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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 #186 JANUARY 1975

HENRY GEORGE FOUNDATION PLANS TO REVITALIZE GEORGIST MOVEMENT!

Acting in response to the general sentiment so strongly expressed at the Chatham Conference in June, the Board of Trustees of the Henry George Foundation, at its annual meeting Sept. 4th unamiously resolved to undertake a program of action designed to revitalize the national Georgist movement, and to immediately seek to enlist the strong financial support that is so urgently needed for the success of such an ambitious project.

Ever since its origin in 1926 when the first Henry George Congress assembled at the birthplace of Henry George in Philadelphia, the Foundation has been dedicated to a broad national program embracing all types of activity, both educational and political. But in more recent years, with the appearance of other strong national Georgist agencies devoted exclusively to purely educational work the Henry George Foundation has concentrated its efforts on the promotion of political action campaigns, giving special attention to the campaign in Pennsylvania where a notable victory was quickly won by the enactment by the State Legislature in 1951 of the optional graded tax act.

With the launching in 1969 of EQUAL RIGHTS as its official organ the Foundation expanded its operations and undertook to encourage and stimulate Georgist political efforts on a nation wide scale with the cooperation of activists in a number of states and local communities. Now the Henry George Foundation offers to serve as a national clearing house and co-ordinating center for all Georgist associations and individuals who may wish to utilize its services, without distinction as between those specializing in education or in political activities.

At the annual meeting held in Sept. new Trustees were elected as follows: John T. Tetley, N.J., Robert Clancy, N.Y., Dr. William J. Filante, Calif. Re-elected - William W. Newcomb, Fla. M. S. Lurio, Mass., Dr. Raymond L. Richmond and Percy R. Williams, Pa. Continuing on the Board are Dr. Harry Gunnison Brown, Dr. James L. Busey, Dr. Steven Cord, Robert J. Grier II Lancaster M. Greene, Mrs. Marian S. Hahn, Julian P. Hickok, Howard L'Hommedieu, William F. Schoyer, Dr. Paul H. Schweitzer, Carl D. Smith, William E. Walker, John C. Weaver and Rev. W. Wylie Young.

(Continued on Page 2)

The Last Day of the month is here
To-morrow starts a New Year
Hope and pray for Peace on Earth
Lét every soul have health and mirth.

Arnold Kleiner

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H.G. FOUNDATION (Cont. fr. Pg.1)

TO assist in strengthening the national organization, a National Advisory Commission was elected consisting of prominent Georgists throughout the United States.

A National Conference is being planned for 1975 under the auspices of the Foundation - time and place to be announced shortly.

In this manner, the Henry George Foundation which was the original sponsor of the annual national conference idea, and which held many successful conferences over a period of 18 years will resume a policy which has proven effective in promoting active cooperation through open forum discussion, reports and exchange of experiences in the various fields of action.

Meanwhile the Finance Committee headed by William W. Newcomb, newly elected Vice President of the Foundation, is earnestly exploring ways and means of solving the pressing financial problem resulting from the long neglect of adequate support for Georgist political action. Your advice and assistance will be welcome.

EQUAL RIGHTS - Autumn 1974

P.S. - The Henry George Foundation of America is not a Foundation of great wealth supporting activities of Henry George groups; rather it is an organization which depends upon the financial support of its members and friends to accomplish its goals.

YOUR FINANCIAL SUPPORT REQUESTED.

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OUR PAST DEAN ALEX GOLDFINGER

The Henry George School, has lost a
real good friend.
He was with us to the very end.
Always tried as best he could
To promote the school for what it
stood.

All these years, he was our guide,
For in the school he took pride.
Being with us from the start,
He never shirked, always did his
part.

Alex, was a true part of the school
Believing in the "Golden Rule".
Ever-ready, always doing his best
To help "Henry George Philosophy"
to be manifest.

We shall miss him that is sure.
His family, we know will miss him
more.
We'll all remember him for his work
well done;
And for his efforts to help every-
one.

By his Poetic friend
Arnold Kleiner

a GHOSTS REAPPEARING

In the Federal Government - Value Added Tax - rearing its ugly head - and in New Jersey the same goes for State Personal Income Tax.

It seems that the politicians just will not give consideration, or for that matter, even listen to proposals for a real tax reform.

All these so called reforms which have been rehashed time and time again producing no reform at all, seem to blind our legislators.

It is time for those of us who know to act. We know how not to act. One way is to work for the establishment of Tax Free New Towns. Let there be an example to show our way can work. Of course, even with a Tax Free New Town, there would still be State and Federal taxes. Our program is triple barrelled but let's start with Local Barrel #1.

