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The

Bargyle



"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. 103

JUNE 1966

AFTERNOON PROGRAM

Last program until Fall --Tuesday June 14, 2 p.m. -- "Groups in U.S. devoting effort toward a better system of Public Revenue." -- Open to public -- Come if you can and bring others.

Sixth and Twenty Second

The Sixth Annual Conference of the Henry George Schools was held in 1950 in St. Louis. The 22nd will be held in the same city - 16 years later - 1966.

One cannot help enjoying himself, or herself in the Gateway City to the West when the team of Alper and Swicford become the hosts. It is rumored there is to be a big celebration put on in town by others so those who can be there in July are in for a real treat.

to remember Independence Day - July 4th

There will be no issue of THE GARGOYLE in July - August

The privilege of mankind to preserve its natural rights is proclaimed in our nation's

DECLARATION OF INDEPENDENCE

Have a good summer - See you Sept.

THE "GREAT SOCIETY" - A BUST IN 1787?

Washington - Just where and when did the term "Great Society" originate? Representative Donald Rumsfeld (Rep.) of Illinois says his research into history shows it was not coined by President Johnson - but dates back to 1787. Says Representative Rumsfeld: James Madison, in his notes on "Debates in the Federal Convention of 1787" wrote that George Read of Delaware spoke in favor of abolishing States and having only a single, national Government. The existence of States, Read argued, would be a perpetual source of discord. "According to Madison's account, Read added: "There can be no cure for this evil but in doing away with States altogether and uniting them into one great society."

Mr. Rumsfeld's comment on his discovery: "This quotation leads me to believe that the President not only did not discover the phrase 'the great society', but that it was rejected overwhelmingly back in 1787."

U.S. News & World Report, May 16, 1966

HENRY GEORGE SCHOOL of NEW JERSEY
78 Clinton Avenue, Newark, N.J. 07114
623-9333, John T. Tetley, Director

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GOVERNMENT GROWS AND GROWS AND GROWS

When governments start to expand their field of operations from that of police protection of life and property and the collection of economic rent, the expansion is like a cancer growth. No matter which way you turn, it gets bigger and bigger.

The techniques used to convince the people that the expansion is necessary vary. One is to alarm the citizenry about some real or imaginary danger. Such is under way now in the campaign to bring the automobile manufacturers under more government control. The issue of car safety has just about convinced everyone that the Government must step in to insure that cars will be made safely.

With the passage of time, the deaths and accidents will probably be just as bad. This will give the bureau an excuse for more and more power which will be granted to it.

Inefficiency is one of the best means for expanding a government bureau. The bureau does a bad job of overseeing an industry. Trouble creeps in. The bureau blames everyone but itself and gets more power to make a bigger mess.

Such is the case of the Federal Home Loan Bank Board. It has done an outstandingly poor job in controlling the savings and loan associations. The result has been that 25 associations with combined assets of \$1.3 billion are "serious problem cases". Another 46 with assets of \$1.2 billion merit "concern". And the Board therefore wants more power to control the 4,000 institutions with assets of about \$120 billion.

How did these associations get in the trouble they are in? If there had been no bureaucracy to control them, they would have had to gear their operations to the market place, being careful not to make unsound loans and constantly working to maintain a reputation for soundness.

With governmental guarantees on deposits, the average citizen sees no point in checking up on the concern in which he puts his money, so the most effective of all controls--that of the individual by patronizing or not patronizing is weakened. He patronizes anyone as long as he keeps his deposits less than the government guarantee.

The FHLB B set a pattern for poor regulation and bad example. It encouraged the granting of easy credit by expanding the geographical limits and stretching the legal limits of loans. It raised the amount of credit an association could get from it from 12½ to 17½ of the association's assets. It raised its own lending from \$2 billion to \$6 billion. All of this encouraged speculative real estate ventures, many of which are in serious trouble. This has meant that

the associations which lent the money are in trouble.

And, so, to correct the situation the Board wants more power.

Jefferson and others advised time and again that the government which governs best governs least. America was an example of how true that was up until the beginning of this century. Now we are hard at work to prove conclusively thru the New Deal, Fair Deal, Great Society that the government which governs most governs worse. But, at what price?

The price is not only the erosion of freedom, but loss of savings, insecurity and unhappiness. And all because people have lost faith in themselves as the most effective controlling agent and believe they need government to do the job for them.

God isn't dead. It's the individual who is dead.

Oscar B. Johansen

An old Chinese proverb

If there is right in the soul,
There will be beauty in the person

If there is beauty in the person,
There will be harmony in the home.

If there is harmony in the home,
There will be order in the nation.

If there is order in the nation,
There will be peace in the world.

