

TWO SIDES OF THE COIN

King Saud's (of Saudi Arabia) visit to the United States brings to mind some very interesting points to the student of Henry George.

First: King Saud represents the state of Saudi Arabia--he is, in fact, as absolute a monarch as probably can exist. Therefore, he is the State.

Second: Saudi Arabia's oil production constitutes her major industry -- the others being negligible in comparison. Her oil production went up from less than 8 million barrels in 1944 to nearly 361 million barrels in 1956. Under the royalty arrangements she has with Aramco--the American corporation which is dominant there--Saudi Arabia's share of the oil revenues went up from \$2 million in 1944 to \$275 million in 1955. As most of the profits of Aramco constitute economic rent, any share that the State of Saudi Arabia receives is economic rent. As her share is probably in the neighborhood of half the net revenues of the company, it may be assumed that Saudi Arabia is receiving about half the economic rent of the country.

Thus, we have a State which is receiving a very large share of the economic rent of the country. That being the case the logical question is: "How do the people fare under such a State?" Has involuntary unemployment and poverty been eliminated or drastically reduced? Are the people free?

If the newspaper reports are to be believed, far from ideal conditions exist rather, an extremely low standard of living prevails. Freedom is practically nonexistent--as a matter of fact, human slavery is practiced. Most of the economic rent apparently goes into gold sheathed Cadillacs, and into paying for the high living and pleasures of the King and a coterie of tribal chiefs and sycophants.

Does this mean that the fundamental premise upon which students of Henry George have based their arguments is wrong?

That premise is that if the State collects the full economic ground rent, there will be a tendency for involuntary poverty and unemployment to disappear.

To begin with, an adjoining Arabian state also receives high oil royalties--that is, economic rent. Much of it is used for improving the economy of the country thru improved roads, schools, hospitals and the like. This apparently is having some effect in raising the standard of living in that country plus rais-

ing the intellectual level of the citizenry.

Possibly the important thing to remember is that there are two sides to the coin. One side of the coin deals with the recognition of the fact that in order to create a condition of equality of opportunity, economic rent must be collected by society inasmuch as man lives in a world of unequal opportunity. Society's collection of economic rent constitutes the balancing wheel by which the unequal opportunities are divided among the equal claimants.

The other side of the coin is the collectivity which society will utilize to collect the rent. Society must set up some form or organization thru which the amount of rent for a particular piece of land is determined and which will perform the actual collection of the rent and disbursement to the members of society.

This organization is usually called the Government or the State. Some students of Government claim there is a distinction between Government and State--their contention being that the State is corrupted Government. Be that as it may, the fact remains that if the State is in the hands of feudal despots as King Saud, the collection of economic rent will not necessarily bring about a better form of society. The State, itself, must be one which is under the control of the people and responsive to it.

Thus the student of Henry George finds that once he has some understanding of the land problem, he becomes aware that economic rent must be collected. A study of this problem forces him into an analysis of the collectivity which collects and disburses the rent--that is a study of the State. And when one gets into that problem, one is led into the problem of the nature of the individual, for the State, being a man-made institution, is a reflection of the individual.

Man, down thru the ages, has always sought a pill to solve his problems, be they social, medical or economic. There is probably no universal panacea. Henry George himself stated that his proposal was no panacea, but that if there was one it was freedom.

All that the careful student of Henry George can state is that involuntary poverty, unemployment and depressions cannot be eliminated unless the land is made freely available to all thru the collection of economic rent, and that this has to be done by some collectivity which is answerable to the people.

(Continued - next page.)

It does not follow that the society which will arise will be a Utopia. It would appear that it has the greatest possibilities of being a society in which the people will generally be happier, but man being an unpredictable animal may still not be happy. He may still make a terrible mess of his life.

Is it, therefore, pointless to fight for creating the conditions which may give rise to a better society? Not at all! Men work to create a better life for themselves and for their children. If their children do not take advantage of the opportunities that is no fault of their's. Those who have fought still have the satisfaction of having done their best and having passed on to their descendants greater opportunities than they had.

For, after all, part of the joy of living is working to make the world a better place for others, as well as for ourselves.

The Middle East Crisis

Can it be that our government's interference in the Middle East is prompted by fears that the boom may end? After all, the boom is based on the make-work principle of defense, foreign aid, domestic aid--anything for which an excuse can be found to spend money.

But to put such a make-work program into effect, the government must take the wealth from those who have it in order to distribute it -- in the form of jobs of one kind or another -- to those who have no wealth. To do so, it resorts to the Siamese twins -- inflation and taxes. However, those who are hit the hardest by taxes and inflation object strenuously. In wartime, the problem of justification is simple, but in peacetime, it becomes quite difficult to advance convincing reasons why taxes in particular, should remain high or be raised. However, if a "crisis" conventionally arises every so often the critics of spending and taxes can be silenced in order to secure freedom, peace, justice, prosperity, happiness, etcetera, etcetera, etcetera.

