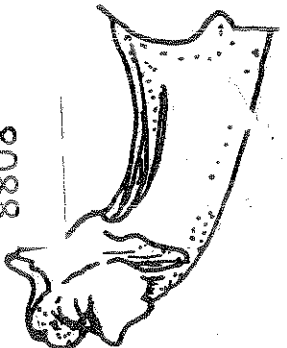


# The Barquole



"A throat, mouthpiece,  
spout." Opinions ex-  
pressed herein are those  
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the Henry George School.

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HENRY GEORGE SCHOOL OF NEW JERSEY

No. 59

FEBRUARY 1962

## INSECURITY-THE FATHER OF PROGRESS

Necessity has been called the mother of invention. Insecurity might well be called the father of progress. It is because of insecurity that men have striven to improve their economic, health and social conditions. In doing so, they gained happiness for they had to utilize the capabilities that the Almighty had given them. The exercise of those abilities brought about a sense of fulfillment, a sense of pride of accomplishment, a sense of happiness.

Unfortunately, as a result of the great depression of the early 1930's Americans forgot that insecurity is a basic tenet of life and tried through Congressional legislation to make themselves secure from birth to death.

One of the most important measures passed was the Social Security Act of 1935. This attempted to establish a system of Federal old-age pensions, a life insurance and unemployment insurance program, as well as a plan of benefits to certain dependent people. All who held the type of jobs covered in the Act were compelled to be in the program whether they wished to or not.

Most people believe the program is similar to the voluntary insurance programs of private insurance companies. However, such plans are based on sound actuarial principles with true reserve funds back of them to assure their success. The Government's program is operated on a "pay-as-you-go-plan". Actually, it is a "hope-as-you-pay-plan", for it is doubtful if many of the young people in it to-

day will ever receive pensions from it, for it is being operated as a Ponzi scheme. Those presently receiving benefits are paid by those currently being taxed. When the young Peters of today become the old Pauls of tomorrow, the social security taxes will be so high that the new generation will find the burden too great and will either cease or drastically reduce the payments.

The plan has not, of course, given security to the people. Insecurity can no more be legislated out of existence than can death. It has created a false sense of security as those presently receiving the stipends are quite delighted with it and the young people assume not only will they get as much money and probably more, but that it will buy as much. When they are retired. Actually, one of the ways in which the program is vitiated is thru inflation, so even if subsequently payments are not reduced, they will, in effect, be reduced by paying benefits in "dollarettes".

Social Security taxes are not premiums as many believe, but actually income taxes. The money goes into the Government's general funds and technically is not earmarked for pensions and insurance. The Supreme Court has declared that Constitutionally Congress could not do that. While the Government does subsequently appropriate the equivalent amount from its general funds which it puts into the Social Security program, nonetheless, the fact is that the social security taxes are merely income taxes and the Government need not put any of the money at the disposal of the Social Security program if it does not wish to. It is a particular-

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ly onerous income tax for it permits no deductions for dependency or need. The man with ten children pays as much as the bachelor with the same income. Beginning with this year, all those with incomes of \$4800. or more, will pay \$150. a year, which amounts increases to \$222. in 1968 and later. These amounts will undoubtedly be increased as they raised the schedule of coming tax rates 1/8% last year and with other benefits as medical care for the aged being considered probably by 1968 the amount of tax will be at least \$250. At the present time, of course, those with large families and low incomes are paying more in social security taxes than in ordinary income taxes. At the present time, about \$11 billion in social security taxes are paid which is 1/4th of the amount collected by the personal income tax.

It is believed by some that one of the real reasons why Social Security was enacted by the New Dealers was in order to get the taxes so the politicians could spend in order to elect, elect. To get the money, however, they needed to tax the masses, as the masses make most of the money. (In 1958, 75% of the personal income was earned by those making less than \$10,000) However, the masses don't like to pay taxes anymore than a richman does. So the taxes were disguised by letting people believe they were really buying insurance. In the early years, especially, receipts were much greater than expenditures, so the excess was available for the government to spend. It gives bonds to the Social Security Trust fund for the money. For the first 20 years (to 1956) receipts were about \$12.5 billion and expenditures \$7.1 billion.

The Social Security program will ultimately fail due to its inherent defects in another generation or two. In its failure it will cause great hardship to the aged people who depended upon it. Wisdom demands that it should be gradually eliminated, but in the present political and economic climate it is doubtful if wisdom will be listened to.