Christopher News Notes

-- -- --
Next time the government announces that personal income is at the all-time high do a little figuring and you'll discover that so is personal outgo.

Roger Allen in
Grand Rapids Press

-- -- --
How to get things done:
Dear, will you please whip the cream.
You do it so much better than I do.

-- -- --
Whenever you find a situation where two men in a business always agree, one of them is obviously unnecessary.

-- -- --
Waiter: Your order sir?
Executive: (Looking over menu) I'm trying to find that \$6. breakfast that my men report on their expense account whenever they eat here.

-- -- --
The human tongue weighs practically nothing, but so few people can hold it.

TWG LINES

Luck favors those who have a habit of watching for opportunities.
Many a live wire would be a dead one if it weren't for his connections.
Many men are self-made but only the successful ones will admit it.

THE WAITING GAME
OR DISPOSSED

A PLAYLET BY MABEL L. REES

This one act playlet is offered to any who wish to kse it without payment of royalty.

There are but three characters in the cast, the setting is simple and the production might be presented without the use of scenery - uses very few props.

The cast is composed of Charlie an unemployed carpenter, Clara his wife, and a Real Estate Owner. Charlie and Clara are middle-aged and poorly dressed the R.E. Owner is a well dressed businessman. The setting is on a rough country road with a delapidated hut on the side of the road. Charlie and Clara carrying large bundles enter walking wearily along the road.

Here is the script:

Clara: Charlie I don't think I can go much further.

Charlie: I don't wonder. We've walked many miles I'm tired too. Say, Clara just look at that hut!

Clara: I see it - what of it?

Charlie: Why just this - it seems to be empty and left to go to ruin. I've got some tools here, and I could fix it up and --

Clara: And then you think we could live in that old ramshackle thing. Why even if we could it must belong to someone and the owner could come back any day and put us out.

Charlie: He might, but the way it is no one could live in it. I'm glad I saved this hammer and saw when our things were put out on the sidewalk. I wouldn't charge anything for my work and --

Clara: Well, you didn't ask for any pay when you mended the leaking pipes and the crumbling walls in those two rooms we lived in in the city and yet we were disposed when we couldn't pay the rent. Charlie: True enough but in the city the owner could rent those rooms to someone, bad as they were - but way out here with no other houses or stores around he's not apt to. Let's take a look.

Clara: Oh all right. (She goes up to the door which is hanging by one hinge takes hold of the knob and tries to open it.)

Charlie: Be careful, Clara, the door may fall on you. Here, let me brace it up while you look inside.

Clara: The walls are full of holes, the windows are broken and the floor is sagging.

Charlie: So they are, the whole thing is going to pieces, but I'm pretty good as a carpenter. There was a time you know when I was never without a job. Now, I've had nothing to do for months.

Clara: Never mind, this little place may give us shelter for a night or so. I'm glad I brought some food and an old quilt. I declare there's an old broom. While you fasten the door hinges, I'll start cleaning up.

(They both start working and after a moment or so the Real Estate Owner comes along and stops to watch them - then he calls out)

R.E. Owner: Hey! What are you people doing there?

Charlie: I'm mending this old shack.

Owner: Well, I don't want anyone living there - not even squatters.

Charlie: We wouldn't stay long but the fact is we have no home and --

Owner: It's too bad you have no home but I'm the owner of that cabin and I want it left just as it is.

Charlie: I wouldn't expect any payment for my work. I'm a carpenter and --

Clara: No we wouldn't expect a penny for our trouble but we were disposed and have walked and walked and my husband would just make some repairs and -- charge nothing and --

Owner: But repairs will cost me something for when the tax assessor comes around if he finds this place habitable up will go my taxes! Besides, I am making money just by waiting.

Clara: Just by waiting? Waiting for what?

Owner: Why for this old rocky road to be made part of the state's highway system. I've held this land for years while it's been going up, up, up in price. The longer I keep it the more its worth. People have tried to buy it but I wouldn't sell. Now the county seat isn't far off and I'm sure you'll get help there, so please just let things alone and be on your way.

Charlie: Yes, yes, we will, but first I'd just like to ask you why you are entitled to all that increased land value?

Owner: Why? Why because I was the only one to buy the land when it was cheap and hold it while its value went up; now I'm getting a return for my brain power.

Charlie: Well, it takes brains to be a carpenter too, but it also takes brawn. Most folks must work for a living.

Clara: How smart you are, Charlie, you are even smarter than - than -

Owner: Than I am, eh? Well, while this land was going up in value I went to Europe and enjoyed myself. I was smart enough not to have to work.

Clara: But shouldn't the town get the benefit of the value of the new road - you are not going to build it?