Unfortunately, a "crisis" can be made to last only so long. Eventually the absurdity of solving one in such a manner as handouts to European nations reaches a point of revulsion which even the steel lined stomachs of the American people cannot tolerate, and they start to grumble. If the grumbling grows loud enough it will threaten the make-work program and thus the whole boom, so a new recipient of our largess must be found.

Now, the officials in Washington would no doubt, indigantly deny that their continual interference in everybody's business all over the world has its roots in their desire to keep the

make-work boom rolling. Possibly they sincerely believe their actions are based solely on their fears for peace. But they are human beings, and people when troubled cannot help eagerly involving themselves in something which though apparently unrelated to their problem, actually constitutes a form of solution for their trouble.

As the case presented for our interference in the Middle East appears rather weak, it appears that the real, though possibly unconscious reason is precisely that of keeping the American have-nots happy and contented by keeping them busy producing goods to be poured into another bottomless pit labelled the "Middle East Crisis". O.B. Johannsen

DEFINITION OF MONEY

"MONEY" said Oscar B. Johannsen, "is an article of wealth which is commonly used at a particular time and place as a medium of exchange." (THE GARGOYLE, February 1957-Page 4, his article on MONEY.)

I say "Money is ANYTHING tangible or intangible, visible or invisible, commonly and legally sanctioned and used as a medium of exchange (trade) in payment for goods, services, debts, and other VALUES and CONSIDERATIONS, HERE and NOW." By "here" I mean any land or country in the world; by "now" I mean to include a reasonable time in the future, as many debts and goods and services contracted for today may be paid for within a reasonable time, that is, on credit terms.

The "here" and "now" emphasis, then, should eliminate all discussion of its origin and development through history, which is of particular interest only to historians and other historically-minded students. Those who are living HERE AND NOW, I hold, are concerned ONLY with the "medium of exchange" which can operate and function HERE and NOW or for a reasonable time to come.

Gold, silver and other visible and tangible forms of money are articles of wealth ONLY WHEN CHANGED INTO OTHER FORMS, such as jewelry, ornaments, etc. Otherwise, money as money, in itself, whatever its form, IS NOT WEALTH. I am surprised that a scholar of Henry George, such as Mr. Johannsen, could not see clearly this perfectly demonstrable fact.

In fact, anyone attempting to use gold or silver money as "articles of wealth" will land in jail. For, the sovereign who stamps of gold and silver coins with his "stamp of the realm" is a jealous "tin god." He has never tolerated anyone who would use that stamp for any other purpose. ONLY when changed into jewelry, ornament, etc., is it legal for anyone to use gold and silver money as a medium of exchange, and then only on a barter basis, which is seldom done these days.

If money as money was ever "an article of wealth," as Mr. Johannsen defined it, (Continued next page.)

then he should admit that MONEY IS WEALTH. But, is it? A bit of reasoning or analysis will show to anyone that MONEY IS NOT WEALTH. Whatever its form, but only a medium for exchanging wealth on services.

Moreover, if and when gold or silver money is changed into other forms (jewelry, ornament, etc.), it ipso facto ceases to be money as such, and becomes a true article of wealth. The distinction should be made clear. Otherwise confusions will be compounded upon confusions without end.

Give me ANYTHING which will, HERE AND NOW, exchange for items of wealth, or for services I may desire, and I will call it MONEY--regardless of its form. In fact, most businessmen, consumers and people generally, today, prefer to use the invisible and intangible forms of money, such as check-book money, bank-deposit money, bank-notes (receipts), and many so-called commercial papers--bonds, securities, debentures, insurance policies, etc., which can easily be changed into the COM-MONLY and legally used money-forms.

This widespread use of invisible and intangible forms of money, of course, has been due to modern development of our credit system. More than 90% of our business transactions today are settled by "pieces of paper" and commercial documents, such as promissory notes, trade acceptances, and others.

Please, Mr. Johansen notwithstanding, let us clearly understand this one thing about money, if we do not understand anything else about it: MONEY (as such) IS NEVER WEALTH. -- A. BASIL WHEELER

"Is It The Best of All Possible Worlds?"

In "Is It the Best of All Possible Worlds?", published in Social Problems, Henry George brings as powerful an indictment of the American society of his day as Charles Dickens did of English society in his novels.

Two worlds existed, George pointed out that "there are worlds and worlds--even within the bounds of the same horizon. The man who comes into New York with plenty of money... sees one New York. The man who comes with a dollar and a half... sees another."

In his day one cynic told him: "The corporations rule the country... the press rules the people, and capital rules the press."

Whether this was true or not, the philosophy of the people did not make it likely that any real effort would be made to create a better society. For he stated that "even the wonders of modern invention have... scarcely shaken the belief that social improvement is impossible... He who thinks society may be improved, he who thinks that poverty and greed may be driven from the world, is looked upon in circles that pride themselves on their culture

and rationalism as a dreamer, if not as a dangerous lunatic."

