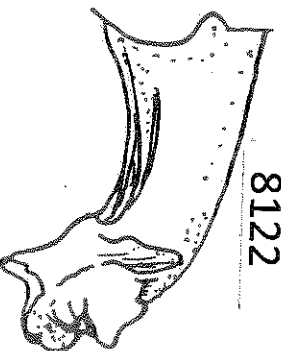


Gargoyle



HENRY GEORGE SCHOOL OF NEW JERSEY

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THE GARGOYLE is published by The Henry George School of New Jersey to present articles which it is believed will be of interest but opinions expressed are those of the writers and not necessarily endorsed by the school.

"Gargoyle" means throat or spout.

You are invited to spout your agreement or disagreement with the writers.

WORLD GOVERNMENT

It is an interesting facet of human nature that in the field of politics and government few attempts are made to utilize scientific methodology. This is partly because of the difficulty, if not impossibility, of performing experiments. But, it would appear that it is also due to man's unreasonable assumption that natural laws have little or no part in the field of human relations. At any rate, the attitude seems to be that even if there are natural laws, humans by one means or another can achieve almost any desired goal where social problems are concerned.

In the matter of world government, it is quite likely that a scientific approach would consider, at the very least, the following three questions.

1. Is man capable of government?
2. If he is capable of government, of how much government is he capable--local, state, national, international?
3. Even if he is capable, is government necessary?

It is an unfortunate truism that these questions never seem to be raised when men periodically go off the deep end and seriously consider establishing a world government. For that matter, the questions are rarely raised when considering local or national governments, although the third question has been discussed, if only in an oblique fashion, by philosophers.

Apparently, man, without even being aware of the questions, answers them in the affirmative, i.e., that man is capable of government; of any degree of government; and that he needs government.

But the inquiring mind feels that a thorough philosophical, and as scientific an inquiry as is possible, should be made. Certainly, an attempt should be made to arrive at some down-to-earth conclusions.

Is man capable of government? A simple question but not so simply answered. Before one rushes in with the claim that obviously man can, as he's been governing himself since the dawn of recorded history, it might be pointed out that he seems to have done a thoroughly miserable job of it. So badly has he done it that thinkers, running the gamut from Machiavelli to Spinoza, have attempted to set up rules by which man can govern. None of the rules seem to work. It is doubtful if there is a form of government which man can imagine which has not been tried.

The answer to this question is an elusive one for it embraces an analysis of man himself--his psychology, philosophy, as well as physical makeup. Can some men who are the equal of all other men--equal in the sense of equal rights to life, liberty and access to the earth--have the right to govern other men? If they have the right, they are capable, since wisdom and justice are two aspects of the same thing. Therefore, if something is the right thing to do, it is also the wise thing to do, which implies that man is capable of doing it.

On the other hand, if it is true that "the governs best who governs least", possibly this is so because man cannot govern, and therefore "least" means not governing at all.

Probably no truly satisfactory answer will ever be found. However, if man keeps this question before him, at least it may curb any propensity he may have to feel that whatever governing he is doing is being done well. "Power corrupts, and absolute power corrupts absolutely", as Lord Acton said, which fact should place plenty of doubt in the minds of would-be governors that man is capable of doing a good job of government.

It should be obvious that the answer to this question is important, for if it is discovered that man is not capable of government, then such organizations as the United Nations are an impossibility and men should not waste their time trying to establish the impossible.

If we come to the conclusion that man can govern, the next question is of how much government is he capable?

The simpler a thing is, the more likely that man can do it. Therefore, if government is at all possible, it would be on a local level, the one nearest the family

level. Experience teaches us that small clubs can be run fairly well and to the reasonable satisfaction of the members. But it also teaches us that the larger the club, the more difficult to direct it, and the greater the likelihood of dissatisfaction on the part of many of the members.

By simple analogy it would appear that the form of government which might be possible would be that which is similar to a small club in which all members have the right to participate in voicing their views and in arriving at decisions. The closest approach to that of which we are aware is the town hall meeting, such as practiced in New England. At these meetings the collective problems of the community are discussed and decided with all members of the community participating.

But when we come to governing units above the local level, we are up against the physical fact that all the members of the community cannot participate. When we are dealing with large numbers of people over large areas of land, it is impossible for them to come together in one place to make collective decisions. Since it is impossible, does this mean that the Almighty did not intend man to govern on that scale, and that, therefore, the physical impediment is evidence that man is incapable of government of any degree above the local? As He provides us with all the necessary equipment and ability to do the things necessary for us to live well and in harmony with one another, when we come up against an obvious impossibility, does it not mean that it is something we are not able to do?

