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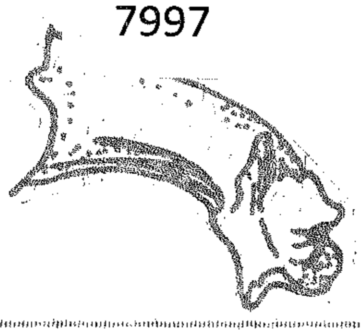
The Gargoyle



"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 #152 J U N E - J U L Y 1971

A T H O M E

We are now comfortably settled in our new home, 50 Washington Terrace East Orange, and you are cordially invited to drop in to see us.

While we do not have as much space as in former locations, we can, we think, operate as efficiently and should be able to expand activities.

Plans will be formulated during the summer for Fall and Winter study groups and any suggestions will be most welcome at headquarters. May we hear from you in person; by telephone (same number672 0313) or by increased postage rates?

This is last issue of GARGOYLE until August-September, hopefully to reach you in late summer. Have a good summer.

It used to be, in years gone by - which now sounds very funny,

that all the foolish spending stopped - when one ran out of money.

Government meddling with the market, whether of land or anything else, is always inimical to the best interests of the community.

When only landowners were permitted to vote - it wasn't the land that they voted to tax.

East Orange, N.J. the most densely populated municipality in Essex County the most densely populated county in the most densely populated State in U.S.A.

HGS Annual Conference - San Francisco California - July 6th to 11th 1 9 7 1

"Is it too soon to hope that it may be the mission of this Republic to unite all nations of English speech - whether they grow beneath the Northern Star or Southern Cross-in a league which by insuring justice, promoting peace and liberating commerce, will be the forerunner of a world-wide federation that will make war the possibility of a past age and turn to works of usefulness the enormous forces now dedicated to destruction."

HENRY GEORGE - Fourth of July Oration

San Francisco 1 8 7 7

HENRY GEORGE SCHOOL OF NEW JERSEY
~~140 South Harrison Street~~
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DOLLAR MADNESS

O.B. Johannsen

The more one observes the actions of government monetary officials and Keynesian economists, the more one feels he is living in the mad world of Alice's Wonderland.

Foreigners, as well as rich Americans are running away from the dollar. They have been converting the dollars they have principally into West German marks, Swiss francs or Japanese yen--clear evidence that they recognize that the dollar is weak.

But what do our American bureaucrats say? They blightely claim that the dollar is not over-valued, but rather than the German mark and Japanese yen are undervalued. This is analagous to telling a sick man that he is not unhealthy, but that other people are too healthy.

And who is to blame for this flight from the dollar? Not America, according to our apologists, but the Germans. They "telegraphed"possible exchange rate changes by discussing them publicly, which caused the massive outflow of dollars to German, Switzerland and Japan. And,of course, when the monetary storm broke in early May, it was not a "crisis but merely a "disturbance". Every attempt seems to be made to treat the problem with the "benign neglect" which Keynesians have been urging toward out balance of payments deficits.

The average American, of course, is completely baffled as to what this is all about. It is true that monetary problems, particularly those involving international relations are complicated. Actually,tho, what happened is quite simple.

Last year,the Administration changed course and started to increase the quantity of what is called money in order to help solve the unemployment problem. The theory is that the more money produced, the lower interest rates will be, which will induce businessmen to borrow to build new plants carry inventory, start new ventures, as well as enable people to borrow money to build homes, all of which will mean employment to those out of work. Simplicity itself.

It hasn't worked out quite the way the Administration expected as regards employment, so far, at least. But what has happened was what it was warned would happen. With lower interest rates, money flowed abroad looking for better rates. The pond of money rose so high that it overflowed the banks and became a vertible torrent flowing toward Europe and Japan.

To prevent being innundated by this flood of dollars, the Germans stopped buying them. Under IMF rules, a fixed ration (within a 1% variation) exists between currencies. Each government is expected bo buy and sell the other countries" currencies to maintain the ratio. But so many dollars were sent to Germany, not only because it had higher interest rates but because its money is relatively sound, that Germany was in danger of "importing inflation" on a scale unbelievable. This occurs because to buy the dollars, the German government prints marks. These marks find their way into the German marketplace causing prices to rise.

