

The Baroque



"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

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THE MORAL BREAKDOWN

The way things are going on in America today it is almost an insult if you have not been robbed, assaulted or mugged, particularly if you live in a big city.

Crime is usurping the front pages of the newspapers and bids fair to being the most important problem of the nation. Paralleling the alarming increase in crime is the increase in laxity in personal behavior. The old strictures of religion and of ethics are questioned as never before. Permissiveness in all phases of life seems to be the guiding principle.

Of course, there is nothing new about crime nor in deviations from the norm in personal behavior. What is different, today, is the scale on which it is occurring, plus the general attitude of tolerance by many who would be expected to denounce this moral breakdown. This combined with the general apathy of the public is a cause for concern. Possibly it is not correct to say our society is apathetic. Rather the public seems to be suffering from a feeling of helplessness on how to combat this moral breakdown.

The reasons assigned for this condition are ascribed to sociological, psychological and ethical relationships, depending on your bias.

However, this writer feels the fundamental reason lies in the field of economics rather than in the domain of the more esoteric social sciences. Whenever an inflationary period occurs, there is a breakdown in the normal standards of a society. Those who make money easily are deluded into believing it is their natural accumen which is responsible when it is primarily due to the increased money supply which temporarily tends to increase wages and profits almost "painlessly". Hard work is not necessary for success.

Instead, gambling whether in commodities, currencies, inventories, or the stockmarket is the road to success. If it is so easy to make money with little effort, maybe the old fashioned virtues are in error. The easy buck leads to easy virtues.

And who wants to listen to some old Jeremiah denouncing such actions. Let us go to the up-to-date student of religion, of ethics with his psychological concepts of right and wrong. This is a new age, with new standards, new morals.

But, of course, as we live in a world of natural law, sooner or later the price must be paid. The moral breakdown results in children who have little respect for their parents; parents who have little respect for one another, and ultimately as morals

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degenerate, the economy also deteriorates.

As the economy produces less, with a smaller production pie, the competition to get some of it increases to a point where the State is called upon increasingly to intervene to correct imbalances. This means a loss of freedom, the most important ingredient for happiness.

America seems to be following the path of the Roman Empire, which, as it grew more powerful became more corrupt. Eventually, this caused such dry rot within the society that it collapsed. No doubt, any American collapse is a long way off, possibly quite a few generations. However, things move much faster these days. The moral breakdown seems to have occurred much faster than it did in the days of Roman ascendancy. Possibly America's decline will be faster.

Can it be arrested? Certainly, but that requires knowledge and understanding. And the most important understanding needed is an understanding of how to produce a sound economy. If a just economy is established, higher ethical and moral standards will be the natural result. To do that of course means an understanding of the ideas of Henry George. But if his ideas are not learned, then it is almost certain that the moral breakdown will continue to worsen until a dictatorship is established. The more things change, the more they remain the same.

Oscar B. Johannsen

SENSE & NONSENSE

The United States has under way a complicated plan to settle the claims of Alaskan aborigines to millions of acres of their ancestral lands. The plan would give them land grants, cash and a share in revenues from the oil, mineral and other natural resources. The hope is to establish the private enterprise system, with the aborigines eventually being on the same footing as the white man.

Apparently, it is a sincere attempt to avoid setting up reservations, such as were established for the Indians in continental America with such disastrous effects on them.

Just how well the plan will work is questionable. What is sad is to note that the natives are to be led away from a system of land tenure which apparently recognized the rights of all to the land to that of private ownership, which has caused so much trouble and anguish throughout the world.

If the white man would only sit down once and try to understand the primitive peoples and their relationship to the land, he would discover that the

natives have a far superior system of land tenure--one which recognizes the rights of the individual to access to the earth. But, the white man thinks whatever he does is right--everyone should conform to his ideas. How dumb can we get?

France is still suffering from devaluation fears. Despite the drastic measure DeGaulle has taken, people in France are skeptical that he will be able to prevent the franc from being devalued. Thus, business is booming, particularly jewelry, housing and the stock market. People are anxious to change their paper francs into something solid. Naturally, jewelry is sought as it has high value and small bulk. Equities are also items which tend to rise if currencies are devalued, and real estate is always considered a good hedge when inflation threatens. Gold, that "barbarous relic" is much sought after and the French have untold millions of gold pieces stashed away.