FOR LAND'S SAKE!

Jack Tetley

At the moment we cannot report on the progress of LAND, EQUALITY AND FREEDOM, but from what we do hear they are speedily getting organized. A conference is scheduled in July in San Diego and some of the proposed 26 chapters throughout the United States are being organized.

Gaston Haxo down in Florida has launched THE FREE LAND LEAGUE (Free Land - Free Trade - Free World - the Triple F). On their Board of Directors are C.O.Reinhardt and Stewart D. Woolley, both former Trustees of the Henry George School of New Jersey. This new organization as I understand it, is to be a Florida operation, at least for the time being.

SALT OF THE EARTH

The human race seems to have improved everything except people.

The way education is going downhill these days, an A.B. degree nowadays means the holder has mastered the first two letters of the alphabet.

Good speech: One which has a good beginning and a good ending, both of which are kept very close together.

Jump: The last word in an airplane.
Occulist: A man with an eye for business.
Reformer: One who insists on his conscience being your guide.
Statistician: One who can go directly from an unwarranted assumption to a preconceived conslusion.
Successful man: A man who can earn more than his wife can spend.

Husband: My dear, I don't believe you can teach that dog to obey you.
Wife: Nonsense. Remember how obstinate you were when we were first married.

THE GOLDEN FUTURE

Unless a last minute hitch occurs beginning with the new year, Americans will regain a freedom which had been denied to them for over 40 years. This is the freedom to own gold, and it has created a wave of excitement not only among those concerned with finance but among those who ordinarily could not care less.

Commentators and editors have had a field day deluging the public with a mass of information, some of it good, much of it bad. Companies and banks are busily engaged in preparing plans to sell gold from tiny wafers to big bars. One scheme after another is concocted to get the public to invest in gold in one form or another.

Everybody expects a gold rush. Whether it will materialize or not will only be known after the first of the year. When Japan permitted its people to own gold a few years ago, the initial rush to buy gold soon tapered off, no doubt to the chagrin of those hoping to cash in.

If the reader expects this new freedom to usher in a golden future for himself and dashes off to buy gold, he may be sadly disappointed. Studies of the history of gold emphasizes that probably the most important lesson to be learned is that the ownership of some gold as a form of insurance of last resort against emergencies, it is without compare. But that is precisely the point. It should be looked upon in the same light as one looks upon fire insurance for one's home--insurance against a great castostrophy--one which you hope never occurs. For years on end, people have hoarded gold primarily on this premise of being a form of insurance hoping it would never have to be used, just as you maintain fire insurance hoping it will never have to be used.

And by hoarding is meant that the gold must be readily available so the owner can obtain it almost instantly, if it is needed. It does no good to own gold in the form of depository certificates evidencing the ownership of gold in some bank's vaults. In any real financial emergency when paper-money becomes worthless, the government might confiscate the gold. It is because of such possibilities that the wary European peasant who has lived through one inflation after another, invariably owns gold which as the saying goes is "kept in his mattress". And of course, the gold he owns consists of readily recognizable coins--not gold bars or wafers. The experts advise if Americans wish to own gold it should be gold coins, as the American double eagle, or the Mexican 50 peso. This is because they are difficult to counterfeit and much easier to exchange for goods than would gold bars which would have to be assayed by knowledgeable people to determine the gold content. But, such gold coins sell at a very high premium.

It is questionable if owning gold will be of much advantage to circumvent the inflation of our money supply which results in rising prices. Gold fluctuates in price, and this year it has fluctuated between $130 and $190 per ounce. One student of gold believes that central banks will buy gold when it is in the neighborhood of $125 per oz. and sell gold when it is around $185. If this is correct, it means that such figures which have been bandied about as $400 an oz. are way out of line, at least for the near future. His opinion seems to have been borne out to a certain extent by the recent announcement of the U.S. Treasury that it would sell 2 million ounces. When the announcement was made gold was selling about $185 per oz.

It is a fallacy to suppose that because gold ownership is legalized that inflation will cease. Many countries have permitted a free market in gold while inflating their money supply. During the Civil War period, the U.S. Notes, the paper money issued then, was inflated, yet all the time there was a free market in gold.

People do not seem to remember or know that inflation is the increase in the money supply which is not matched by a commensurate increase in goods coming to market. The result is that the money in use is discounted, i.e., prices rise. As long as nations attempt to treat gold as tho it were not money and make their paper money legal tender gold will fluctuate in terms of this paper-money just as any commodity does.

