doubtful, however, that they will recognize that they will recognize that the collection of economic rent would mean that eventually they could obtain the use of land without buying it and without restrictions on the amount of land they could use. The danger is that during the transition period before it became obvious that the plan would work, the landlords would vigorously fight the proposal and create so much disturbance that the program would collapse.

Thus, it may be that Georgists will tend to go along with the easier plan of distributing the land, hoping against hope, that subsequently with a better standard of living and consequently better education, it may be possible that the people can be taught to let society collect the full economic rent.

But such would probably be a mistake. As we live in a world which is ruled by justice, any reform to last must be based strictly in accord with justice. Dividing up the land is not just to present and future generations and so ultimately will fail. The only just method which will last as long as people want it to last is the collection of economic rent by society. This is the program and the only program which Georgists should support and fight for. Anything less than it is to succumb to expediency at the expense of that fair lady--Justice.

Oscar B. Johannsen

SENSE & NONSENSE

Not only does Russia lack enough grain to keep her slaves fed, but naturally enough she does not have enough grain to make vodka. This is really serious. Who could possibly live in communistic Russia a day without being at least slightly inebriated? So the Russians are putting out feelers to purchase enough alcohol to make 45 million gallons of vodka. This would cost $50 million, which is about 1/5 as much as the $250 million for the 150 million bushels of wheat she is to buy from the U.S.

All of which makes one wonder. If Russia can't feed or even keep her citizens just a little bit tipsy, how come she's such a great military threat? Is Communistic Russia just a big bluff, and is the U.S. the simple minded rich boy who can't see thru it?

Did you know that a socialist is an unsuccessful person who figures his last chance to get something is to get part of yours?

The fact that the Russians have not enough to eat certainly must be affecting their brains. They actually picked up a Yale professor as a spy. Who's absent minded now? When the Russians have to pick on scholars, something is seriously wrong in that country. Maybe they were afraid that instead of picking up knowledge of Russia he was spreading too much culture--particularly America's culture, including such dangerous ideas as freedom. The only thing you can do with freedom is to lock it up for it is contagious.

Did you know that a scholar is a person with too much brains to be able to earn a large salary?

The New York Stock Exchange has suspended two old established brokerage houses because a commodities customer failed to meet his financial obligations to them. In his speculations in soybean and cottonseed oil, he suddenly found himself called upon overnight to put up almost $19 million because the prices of these commodities had dropped. Since he could not make good, the brokerage houses were forced to liquidate, and in doing so their losses brought the amount of capital they had to keep on hand below the Stock Exchange's requirements. What does this indicate if it is not that credit is altogether too fast and loose? These are additional straws in the wind which indicate how rickety our whole economy is. When two highly respectable brokerage firms are in trouble, one wonders about other businesses. Everyone is living off the cuff depending on inflation to bail them out. While prices tend to rise in an inflationary period, they always fluctuate, and those who gamble on inflation must be prepared to weather the squalls when prices drop, even if the drop is only temporary. It's the old story that good judgment comes from experience and experience comes from poor judgment.

SALT OF THE EARTH

Economic lesson: Increased earnings bring increased yearnings.

Work: Time you spend on jobs for which you get paid. Leisure: Time you spend on jobs for which you don't get paid.

Civilized nation: Where you decrease the death rate by disease and increase it by accident.

Republic: A government in which those who don't vote criticize those who are elected.

Honest man: One who has traveled around the world and hasn't the slightest idea of how to save it.

Optimist: One who takes a large shopping bag when he goes to the store with $3.00.

Washington: The only city where people are paid to keep the rest of us worried.

Happiness is determined not by how much we make but how much we enjoy.

Daffynishions

Manhattan: Eight million castaways on a raft.

Meat thief: Hamburglar

Menu: A list of dishes the restaurant has just run out of.

Metropolis: A town with a traffic problem

Minneapolis: A suburb--according to St. Paul.

Monogamy: A marriage system in which the subscribers are requested to return one wife before taking another.

Mortgage: Thing to sign if you want to write something that will last forever.

Mummy: An Egyptian who was pressed for time.

WHAT'S COMING

TUES. DEC. 10th Newark Headquarters 8 PM

Celebration night for the students of seven classes now being conducted in New Jersey. Friends of HGS invited.

WED. JAN. 15th Newark Headquarters 8 PM

New Course: ECONOMIC FREEDOM
Textbook: "Democracy vs Socialism"
Leader: Oscar B. Johannsen

Open without cost other than book $3.00, to anyone who has completed basic course.

WEEK-JANUARY 13th NEW YORK AND NEW JERSEY

Fundamental Economic Principles courses

Do your NEW YEAR'S GOOD TURN - inform people of these courses. For details inquire at N.J. or N.Y. headquarters, 50 East 69th St., New York 21, N.Y. - RH 4-8700

On to 1 9 6 4

New York World Fair
125th Anniversary birth of Henry George
85th Anniversary Progress & Poverty
25th International Conf. LV Taxation
20th Annual Conference H.G. School
29th Anniversary - Henry George School of New Jersey