The French situation is an interesting one in that DeGaulle attempted to establish a relative sound currency, building up a huge gold reserve. However, as the fundamental problem was not solved--the land question--the depressed condition of the people generally resulted in what amounted to a revolution. Ergo, the gold hoard is being rapidly whittled down, and the "sound" French franc is sound no longer. This should be a lesson to those monetary theorists who assume that a sound money will bring about prosperity. It may temporarily, but unless there is some intelligent system of land tenure in existence at the same time, sooner or later the economy will break down.

Money: an article which is a universal passport to everywhere except heaven, and a universal provider of everything except happiness.

The Mexican peasants have a land reform system which isn't working. This reform started in 1915. The purpose was to eliminate the big estates and emancipate the peasant farmer who toiled on the huge haciendas for a pittance.

Private land holdings were limited to a maximum of 741 acres and a minimum of 247 acres, depending on the crop. Much of the land was converted to communal farms for collective use, or distributed in small plots which the owner had the right to occupy and use. The plan did break up the estates but is not working well. Of course, communal farming is always a failure unless backed up by some religious fervor, such as a religious order might have. But besides that the farms have apparently been too dependent on one or two crops, and

thus suffer when the price of those crops drop. What is not mentioned but probably also important is that the peasants must still be paying for the land as interest and amortization, so in effect they may still be paying the speculative rent.

Dividing up the land helps ordinarily for a time, but the true solution either to let the land alone and let its value, or have the community share the land belongs to all the people and lease it out. In the long run, there is nothing like a truly national program of land reform if people are not to be disillusioned.

The prime interest rate has been raised to 7½%. This is the rate charged by the nation's largest banks to their most credit-worthy customers. Since such borrowers are usually required to keep about 20% of their means in their bank accounts, this means that the true cost to them of funds borrowed is about 9%.

This rate is the highest in 40 years and gives some measure of the amount of inflation which has taken place in our economy. The hope is that this higher rate will "cool" the economy. It is expected that it will be followed by certain actions of the Federal Reserve Board, as increasing the rediscount rate, increasing the amount of reserves which commercial bank members must keep with the Fed. and possibly increasing the amount of interest which banks may pay on certificates of deposit.

Whatever actions are taken, it is rather evident that some attempt is being made to cut down on inflation. Inflation is the issuance of money greater than the increase in productivity. Since the Fed controls this, it can reduce this supply to zero and even below by its actions. However, it has unwisely created so much money in the past few years it fears that cutting the money supply down too drastically would precipitate a crisis. It is analogous to a driver who has accelerated his car to dangerous speeds but is afraid to brake it too suddenly.

So far, except for the stock market, no boom keeps rolling along. The people have not as yet been sold on the Administration's willingness to let the inflation. The sophisticated investor is watching warily to see the effect this action of the banks on the anticipated actions of the market will have.

One can say what actually will happen. But it would be much easier to make judgements if banking and money were let alone to be controlled by the market place. It's a peculiar situation. No one says how many cars or wheat or wheat shall be produced, but to a few individuals are given the

power to determine how much money shall be created. That they have made a mess of it was to be expected.

They are now walking a tightrope hoping to slow down the economy without creating a depression. This is an impossibility. Under the present system of land tenure, the program the monetary experts have instituted will bring on unemployment and bankruptcies on an increasing scale. Since it is now accepted that the government shall interfere when this situation occurs and the complaints become unbearable, the government will shift gears and start the inflation process all over again.

How long it can inflate and deflate without something giving no one knows, but sooner or later something entirely unforeseen will erupt. And when that occurs, the government will again step in and gain greater power than ever over the individual. It may copy George Orwell and establish a "free dictatorship".

SPACE AND THE EGYPTIAN PYRAMIDS

Recently a newspaper columnist commented that such famous astronauts as Frank Borman, who was the captain of the space flight around the moon, appeared to be no different from any earnest young man trying to make a living. Not only that, but the engineers, technicians, mathematicians and host of specialists involved in our space projects appeared to be rather pedestrian with little appreciation of the poetry and beauty of their work.

But what puzzled this commentator even more was why men who had the vision, knowledge and skill to send capsules into outer space and who could produce goods in almost inimitable quantities, do not seem to have the ability to solve problems which are of equal importance and closer to all of us.