Certainly even the most cursory analysis of the organizational setup of a world government indicates that man is incapable of government of that degree. One example should suffice. Representatives would obviously be required, but what will be the proportion--one for every million people? Is an educated European or American thus to be classed the same as some poor savage living on the African veldt? Is representation to be made on the basis of extent of territory, wealth, education, or what? As there can be no satisfactory solution to this single problem out of a host of problems, isn't this evidence to the social scientist that world government will not work?

The answers to the first two questions propounded are certainly debatable, and arguments pro and con no doubt will be adduced down thru the ages to come. However, when we come to the question, is government necessary, the answer is one which is much more satisfying for it involves a physical fact which cannot be denied.

That physical fact is that two things cannot occupy the same place at the same time. Therefore, two equal human beings cannot occupy the same land at the same time. Yet both are equally entitled to the land. The problem then is, how to divide up the land, that is, how to divide

up the equal opportunities of the earth among the equal claimants of the earth with justice to all. Try as one may, there seems to be no way in which this problem can be solved without some collective action. That means some sort of collectivity must be established in which all the equal claimants can be present to make their claims. This would indicate that it must also be a small collectivity, i.e., local self-government, such as the town hall meeting.

The fact that these physical relationships indicate some government is definitely necessary has a bearing on the question is man capable of government, for if something is necessary for man's well being, the Almighty provides him with the capability of doing it.

Now this problem of dividing the land among the equal claimants is one which one who understands Henry George can really get his teeth into because he understands economic rent. He knows the anarchist is wrong. He knows that government is needed because there is this physical problem which results in the creation of economic rent.

But it also seems to help answer the second question, for it indicates that government must be on a small scale so that all the equal claimants can participate in making their claims.

For one thing, it is impossible for the human brain to comprehend all the diverse opportunities throughout the world and apportion them among the claimants. The most the brain can do is to evaluate the opportunities in a small area and to bid for them there. As long as a free flow of men from one area to another exists, no injustice is possible for if one location has the greater opportunities those desiring to use them can come there and bid for the privilege.

In conclusion may it be pointed out that it would be naive to assume that man will establish government on such simple lines as are indicated by the answers to these questions, certainly not for generations to come. But certainly, if man is to live in ever expanding civilizations, he will have to learn that growth is synonymous with simplicity and decentralization of government, not complexity and centralization, as is the trend today.

Oscar B. Johansen

Write to THE GARGOTIE for a free copy "The Functions of Government" - and - Lord Macaulay's "Most Prophetic Letter."

Come to the 15th Annual Conference of the Henry George Schools at Rutgers -- prepared to discuss the functions of Government.

PICNIC AT CALIFON

You, your family and friends are most cordially invited to the Henry George Day picnic at Paradise Park - Califon, N.J. Our host, Arnold Kleiner says "The more the merrier" - so let's be merry. SUNDAY JUNE 7th.

SALT OF THE EARTH

When an irresistible force meets an immovable object, it's your own fault for introducing your wife to your boss.

One of the advantages of living in an apartment house is you don't have to wonder what the neighbors will say. You can hear them right through the walls.

They say an old-timer is a man who can remember when the only fall-out a man worried about was his hair.

Sinking fund -- The checking account after wifey has been on a buying binge.

Federal Reserve--The reluctance of government officials to talk about themselves before investigating committees.

Coeducational college -- Match factory.

The average man has five senses -- touch, taste, sight, smell and hearing. The successful man has two more -- horse and common.

If at first you succeed, you probably haven't accomplished much.

A boss is a person who ignores you watchfully.

Experience is what you've got plenty of when you're too old to get the job.

15th ANNUAL CONFERENCE

Programs will be in the mail to you shortly. If you would like one or two more to send to friends, please telephone or write to school office. All sessions are open to the public and you may bring all of your friends.

For those events requiring reservations, please get your requests in as soon as possible - facilities are limited.

THE GOLD EXODUS

The money managers are on the horns of a dilemma. As a result of the political pressure on them to solve the drop off in business they cut reserve requirements and reduced the rediscount rate until it went as low as 1-3/4%. This rate is the one which Federal Reserve Banks charge the commercial banks for loaning them credits. As the yields on other securities as government bonds are affected by this rate, they too, dropped.

It happens that foreign central banks, as well as many foreign investors, who like to keep their funds employed in fairly liquid assets, such as 91 day Treasury Bills and bankers acceptances see no purpose in investing their funds when the rate drops to about a half a percent, as the Treasury Bills did. Instead, they put their funds to work in securities of other governments which pay higher rates, as in West Germany. They, therefore, liquidate their American investments, but as foreign central banks have the privilege of converting their dollar credits into gold at

the rate of \$35. an ounce, the result is that there is an outflow of gold. In seven months we lost \$1.7 billion of gold.