To prevent this, last month the German government permitted the mark to "float". This means the government did not intervene but let dollars and marks be exchanged in the marketplace. So the German government stopped printing marks. Of course, the mark then rose in price in terms of American dollars. Sup risingly it did not rise very much,being about a little over 3%. That it is expected that it will rise more is evident by the fact that few who sent their dollars to Germany are cashing in their winnings at this writing. Instead they are holding on to their marks.

What will be the outcome of this latest crisis? No one knows. There are a number of courses which could be taken. The only course we can be sure which will not be taken will be the obviously sensible one of stopping the printing of more dollars and adopting measures which will cause dollars to be retired from circulation to a point where confidence in the dollar is once again restored. This will not be done because the Administration has stated it will do nothing to interfere with what it calls the business recovery which is supposed to be taking place now.

All manner of suggestions are being offered. Somehow or other it appears there may be a temporary papering over of a solution, if this is possible. This may be done thru letting the German mark and sooner or later the Japanese yen float until a level is reached where the exchange ratios become relatively steady. Control may be instituted both by the United States as well as the other countries. Expedients as these could be adopted. But they solve nothing--merely delay the solution.

The one solution which will probably eventually be adopted will be to devalue the dollar by raising the so-called "price" of gold. Roy Harrod, Keynes' biographer has been urging for years that the price of gold be doubled, and now that this crisis occurred, he wants it tripled. To do this of course is actually a unilateral wiping out of America/s non-interest bearing debt by two-thirds. This is such a fantastic suggestion that no one really knows what kind of Pandora's box would be opened if such were done. And yet, in this mad world of ours, only a foolish man would say it would not be tried.

The problem is a very serious one which is little understood by anyone. Not only does the average American have little understanding but the average newspaper editors have little better knowledge. They have been putting this problem on the inside pages of their papers, having given it front page spread only the first day or so. They think it's a European or Japanese problem. They will wake up some day to discover it is a problem which can lead to a severe restriction on the liberties of all the people.

It is pleasant to read about Alice's mad world, but it isn't pleasant to live in such an economic mad world, for the world in which we live is one of order. When men by foolish actions create disorder, sooner or later order is restored but the price which is paid is a dear one indeed.

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A COURT DECISION
A.M.Goldfinger

In a recent issue of THE GARGOYLE mention was made of George L. Record, a former Hudson County lawyer who knew Hrnry George and who ardently espoused the principles made clear by Henry George.

I recalled that George L. Rusby who knew Henry George and aslo George L. Record had told me many years ago that Record had volunteered his legal services to Henry George and assisted in a celebrated case which resulted in a lengthy opinion decided by the Court of Errors and Appeals, (at that time, New Jersey's highest court) which held that a lower court opinion which voided a bequest to Henry George on the ground that George's books were opposed to public policy in declaring private property in land to be robbery was reversible error.

Being a lawyer, I was curious and went to the New Jersey reports and found the opinion of Vice Chancellor Bird, who held that the bequest of George Hutchins, a New Jersey farmer, who, by his will left the bulk of his estate (officially appraised at less than $10,000) to Henry George in trust for the dissemination of the George books was void as being opposed to public policy because the books characterized private property in land as robbery contrary to the rulings of both the English and American courts upholding private property in land (N.J. Equity Reports Page 124)

As Henry George, Jr., son of his father of the same name, stated in his book "The Life of Henry George", Mr. George was indignant and disgusted over this condemnation of his principles but notwithstanding his desire to vindicate them, he offered to forego appeal if the collateral heirs would allow the property to go to the decedent's widow. They refused. He therefore appealed and won."

I found the decision of the highest court in 45 N.J. Equity Reports page 757. The opinion reviewed the entire question of public policy in sustaining the dissemination of writings under the doctrine of free speech and free press and found that even the most bizarre writings are not opposed to public policy (pornography excluded). The court reviewed a decision involving a bequest to an English woman to disseminate her writings in which she claimed to be the daughter of God as Jesus was His son in which an English court sustained the bequest even though the writings offended the beliefs of a majority of people. The New Jersey court held that such bequests to disseminate writings, however unpopular were not against public policy and therefore, Vice Chancellor Bird's decision in George's bequest was reversed.

The Court of Errors and Appeals consisted of fifteen members and, in the George decision, a large majority sustained the findings. The opinion is noteworthy because it holds that even if Henry George were demonstrably wrong in his holding that private property in land is robbery, nevertheless the bequest to him would not contravene public policy, <u>but</u> the writer of the opinion thoroughly agreed with George and his principles.