A new rationalism for the great disparity between wealth and poverty was growing in his day. "The old idea... that it is the mysterious dispensations of providence that give wealth to the few and order poverty to the lot of the many... is losing power; but another idea... is taking its place... that the only social improvement that is possible is by a slow race-evolution of which the fierce struggle for existence is the impelling force."

After graphically depicting some of the horrible conditions existing in the slums of New York he points out that "behind all this is social disease... (it) proves that there are large classes who find it difficult with the hardest toil to make an honest and sufficient livelihood."

In ending this short but burning essay George said "It is the fool who saith in his heart there is no God. But what shall we call the man who tells us that with this sort of a world God bids us be content?"

Today, the corporations certainly do not rule the country. If any organization has ruled it - it is probably organized labor, but even the power of labor is being displaced by a more powerful agency--big Government. It would appear that in a growing country, where land is relatively cheap business interests first tend to control the Government. This leads to unjust conditions resulting in the rise of labor unions as a counter-balance. The unions in turn, eventually create such conditions that the people turn to the government itself as the Big Brother who will care for them. But unrestrained government is the worst of all, for who can prevent the government from indulging in excesses? One has only to study the history of unrestrained governments to know the answer--withness Fascist Italy, Nazi Germany and Communist Russia.

MEET ANOTHER DIRECTOR

In Montreal, Canada, Miss Strehel Walton holds forth as Director. Says Strehel, "Through the late Mr. John Anderson, a personal friend, who talked to me about it for a couple of years without any success and then started the first class in Montreal in 1938, I became interested in the HGS. I was connected with the work from then on for we had several classes, but the school was not organized as such until 1941, and I became the secretary. I worked as secretary for several years as a volunteer (at that time singing for my daily bread), then made a part-time Director at some early stage and for the past twelve years have been on full time. It was Strehel who pestered Val and Geoff Esty until to prove who was "crazy"--they or Strehel--they took the basic course in the HGS. Now about it Geoff - maybe you should not have done it? At any rate we think Strehel, aside from leaving her coat

at San Francisco and her bag at Philadelphia - is just about tops!

SALT OF THE EARTH

High prices hit us all, but there is one sure way to get more for your money than you expect. -- stand on a penny scale.

Bore: a person who often keeps you from being lonely, and at the same time, makes you wish you were.

It is true that a fool and his money are soon parted, but what we want to know is where did he get it in the first place?

Nothing makes temptation so easy to resist as being broke.

Most men are pessimists when they are making up their minds to buy -- but they like to buy from an optimist.

After reading over the latest tax proposals its hard to believe America was founded to avoid taxation.

What the modern worker is fighting for is a five-day weekend.

Daiffynition: Soot cash: Money paid to a dry cleaner.

JOSEPH SUSSKIND

is a member of the Board of Trustees of the Henry George School of N.J. Whether active in the affairs of the school or forced to be absent, due to the rush of life and duties, the central idea of the school and its progress is always with him.

He is another of the original group who spearheaded the beginnings of the N.J. School, and was in close association with the inspiring pair, Dr. Bowen and Mr. Rusby. Were the subject other than economics, I would say something magical must have been passed from these two to these beginners of the school. And I think I'll say so anyway. What could be

neerer magic than a vital, enduring idea living on in the minds of men?

Mr. Susskind has always lived in the environs of Newark. While attending New Jersey Law School, now Rutgers, the World War intervened. After serving in France, he returned to graduate in 1920; and thereafter, he went into law practice. Also, he entered the field of writing, pertaining to legal matters. In current use is: "Law and Procedure for New Jersey Constables", published by Soney and Sage.

In 1948, after adoption of the new constitution, Chief Justice Arthur T. Vanderbilt appointed Mr. Susskind to a committee formed to revamp the New Jersey court system which involved rewriting the court rules for the State. He was appointed, in 1950, in collaboration with Judge Sullivan of the New Jersey Superior Court, to revise New Jersey statutes pertaining to the district courts. He continues his private practice; and is associated with the District Court of Essex County.

Mr. Susskind tells me his wife, Edith, has made an art of her cooking hobbies, among others. They have a daughter and a son. The former graduated from Douglas College and is with the New York Life Insurance Company. The latter graduated from New York University and Amsterdam (Holland) University of Medicine. I was interested to hear that he practices medicine right here in Kearny. After serving in the army he expects to specialize in Ophthalmology.

When Mr. Susskind has time from his busy schedule, he enjoys his hobby of photography and especially portraiture.

Virginia Harvey

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Last chance to take advantage of reduced rates for Henry George School graduates in the World Politics Discussion Group starting Thursday, February 28th at 1114 Broad Street, Newark!

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