Gambling in gold is no different from gambling in any commodity. Timing is the most important ingredient. The price of gold will not constantly rise as many think. It will fall as well as rise, and many gold buyers will find themselves forced to sell when the price is down.

To reiterate: Gambling in gold does not assure you a golden future. If you do purchase gold coins, the purchase should be predicated not on any dreams of circumventing inflation and making a fortune, but purely as an act of insurance against some catastrophy as is true of any form of insurance.

Oscar B. Johannsen

SENSE & NONSENSE

Slowly a bit of common sense is being applied to natural gas. The Federal Power Commission raised the ceiling price of natural gas from 42¢ to 50¢ per 1000 cu. ft. This single national rate replaces rates originally set by geographic areas. In those areas prices had ranged from 14½¢ to 35¢. The effect of these unrealistic ceilings had been to discourage the movement of natural gas across state boundaries. Gas produced and sold within a state is not controlled by the FPC. It has been selling for about $1.50 per 1000 cu. ft., so obviously the producers were reluctant to sell any gas outside the state.

Raising the interstate price to 50¢ per 1000 cu. ft. is no big deal. It is hoped it will encourage increased production, but this is questionable. This raise merely is a promise that more realism will be exercised. The administration recognizes that these low ceilings are discouraging natural gas production. And as many industries use this gas, a critical shortage might occur particularly this winter. New Jersey officials fear that possible gas cutbacks this winter might result in shutoffs of 60% of the industrial gas users in the southern section of the state with 25,000 workers becoming unemployed.

The problem of unemployment can become so acute nationally that the Secretary of the Interior is asking Congress to decontrol all "new" gas so as to encourage exploration. This is so obviously the sensible thing to do that one wonders why it hasn't been done before. The answer is simple--politics. There are Senators and Congressmen who are beating their breasts in holy ire to protect the consumers from "gouging" natural gas companies. Of course, none of these politicians go out and produce gas and sell it at the low price they claim it can be sold for. They're too busy making speeches. If somehow all the hot air emenating from their speeches could be gathered up, no doubt, it would be sufficient to heat all the homes and industries in the U.S., so we wouldn't need natural gas.

* * * * * *

The world is witnessing in a way which it does not like what happens when land is treated as private property. The land in question is that of the Arabs, which is treated as tho it were the private property of the Arab shieks.

The money which is pouring in on them is largely economic rent. As such it really belongs to all the people of the world, just as the economic rent of any land does. Since the money is not distributed among the people, the Arab shieks have the same problem which wealthy landlords always have had. That is what to do with the money. They can't eat more than one meal at a time nor wear more than one hat. If all the rent were distributed among the people there would be no problem as they would merely spend it on things and services they need which would help induce a boom. Instead much of the money is invested in short term government securities of powerful nations, as the U.S.

Kuwait, one of the smaller Arab oil producers has 800,000 people. This year it expects to receive $8 billion for its oil, or about $10,000 for each inhabitant. This is double the per-capita income of the U.S. Kuwait treats its citizens better than most of the Arab states for it gives them such nice tidbits as free telephone service, water, education from kindergarten to college. In addition, any Kuwaiti who cannot find a private job gets a civil service post. All of this is paid for from oil revenues. but it only accounts for $1.5 billion annually.

But, not all people are treated so well. In effect, the 800,000 Kuwaiti are private landlords living off the economic rent. Much of the work is done by foreigners who have emigrated there to serve as teachers, technicians, and daily laborers. The educated foreigners do quite well, but those who are not, as the common laborers earn only about $8 a day and live in family groups of 10 to 12 persons in shanties. So, we have the typical example of poverty admist plenty.

Trouble may erupt in this paradise as foreigners now outnumber the Kawaitis. Among the foreign element are 200,000 Palestinians. Just how long they will tolerate being in what amounts to the condition of servants for the Kawaitis is a question.

If Kuwait would pay out the economic rent to whoever resides there, there would be an even greater influx of foreigners, swelling the population until the per capita share of the economic rent fell to a point where there was no point in anyone emigrating there. While the share per person would fall at the same time, the increased population would bring with it greater skills and knowledge and hasten the development of the country so the over-all benefit to the Kuwaitis would probably be greater than it is now.

It would be an interesting experiment if Kuwait would do this as it would show the effects of Henry George ideas. More than that it might save them from future trouble for countries with such desireable wealth and relatively few people are always ripe for prizes for predatory interests.

H A P P Y   N E W   Y E A R