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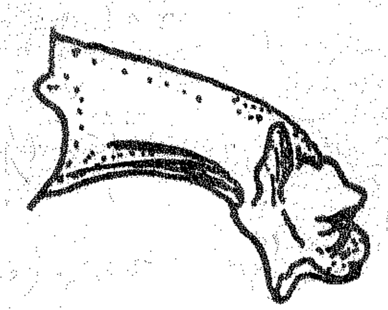
The Gargoyle



"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 Issue #168 FEBRUARY 1973

JERRY SIMPSON OF KANSAS

"Elected to Congress in 1890.... had read Henry George's PROGRESS AND POVERTY and had been inspired as a great light to greater effort for justice in the relations of man to man. Just as there is an intimate relation between the lust for power, despotism, and tyranny, so there is a corresponding affinity between love of justice, regard for human rights, and love of one's fellow man. These virtues were predominantly those of Jerry Simpson. In this respect as in others he resembled Abraham Lincoln. He belongs to the company of those champions of human rights who are as conspicuous above the level of mankind as are lofty mountain peaks above the level plain, notable among whom have been Thomas Jefferson, Thomas Paine, Robert Burns, William Lloyd Garrison, Abraham Lincoln, Wendell Phillips and Henry George.

"At the period when Jerry Simpson was in Congress the tariff was a burning issue.....Jerry Simpson soon made the acquaintance of Tom L. Johnson, both men being followers of Henry George and consequently advocates of international free trade.....Then occurred a most interesting and sensational episode in Congress. Tom L. Johnson of Ohio conceived the idea of getting Henry George's PROTECTION or FREE TRADE incorporated into the Congressional Record.....Unanimous consent was extended to Tom Johnson as requested and this process on subsequent days was repeated by Jerry Simpson, W. J. Stone of Kentucky, Joseph Washington of Tennesseee, John Fithian of Illinois, and Thomas Bowman of Iowa.

"The book was then printed at a cost of one cent per copy with a second edition in larger type at two cents per copy. A Total of about 1,400,000 copies of this book were printed and circulated the expense being paid by Tom Johnson and by Single Tax men throughout the nation."

Henry Ware Allen
THE FREEMAN - July 1943

THERE'S SOMETHING WONDERFUL ABOUT THE HENRY GEORGE SCHOOL!

"Hi Folks - One thing you can be sure of, I think of the school and its people everyday - especially when the paper comes."

This is a quotation from the note written on the annual Christmas Card received from Una Miller, to the Henry George School of N.J. Mrs. Miller took the basic course at this school in 1940, later became a member of the Faculty and a Trustee. She moved to Arizone in 1954 and has sent a Christmas card to the school each year since.

There are a number of persons who have taken the course and years go by without a word from them, then we receive a letter or a telephone call, or perhaps a personal visit from 1such persons. There just seems to be some "bond" between the school and those who complete the basic course and grasp the great truth revealed to them by study at this school.

A few such persons year after year, continue to send in annual financial

(Continued on Page 2)

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(Continued from Page 1.)

contributions. While, for the most part, there are no Alumni organizations in most Henry George Schools, and in New Jersey events to bring the former graduates together are few, we are inclined to believe that should something come into being calling for a show-down, many "inactive" graduates would be forthcoming.

Yes, there is something wonderful about the Henry George School!

PRICE CONTROLS AND POLITICS

On January 11th, the President extended mandatory wage and price controls except for food, health care and construction. In their place was established a system of "voluntary co-operation". What this means is not that wages and prices have been decontrolled, but rather that they will be largely self-administered by business and labor through "voluntary compliance."

The standard for wage increases is still 5½% until a newly constituted labor-management advisory board named by the President comes up with a new standard.

The standards for price increases are still pretty much the same and companies will still be expected to justify their price increases with legitimate costs. The profit-margin limitation still exists, but has been modified somewhat. The margins must be less than the average a company maintained during the best two of the last four fiscal years. Profit margin restraints can be escaped by keeping price increases to an average 1½% a year.

Although, with the exception of the three fields mentioned above, business and labor have been given the go-ahead to raise prices and establish wage rates without advance notice to the government, it does not mean that the government is out of the picture. On the contrary, Big Brother is very much present, for he retains a big stick in the authority given to the Cost of Living Council to block proposed wage and price increases. A fine of up to $5,000 for each violation of pay and price regulations hangs over the heads of all.

What has happened is that the bureaucratic red tape has been loosened somewhat but not removed. It is, of course, a step in the right direction, which is the complete removal of all controls. The result may be that some of the worse abuses and distortions which the price controls brought into being may be alleviated. But it is quite likely that the action taken was more for political reasons than for economic ones, so only a rash optimist would assume that controls are on the way out.