There is no security in Social Security. There is only security in the individual recognizing that he lives in a world of insecurity and must on his own initiative strive to meet its challenge.

O.B. Johannsen

#### SENSE AND NONSENSE

Ithaca, N.Y. has come up with a new gimmick in the modern game of getting something for nothing. It wants the federal government to join with it in underwriting the cost of furnishing free bus service on its municipal transportation system. Its excuse? It hopes to solve its traffic problems by having people use the buses rather than their cars. The Cost? Over \$150,000 which now all the people of the U.S. are to help pay! It has been pointed out that if Ithaca had given \$25,000 in tax concessions to the original owners of the buses, they could have stayed in business. Now to keep the buses running it will cost over six times as

much. Of course, the service will now be "free". But will the old riders merely use the buses more, or will it actually induce people to leave their cars at home? Well, how many people in the Newark area who use their cars would be induced to use the buses if they were "free"?

It's the old story apparently. The politicians make it impossible for private enterprise to exist, and then when they have to take over the particular service, they try to saddle the cost on everybody and make themselves heroes while doing it.

Other cities are watching to see how this experiment works. If they have any excuse to believe that it is successful, you can be sure that "free" municipal transportation service will be springing up all over the country with the cost being borne by the already overburdened taxpayer.

The old West is not gone. A blinding snowstorm brought to the nation's attention that the cattle drives of the old era may be reviving. Rancher Don Hight drove 1800 Herefords January 6th from his ranch to market 65 miles away. The snowstorm threatened disaster for the necessary fodder which trucks were supplying was not coming thru on schedule as the trucks could not operate. However, improved weather plus some hay he was able to get from a ranch on the way saved the day. Not many people have seen 1800 cattle at one time these days so Mr. Hight will have another hurdle to scale when the hordes of sightseers jam around his cattle. They are worth \$360,000. By driving them Mr. Hight saves \$2000 in transportation costs. Is this a sign that taxes, bbondoggling and the like have zoomed costs to such lengths that we are slowly retreating to the old ways of doing things? Who knows, one of these days people will actually walk a block to the grocery store instead of driving the car.

We'll bet twenty to one that Uncle Sam will be the first to offer interplanetary aid.

The construction electricians in New York are threatening to go on strike if they do not get a four hour day with no decrease in pay. At the present time they work six hours a day. At the rate they are going eventually they will be striking for a no-hour day with no cut in pay. And why not? After all, we pay farmers not to produce, so why not pay electricians not to work. Isn't that the modern trend?

Lots of people are working a four-day week already. It just takes them five or six days to do it!

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All those who contribute \$10. or more to the Henry George School of N.J. receive THE CARGOYLE. It is sent to others who have expressed a desire to have it. Many of those have sent a contribution to help expenses - just a reminder!

## AN OLD FRIEND

Mr. Walter Eisenberg does indeed have that happy relationship to the N.J. Henry George School. I was astonished to learn that he was one of a group led by our dean, Alex Goldfinger at Weequahic High School around 1940.

He recalled that his was the class in which Lou Weitzman wandered one night in search of mental stimulation. He was part of a group that found itself temporarily out in the cerebral cold because of a darkened classroom.

Between Alex Goldfinger's fine presentation and Mr. Weitzman's infectious, smiling brand of good humor, this class was one of great inspiration. Needless to say, the new member remained for all of that course and for countless more, to the point that the Henry George School became his great avocation. However, that story was told in another issue.

After this initiation into fundamental economics, Mr. Eisenberg followed through with the Science of Political Economy led by Mr. Bell. Thereafter, he came out to many school affairs, lectures, etc. back in the days when the school was located on Clinton Street. He still is devoted to the economic ideas we present and uses them to the extent he can in his work.

At present he teaches chemistry at Weequahic High School. He also instructs unusually bright students in college level chemistry, which places them in second year classes upon their entrance in college, or university.

He earned his bachelor of science degree at Rutgers, where his uncle had been a classmate of Alex Goldfinger. Later, by 1948, he had his masters degree in education. He says his is very rewarding and challenging work. This furthers my belief that fine teachers are born, and not made, but trained.

Walter Eisenberg is a real native of Newark, having always lived in the gracious area of Weequahic Park, or the general environs.