Notw ithstanding his vindication and his legal right to the bequest George conveyed the property he received to the widow, and much later, when the widow died, penniless, Henry George bore the expense of simple interment in a grave beside her husband.

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"We do have minds, although we seldom use them properly. We do have the power of choice, although we often exercise it poorly. We have learned some lessons, although we hardly turn them to good account. We are basically oriented to dealing with our fellow man, although we frequently squabble with him.

Somewhere in this must exist the possibility for us to secure more of the blessings of civilization and to eliminate more of its curses. Just as we have turned night into day with electricity, so perhaps we can turn twilight into dawn with the right kind of mental and moral electricity."
Brent Woodword - LAND & LIBERTY 1969

SENSE & NONSENSE

Now that first class postal rates have risen by 33 1/3%, from 6¢ to 8¢, people are wondering how they can cut down on unecessary mailings. No doubt, the greeting card industry will show the effects. Possibly, just possibly, it might make people wonder if there is not a better way to have postal service than the semi-private one that has been established under the postal reform.

The National Geographis Society reports that having privately operated postal service was quite the thing in the early days of America's development. Private companies competed with government service. One royal postmaster reported in 1773 that in his district there were two post offices, the King's and Peter Munford's. Of the two, Munford's was the more profitable.

In 1841 several express firms were delivering letters for 6 or 7¢ each compared with the 25¢ charged by the government. To avoid being forced out of the mail business, the government arrested private messengers when it could catch them. Postal messeng-ers fleet horses, pursued by federal agents. The people favored the cheaper private mails and so misdirected the pursuers. If apprehended, juries usually acquitted the riders despite overwhelming evidence. The result was that the government was forced to reduce its rates drastically and expand delivery service. There is nothing like competition to insure eficency.

No doubt, if rates keep rising, once again we will see private mail bootleggers riding the back roads of the country delivering mail at reduced rates, with government agents waging a war on them. And no doubt juries today will also look the other way.

The more things change, the more they remain the same.

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The Wall Street Journal reports - the North Orange County Council of the Boy Scouts of America has been given 386,000 acre bequest in Brazil. This area of land is bigger than the State of Rhode Island.

A couple of land developers deeded the land to the Boy Scouts. It is valued at $1. an acre and was turned over to the Boy Scouts as it is just too big to develop by these men.

The Boy Scouts are flabbergasted, but what should be even more flabergasting is how these developers were deeded all this land. Actually they obtained a million acres and are turning over the above mentioned amount. Of course, if the Boy Scout organization developed the land then the land the developers kept might more than repay them for their gift. By what right does a government have to deed all this land to a couple of men? No doubt, there are many natives living there who have no knowledge whatever of this deeding of land from which they have been making their living. But if the land is ever developed, they'll soon learn the hard way, just as the Indians did in the U.S.A.

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Why is it that just when everyone seems to be wanting to buy West German marks, rich Germans are fleeing from marks? They have been bringing suit-case loads of marks on business trips to Switzerland and converting the currency into Swiss franc accounts. The outflow started last year when Chancellor Willy Brandt started his policy of seeking better relations, with the communist states or the east.

The real reason apparently is the distrust of these hardheaded Germans with Brandt's socialistic government. Sooner or later a socialistic government expropriates wealth, increases takes, institutes exchange regulations and attempts all kinds of schemes to redistribute wealth.

So while the rest of the world looks upon West Germany as a bastion of fiscal conservatism, at least some Germans have a different feeling, at least as regards the future.

SALT OF THE EARTH

Youth: When we want to set the world on fire.

Middle Age: When we hope our children won't.

Sarcasm: To get an edge in word-wise.

Stenographers: Jot set.

Advice: Helping a fellow oversome his faults.

Meddling: When you're the fellow.

It's easy to tell men from boys. Their toys cost more.

Guide: This castle has stood for 600 years. Not a stone has been touched, nothing altered, nothing replaced.

Visitor: They must have the same landlord we have.

Employer: You are 30 minutes late again. Don't you know what time we start work?

New employee: No sir, they're always at it when I arrive.

Marine: Say, sailor, will you loan me a nickle. I want to call a friend.

Sailor: Here's a dime. Call all of your friends.

1st businessman: You don't have to be crazy to do business now.

2nd businessman: No, but it helps.