It is inevitable that prices of most items will rise. On the surface they have been kept down. Actually, prices have been higher either thru under-the-table arrangements, or thru such devices as decreases in quality, etc.

Ironically price controls have caused prices in some areas to rise more than they would have in the absence of controls. With prices controlled, companies tended to produce those items which gave the greatest profit and stopped or decreased production where the profit was least. This meant such items were in short supply. Since people could not buy them, they spent their funds for other items increasingly this tended to force their prices up, particularly if they were items which were not controlled, as farm products. Now, with the looser controls, some of these funds will flow back into the items which had been in short supply as it will probably become profitable to produce them, and the demand for those other things will decrease. Those prices may drop somewhat overa;l, however, prices for most items will rise.

There are simply too many millions of items involved and as long as people are expected to "self-administer" the controls, they will administer them to their own advantage. Only in the case of highly visible items as automobiles, steel, aluminum, etc. will "self-administration" work, if it does work at all.

That the action taken is largely politically motivated rather than economic, appears to be borne out by the fact that the day after the announcement of the loosening of controls, it was reported that the money supply continued to grow briskly. In December, it grew at the astounding rate of 14%, and for the whole year of 1972 grew at the rate of 8%.

Inasmuch as inflation is the increase in the "money-supply" with no compensatory increase in the production of goods coming to market, the result is that prices rise. Obviously, if the government was serious in curbing inflation, it would simply stop printing more "money". It has not done this. Instead it has put on a hugh grandstand play of appearing to go back to free enterprise principles. Possibly, it will reduce somewhat the supply of "money" in the months ahead as the 8% rate is patently too high, but it will not do what it should do. That is to stop any increase whatever, and instead start to decrease the "money-supply."

It is quite probable that after nine months to a year, prices will be higher - possibly much higher than they are now. This will bring anguished cries from the people. The politicians will respond by arguing that they tried to let the market-place control prices and it didn't work, so the only alternative would be to institute stricter controls over the major segments of the economy.

So, unless the people begin to learn a few economic truths, such as what inflation really is, and that no one can regulate the law of supply and demand, the likelihood is great that this period of some degree of economic freedom will be succeded by Big Brother really swinging his big stick, and all the time acting as the righteous God trying to protect the people from avaricious businessmen and grasping labor barons.

Oscar B. Johannsen

SEMSE & NONSENSE

News reports indicate that some of the world's largest corporations are actively engaged in speculating in land in New Jersey. '

The Center for Analysis of Public Issues at Princeton, N.J. issued a 40 page report which showed that most of the giant firms are beneficiaries of New Jersey's Farmland Assessment Act. This permits them to lease their lands to farmers and pay low taxes while holding the land for possible development. For example, Levitt & Sons, a division of International Telephone and Telegraph Co. holds some 500 acres under farmland assessment in Manalapan Township, Monmouth County assessed at an average of $430 an acre. Land values in the area are actually closer to $2,200 an acre!

We cannot blame the corporations. They are merely playing the game according to the rules. It is the rules which must be changed to eliminate such absurdities.

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U.S. News and World Report recently pointed out that land owners are riding a boom in property values over much of the globe. In Britain, the price of land for building sites more than doubled in five years. One farmer with 58 acres in Sussex valued at $42,000 found his property was worth nearly $6 million when the county council permitted residential a construction in the area.

In France, the price of some downtown land has increased tenfold in five years.

In West Germany land prices rose 7 to 10% last year. In Switzerland land values have trebled in 10 years. In Japan urban tracts were up 13.2% in a year. Of Japan's 100 top earners in 1971, 95 were sellers of land. The Japanese government's plan to disperse people to less populous areas has ignited speculation in land.

And so it goes. The laws of Western Civilization favor the land owner at the expense of the people. And even when governments try to institute measures to alleviate the problems caused by the private ownership of land, as in the case of Japan they only aid the land speculators even more. Because of the land problem people in Japan go to the cities. To counteract this, the government institutes measures to disperee the people, but that merely makes the outlying land more valuable, so the speculators benefit.

When will the intellectuals and plain ordinary people start to read and attempt to understand what Henry George taught?

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An old cliche is that nations and men do behave wisely; once all other alternatives have been exhausted.

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When holding a conversation, it's wise to let go of it occassionally.

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Last year, it was reported that Soviet Russia was fostering an experiment in permitting a limited amount of private enterprise. Housewives and economic planners have been frustrated with the inefficiency of the Soviet service industry. Because of this "levaks" which means,"Lefties" or illegal operators meet the people's needs, as installing doorbells, laying floors, taking laundry, and do other chores when state-run agencies refuse to do the jobs. The government decided to try to legalize these operators to eliminate the complaints. It carefully refrains from calling it primate enterprise, but that is what it is. You just can't stop private enterprise.