In particular, he wondered why they could not solve such problems as pollution of our environment, traffic congestion, crime, slums, poverty and unemployment. He wanted to know if men could be organized to conquer space, why could they not be organized to conquer these problems.

What this commentator probably does not know is something which Albert Einstein was well aware of. When asked why the physical sciences had made such progress while the social sciences had lagged so far behind he stated quite simply "Because the social sciences are so much harder."

The truth or validity of any hypothesis in a physical science ordinarily can be determined through controlled experiments. This is impossible in the social sciences. Instead those involved in it must

usually apply deductive reasoning. At the same time they must be able to ignore transitory elements and keep their eyes on the fundamentals involved. This is not easy. All of us err in this respect and it is only by constant study and analysis of principles and concepts by men that something approximating truth may be attained.

The space projects are similar to the building of pyramids by the Egyptians. Those pyramids were built by the pharaohs as make-work projects to keep people occupied who otherwise would have been out of work and potential revolutionaries. Land in Egypt was owned by a few, and the usual condition of extreme wealth on the one hand and extreme poverty on the other with a middle class of administrators and engineers who really acted as overseers for the landlords.

No doubt some journalist of that era wondered if men could build such mighty edifices as pyramids why could they not solve the problem of poverty.

Rome had its bread and circuses--all designed to keep the populace quiescent. The United States has its space projects and welfare--all designed to keep the people happy. This does not mean that there is any necessarily conscious attempt to do what the Egyptians and Romans did. It is merely the natural result of establishing a society which permits the monopolization of the one element all men need to live on and from. Poverty, unemployment and unrest are the hallmarks of such an economy. Quite unconsciously, then, programs are adopted to solve these problems but without any careful analysis of the causes.

And even if such an attempt were made, it runs up against one of the main problems of the social sciences. The conclusions arrived at almost invariably run contrary to powerful entrenched interests. Those with a vested interest in the status quo may become simply unable to see that they were benefiting from an injustice. Many of the slave-owners of the South sincerely believed in slavery. They had been born and bred in such an environment that it was practically impossible for them to appreciate the grave injustice they were practicing.

And so, today, we find our cities turning into gigantic slums, people taking their lives in unimportant make-work projects, a few involved exhorting "circus" projects as a space program, and people wondering why?

To those Georgists who have seen the "cat", it is inexplicable that others do not appreciate what seems so obvious. But the fact is that as the social sciences are so difficult to master, one must be patient. One

cannot expect men to understand overnight. It is a long, slow process. But eventually truth will out. That is the hope to which all who keep striving to teach must cling if their work is to have value and meaning to them. That is the hope which will someday be realized.

Oscar B. Johannsen

SALT OF THE EARTH

Installment buying: A method invented to make the months seem shorter.

Optimism: That quality which allows a tea kettle to sing, even though in hot water up to its nose.

Evolution: Dress \$3.50; frock \$19.99; gown \$75.; creation \$325.

Blood pressure test: Watching a man being liberal with the money he owes you.

You can't win. If you build a big business, you're a sinister influence; if you don't you're a failure.

Needed: A child labor law to keep them from working their parents to death.

Profits: not prophets, foretell the future.

Failure: a man unable to cash in on his experience.

Law: Gives the pedestrian the right of way but makes no provision for flowers.

SCHOOL ACTIVITIES

Second Semester Basic Course opened in East Orange Headquarters on April 1st at which time Alex Goldfinger, Dean delivered a lecture entitled "Justice and Equality of Opportunity."

Arrangements have been made for the basic course - 20 weeks, two semesters to be given next Fall at the South-Orange Maplewood Adult School and at the Union Headquarters of the United Auto Workers, in Linden.

Afternoon Discussion Group meets at East Orange Headquarters on the second Tuesday of each month 1:30 to 3:30. Any who can attend these daytime discussions will find them interesting and informative. Please spread the word to any you believe may be interested - need not be familiar with economics to participate. No charge or obligation.

Sorry the March and April issues of THE GARGOYLE had to be combined. June issue is expected to get in the mail at usual time - last week of preceeding (date of issue) month.

Any reader who would like to send along a contribution (financial or article) is invited to do so. The GARGOYLE provides for spouting.