He belongs to organizations involving the teaching profession. And his extracurricular activities pertain to physical sports, particularly golf, tennis and swimming. It seems apparent that he likes every facet of the life he has chosen, and this includes the concepts of economics presented at H.G.S.

He is as devoted to the concepts today as when he accepted the logic of them so enthusiastically during the first class. I feel he is representative of most of our many friends.

Virginia Harvey

## THE REAL NEW FRONTIER

"For generations we were a young country, blessed as no other land with opportunity which appeared limitless. A great free frontier lay open to all and that was the secret of much of our growth and progress." (Gilbert Tucker-The Self-Supporting City.)

True, the free-frontier referred to by Mr. Tucker has vanished. However, throughout our nation today, vast areas of unused or under-used land exists. Most of it is held by owners at too high a price to permit being used by many who would be willing and able to use it if it were available at its true annual rental value and if that rental value were collected by the community for the support of government with taxation of improvements abolished. Under such a system of taxation there would spring into existence a real "new frontier".

This would result in increased production, employment, real wages and a higher standard of living. What better way is there to prove the superiority of private enterprise over any system of collectivism? Justice, equality of opportunity and supremacy of the individual offer the greatest hope of world peace. Let's open this new frontier.

### COMMENTS

A merger of the two largest railroads in the United States, the Pennsylvania and the New York Central is pending. It will take the stockholders 90 days to approve it - the Inter-State Commerce Commission requires several years to give its approval.

No sooner announced than a Union leader announces a strike of the maintenance men of the two roads affected. Here is an opportunity for economy resulting from a merger of an essential but harassed means of transportation. But it would no doubt as time goes on mean fewer jobs with consequent lowering of operating expenses which might be passed on to the passengers. But the union leaders object. Featherbedding is certainly entrenched.

In New York city a strike of electrical workers was called. The New York Times reported - "The administration .... did not intervene .... they note that the construction work is mostly on buildings where the high cost of labor can be passed on to the purchasers or occupants without difficulty .... office buildings, luxury apartments, and public housing financed by Government." Classical illustration of the economic principles understood by those in government, eh what?

The U.S. government advocates "land reform" for underprivileged nations - we supply foreign aid - we can dictate the policy. Why not collection of site value?

# SALT OF THE EARTH

Single girls wonder if there's a man in their future. Married girls wonder if there's a future in their man.

Anything that goes without saying usually has to be explained.

Insomnia is when you can't sleep even on the job.

Blessed are the meek for they shall inherit the earth. They'll have a rough time straightening it out though.

The trouble with that delicious food that just melts in your mouth is the way it bulges out in front of a mirror.

When you buy something for a song--watch out for the accompaniment.

Isn't it true that by the time a man gets enough experience to watch his step, he's too old to go anywhere.

Marriage may be a union between two people, but it's usually the husband who pays the dues.

The man who can account for every dollar of his income is either a good housekeeper or a bachelor.

In Russia you may say what you like about Khrushchev, but don't try to say what you don't like about him.

NOTES:

It has been rumored the author of Progress and Poverty was really Henryevenski Georgevitch, a nineteenth century Caucasian. (HQS Magazine, London)

WORLD ALMANAC: 1879 F.W. Woolworth opened his first five and ten store. Henry George published Progress & Poverty advocating single tax on land.

1962: 30th Anniversary of the founding  
Henry George School of Social Science  
in New York city by Oscar Geiger.

1964 World's Fair - New York

TAID • AND SPACE TO GROW

This documentary film was largely responsible for the very fine group of men and women who are attending a Tax Seminar at Newark headquarters. Among those enrolled are representatives of Tax Payers' Associations in five north Jersey communities. This is an indication that showing of the film arouses interest and does result in tax seminars. A second seminar is scheduled to open in Hackensack on January 30th and plans for two others are under way.

While Civic Groups and Taxpayers' Associations are the best "prospects" for showing the film, interest can be aroused at almost any group - Service Clubs, Lodges, Young People's groups and Men's clubs in churches, etc. The school will furnish projector, operator, screen and commentator. One-half hour of program time is required but if desired longer presentation can be arranged. EVERY NEW JERSEY READER OF THE CARGOYLE CAN DO SOMETHING FOR THE SCHOOL - arrange for a showing of this film - or send name and address of person to contact for showing - to Director Tetlev.