BLUE BIRD LETTERS

Frpm Muncie, Indiana, E.R.Greenlee sends out this fine letter and here are a couple of quotations from a recent one:

"If spending billions of "federal" dollars could solve the big problems of American cities, we would all be living in Utopia. Since 1960 nearly $177 billion in federal (tax) grants has been funneled to local and state governments, much of it aimed directly àà specific ills. Between 1965 and 1970 alone annual education and man-power funds rose from more than $1 million to more than $4 billion and community development and housing funds from $576 million to $2.5 billion while other outlays kept pace.

Yet hard-core unemployment, traffic congestion, housing shortages, neighborhood decay, racial conflict, poverty, crime, drug addiction and other problems persisted, often worsened.

As the economist Milton Friedman has pointed out: "We are spending some $75 billion (in taxes) a year on programs ostensibly directed at alleviating poverty. If this was spread over those classified as "poor" by the arbitrary Social Security deffnition, it would come to something like $3,000 per man, woman or child, or close tp $12,000 per family of four.

"This is close to the average income of the population as a whole.If this money were going to the poor, they would be among the well-off and poverty would be a thing of the past. Obviously it is not. The label of it on the legislation is "poverty"but content is waste and special interest."

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"COMMING, COMING - UNLESS...Repeated often enough the tax-spend-borrow-tax-spend-borrow-tax cycle will reach the tax tipping point beyond which the higher the taxes, the lower the revenue they produce due to drastically lowered paroductivity resulting from excessively hggh taxation.

At that point, government appropriation of income-producing property will commence at first coupled with continued taxation, leading ultimately to elimination of taxation - money taxation - coupled with government appropriation of all income-producing property. The initial phase, commonly called socialism, will be followed by the ultimate phase - communism.

These trends, which have done part way in much of the western world and all the way in Soviet Russia and other Communist countries, are clearly visible in the United States. In the all-the way, Communist phase, which corresponds with loss of all real liberty, government obliges the people to work long hours, as and where dictated, for pocket money, thereby substituting a tax on time for a tax on income.

Drifting as it now is, the U.S. will go all the way unless the American people, while they still have freedom to do so, bury - yes, bury their representatives in demands for less government spending, religiously balanced budgets, lower taxes and an end to government borrowing to cover spending in excess of revenue."

Both of the above were Editorials in The Muncie Star, contributed to Blue Bird Letters by James Nickerson.

SPRING CONSULTATION H.G.GROUPS

Fairhope, Alabama, April 6 - 7 - 8th Colonial Inn on Mobile Bay. Most reasonable rates and most interesting program being arranged. All who are interested are most cordially invited to attend. For details inquire of J. Tetley, 50 Washington Terrace, East Orange,New Jersey 07017

SALT OF THE EARTH

Want to know how to get your teen-age spm tp mow the lawn? Tell him yoh lost the car keys in the grass.

Mouth: The grocer's friend, the orator's pride, the fool's trap, and the dentist's salvation.

Women are people who give their husbands sport shirts, slacks and loafers and then call them lazy when they act the part they're dressed for.

College applicants are being asked if they plan to concentrate on tests or protests.

It is estimated that our population increased by one every 10½ seconds. We can't control the population explosion but at least we have timed it.

A survey indicates that the nation's top executives spend 80% of their time talking. Another surveyfshows that junior executives spend 80% of their time listening. Naturally.

He who laughs last is usually the last one to get the joke.

GOING ON IN NEW JERSEY

Mr. and Mrs. Henry Blohm of Free Acres, N.J. were guests at the December meeting of the Board of Trustees of the HGS-NJ. With them was discussed the possibilities of the N.J. school cooperating with Free Acres folk by reviving the monthly Sunday afternoon Discussions and perhaps the formation of Study Groups at Free Acres for residents of the enclave and surrounding area. Mr. Blohm stated he would present these ideas to the Association meeting in Jan. and possibly the film ONE WAY TO BETTER CITIES may be shown at Free Acres at an early date.

Wylie Young, who has been a most convinced Georgist for many years is now living in Swarthmore, Pa. and visited Jakk Tetley recently. Wylie did a magnificent job in Erie, Pa. working with the Henry George Foundation of America, the Erie Junior Chamber of Commerce and the late Gilbert Tucker, endeavoring to have the city of Erie take advantage of legislation in that state permitting 3rd class cities to effect 100% site value taxation. Altho the campaign was not successful, much has been learned. Wylie is in "good shape" and is working on a project to be announced at an early date.

TAX ENDS AT GRAVE

FORLI, Italy (AP) - Burials in this town of 65,000 were delayed for more than a week while authorities determined that no value-added tax was due on renting tombs for burials in the municipal cemetery.
N.J.--Newark Star Ledger - Jan. 12, '73