This loss affects the banking system and the means, presently legal, for creating credits. Everytime an ounce of gold is sold, gold certificates to the extent of \$35. are drawn out of the Federal Reserve System. Now, as for every \$1.00 in gold certificates the Federal Reserve Bank has, it can print \$4.00 in Federal Reserve Notes or grant credits to member banks, when it loses these gold certificates, its ability to grant credit is contracted.

Conceivably, if enough gold left, the contraction of credit could reach a point where the banks simply could not legally print more Reserve Notes or grant credits. This would probably result in a contraction of business.

Of course, the money managers could get Congress to pass a law permitting them to expand the number of Federal Reserve notes or credits it can grant for every gold certificate it has from 4 to one to 10 for one, or any ratio it pleases. But this is obviously a highly inflationary device, which would set in force an even greater exodus from the "almighty dollar" than is going on today in the ballooning stock market.

If, on the other hand, the money managers raise the rediscount rate sufficiently so that allied rates rise high enough to induce foreign central banks and investors to invest here, gold will flow in, which would expand the base upon which credit can be created. While it could do this, the effect on the economy will be to discourage the creation of new production facilities and new purchases as the cost of hiring money is greater.

What, to do? Obviously the sensible thing is to return to sound fiscal methods as is possible under the present setup, which means raising the rediscount rate, raising reserve requirements--in short, a tough money policy. This will hurt, but its pain will be much less than that which will be sustained if the present inflationary course is pursued.

But politics being what it is, the stock market is obviously betting the country will get more of the same -- inflation.

O.B. Johansen

FRANK A. W. LUCAS

We are all saddened to learn of the death of Judge Lucas in Johannesburg on April 22nd. Many readers of the GARGOTIE will remember meeting and hearing him in the U.S. a few years ago.

A MATTER OF PLACING THE HYPEN

"There's a way to do it better - find it."

Thomas A. Edison

"There's a way to do it - better find it,"

John T. Tetley

DR. HERMAN A. LAZAAR

The point of origin for Dr. Lazaar in common with so many New Jersey residents, was Brooklyn. However, he has lived in the vicinity of Metuchen for many years.

In 1941, he received his degree from Columbia University as an atomist physicist. Thereafter, he was one of the scientists of the famous Manhattan project. After the work of this group was accomplished, Dr. Lazaar reasoned that, with the end of the war, atomic research would be terminated, or at any rate, its scope would be limited.

In the light of hind-sight, I was astonished at such a viewpoint. And we joined in wry amusement, considering the inability of science to foresee the vagaries of politics.

Therefore, Dr. Lazaar hied him back to Columbia for the study of the science of optics. At one time he was involved in visual research at Fort Monmouth. He enjoys working in this field and at present, has an office of optometry in Perth Amboy.

I asked him to tell me of his hobbies. And he said that, if by definition, "hobby" would mean anything denoting great interest, then his family would be first in this category. Dr. and Mrs. Lazaar have two little boys; Bruce is at the "minus two front teeth" age and Michael is at the captivating age of two.

I concluded that even though this "hobby" takes most of his leisure time, he still has time for much reading of an economic nature. As are we all, he is devoted to the principle of free enterprise, necessarily including our schools' central theme involving the tenure of land.

Doc Lazaar was a 100% attendant when the Fundamental Course was conducted by Ernest Eblovi in Perth Amboy in 1949, and later served as Co-leader with Mr. Eblovi. We are pleased to have him on our Faculty.

Virginia Harvey

HENRY GEORGE SCHOOL of NEW JERSEY
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SENCE & NONSENSE

Europeans look down upon Americans because they pay their truck drivers more than their professors. But judging by what some of our American professors are saying and doing, maybe our sense of values isn't wrong, after all, when we pay the truckdrivers more than the egg-heads.

Stanley Yankus, the Michigan farmer who suffers from the strange delusion that the government has no right to tell him how to run his farm, is going to move to Australia. He waged a six year fight against the government's restrictions on how much wheat he could grow for fowl feed, and deliberately disregarded acreage limitations on the grounds they were unconstitutional and paid \$5,072. in fines.

And what is the result--the very type of American who made America is so disgusted with the whole thing that he emigrates to a new land. Maybe some people can make sense out of all this.

Did you know that in California there is actually something of a small boom in "profit hospitals"? That's right, hospitals which are run just as any business to make profits, and which pay taxes just as any enterprise. And they are doing a good job. True most of them are relatively small, but it merely points up the obvious fact that private enterprise is the best solution of the production of wealth or rendering of service. If this idea would only grow, then we'd really have hospitals. Why don't we in the East give it a try?

West Germany is shocked by a TV program which went into classrooms recently to make recordings of the students knowledge and understanding of Hitler. Nine out of ten students, 15 to 17, either knew nothing about him or thought he was good. Though it seems incredible that this should be the case, just what do you think would be the situation if a similar test were made of American classrooms? Any better? Hummm

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