Charlie: Why Clara you're smarter than either of us! It's because more people need more land for more homes and business and --

Owner: Oh, come now. I didn't make our tax system. If the town taxes buildings more than land I can't help it.

Charlie: No, perhaps not, but I can see now why slum owners won't repair their old houses any more than you'll repair this tumble-down cabin, the land value goes up while the buildings fall down. Land owners get rich but the poor pay for it. Come, Clara, we must find a place to sleep tonight, I still have some money. (As they go off, R.E. Owner thinks to himself: I'm sorry for that poor couple, perhaps our tax system is top-heavy and unfair. The extra taxes on this old cabin can't be too much, and anyway, I'll take a chance on it. (He starts off -- calls - WAIT A MINUTE! = Finis =

SENSE & NONSENSE

Want to know why it's so hard to get the government out of competition with private enterprise? Because so many businessmen want the government to remain in business and expand.

Sears Roebuck & Co., the great mail order house, as well as many small businessmen are clamoring for the U.S. Post Office department to handle bigger and bulkier parcel shipments. The Post Office doesn't charge as much for parcel delivery as private companies do for it can always make up any deficits by subsidies from Congress. Ergo, let's have a bigger post office, which means bigger government to compete with private companies as the Railway Express Co.

Who are some of the greatest supporters of socialism? -- Businessmen.

Did you know there are two kinds of taxes? Good taxes are those that other people have to pay. Bad taxes are those which you have to pay.

The volume of trading on both the N.Y. and American Stock Exchanges has been close to a daily record for some time, much to the surprise of a lot of people. But what's so surprising about it? With the government still pouring out monetary media via the Federal Reserve System, people are using the dollars they get to speculate, as well as protect themselves against inflation, by buying equities. In the meantime, as 1966 is an election year, the government is "watching the situation."

That's politics for you. Don't turn off the monetary spigot--just watch the situation and pray for a miracle. And while the government is waiting we'll be drowned in a sea of paper money.

When the Government talks about getting a new source of revenue, it always winds up at the same place--the taxpayer.

Air rights--the rights to place improvements over rights-of-way, are becoming more prevalent every day. The Pan-Am building in New York is built on leased air rights from the N.Y. Central R.R. In New York city four apartment buildings have been erected over the George Washington bridge approach in Manhattan and a high school will soon be built over a parkway in the Bronx. Congress has even gotten into the act for it incorporated a provision in the Housing Act of 1964 to enable the government to pay up to 75% of the cost of building parks over roadways and other facilities in urban renewal areas.

And this is turning out to be a lucrative form of income, not only to private enterprises such as railroads but to communities. It also helps provide additional ammunition for Georgists who can point out these examples to those skeptics who feel entrepreneurs must own

own land before they will develop it. Not only that, but we have here concrete examples of how communities can lease land to those desiring to use it with little or no fuss, and with the communities getting the economic rent instead of land speculators.

Have you been stockpiling land lately? Well, a lot of corporations are. Buying a lot more land in a location where a company erects a plant than is necessary has been going on for a long time in order to provide for expansion and prevent being gouged by land speculators. However, companies now are buying land even though they have no present use for it. For example, Union Carbide Corp. since 1958 has purchased 3,300 acres of land in three strategic areas, and Bethlehem Steel Corp., purchased 1800 acres of land near San Francisco, which it is stockpiling. They hope eventually to use the land and feel they must get it now while it is still available.

Many of the companies have found they can make money by means of this practice. With inflation raising the price of most everything including land, these companies sell some of the land after a few years and find the profits may be so large that the rest of land, in effect, costs them nothing. Some have such large paper profits on land they own, that they find they can make more money by revaluing their properties by marking up the asset value on their balance sheets than they can by operating the company.

Whenever you permit land speculation, somehow or other it will crop up, often in ways you would scarcely expect. Will now our corporations turn to gambling in land values with production only a sideline?

Mankind is divided into two classes: those who earn their living by the sweat of their brow, and those who sell them handkerchiefs, cold drinks and electric fans.

SALT OF THE EARTH

Family swimming pool: A small body of water surrounded by other people's children.

Bachelor: A man who thinks he is a thing of beauty and a boy forever.

Conscience: That still small voice that tells you to leave it alone--some one is watching.

Cocktail party: Where you spear olives and stab friends.

Discretion: A sense that usually comes too late to do you any good.

Confidence: Faith in your ability.

Cockiness: The other guy's confidence.

Wife: My husband isn't stingy. He's just economical in an obnoxious way.

Some New Guinea tribesmen not yet under government control have pleaded with officials to tax them! Being taxed is the hallmark of civilization, thus a status symbol!

SEE YOU IN SEPTEMBER!