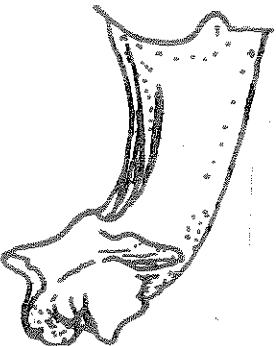


# The Barquole



"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. 96

NOVEMBER 1965

## HISTORY REPEATS ITSELF AS TIME MARCHES ON!

History shows that all civilizations have followed this timetable:

THE AVERAGE OF THE WORLD'S GREAT CIVILIZATIONS HAS BEEN 200 YEARS . . .

THE PEOPLE GO:

from SLAVERY to SPIRITUAL FAITH  
from SPIRITUAL FAITH to COURAGE  
from COURAGE to LIBERTY  
from LIBERTY to ABUNDANCE  
from ABUNDANCE to SELFISHNESS  
from SELFISHNESS to APATHY  
from APATHY to DEPENDENCE  
from DEPENDENCY back to SLAVERY

IN ELEVEN YEARS OUR UNITED STATES WILL BE 200 YEARS OLD . . .

## WHERE ARE WE NOW?

Professor Tyler of Edinburgh University expressed it back in the Eighteenth Century:

"A democracy cannot exist as a permanent form of government.

It can only exist until the majority discovers it can vote itself moneys out of the public treasury. From that time on the majority always votes for the candidate who promises the most benefits from the public treasury with the result the democracy always collapses over a loose fiscal policy, always to be followed by a dictatorship."

NILES STEEL TANK CO. - Jerome W. Wood,  
Niles, Michigan

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## SAME GOAL

Both "THE FREEMAN" and its publishers The Foundation for Economic Education are held in high regard by the writer. I read every issue of the magazine from cover to cover and read almost all the publications of FEE. Now and then I find a reference to Henry George, but it is usually derogatory. For instance in an article in the September 1965 issue, installment No. 12 of "The Flight From Reality" (one of a series by Clarence B. Carson) statement is made that socialistic theories run from Henry George's proposal to confiscate all rent" to Marxist socialism.

"Guilt by association" which would be inferred from this statement by many readers would be ruled out by enlightened persons, and any who truly understand George's proposal.

It is, I think, regrettable that both FEE and The American Economic Foundation will not refrain from discrediting George. All three (Henry George School and the two organizations mentioned) have the same goal and practically the same method of attaining it--free competitive enterprise, capitalistic system, limited government. The goal I believe cannot be achieved until the distinction between natural resources and man-made products is clearly recognized as is also the fact that taxes are not sources of public revenue. Further public revenue should be raised as far as possible from natural resources and taxation of man-made products reduced until eventually eliminated.

H.G.S. graduate.

## NO SIMILARITY

1935 - 63 Thirtieth Anniversary  
Henry George School of N.J. and Social Security Act.

Scientists think in terms of process - rather than simple cause and effect.

Define: GYRONOMATRIARCHY

## GYRONOCRACY

(See next column for definitions)

Open your newspapers to "Letters to the Editor" and it will be an off day when you do not find an example that is misleading, unjust, thoroughly fallacious-or all three."

Stuart Chase in Guides to Straight Thinking.

## PAGE ROBERT SCHALLNEBACH

"The tax exemption of foundations has sometimes been brought into question when critics differed with the content or conclusions of studies made under foundation grants .... Thus, a trust to publish books or give lectures expounding the doctrine of the single tax may be tax-exempt, even though the members of the court disagree with the doctrine." From - "Private Initiative for the Public Good" John W. Gardner Reader's Digest, October 1965

Leonard E. Read - "The Free Market and Its Enemy."

Government, per se, is not the enemy of the free market; it is not the root of the authoritarianism that is plaguing us. Rather, it is the psychotics--the little Napoleons--who have taken root in government. We do not condemn education as an institutional ideal because of an influx of faulty teachers. No one suggests abandoning religion when inferior persons infiltrate the clergy. Nor should we downgrade society's agency for keeping the peace because unpeaceful know-it-alls have taken over. Government, per se, is not our problem. Instead, we have a widespread, pervasive psychosis on our hands; only rarely is there an individual who is completely free of it.

## Definitions

GYRONOMATRIARCHY - control by aging females.

GYRONOCRACY - Government by old men.

## ASSESSMENTS

Although he owned much land in the city, Mr. Finch screamed when the local school board asked him to sell a ten-foot strip. The city fathers, he loudly complained at a public hearing on the matter were grossly underestimating the value of his land. Their \$10,000 offer was ridiculous. They should pay at least \$75,000 for the strip they wanted as a right of way to a new school.

After a series of speakers had risen to call Finch's demand outrageous, and to denounce his greed, Councilman Tatmore took the floor and surprised everyone with the statement:

"Gentlemen, I am in favor of giving Mr. Finch the \$75,000 he asks for the right of way." Then, to still the immediate murmur of protest, Tatmore held up his hand and added, "and of reassessing the rest of Mr. Finch's property on the same basis."

Local Tax Assessors may well be the biggest single group of lawbreakers in the country.

Every state's laws require that all property be assessed at its full value - or a fixed percentage of its value - and in a uniform and, therefore, a fair basis. Yet only Arkansas and Oregon, the 1962 Census of Government showed, have average ratios of assessed value to full value that approach the legal requirement; both made their legal assessment ratio conform with the prevailing too-low ratios.

Frederick L. Bird, author of a recent report on property taxes and an expert on municipal finance, calls local assessment practices "the most flagrant and wide-spread disregard for constitutional law and statute among public officials anywhere in the United States."

One example: (In Nassau County, which is on New York City's border) a parcel listed on the tax rolls at \$1,700 cost the county \$170,000 when it was condemned to make way for a highway.

A bitterly fought reassessment, still in the courts, jumped the low ratios to about 30%. If the reassessment survives the court fight, it is expected to bring the county \$7 million a year in new taxes - enough to cut annual taxes on the average house by \$17.50.

HOUSE & HOME - Sept. '64

#### MILADY DEFEATS A. T. & T.

Monopolies, even when they attempt to be benign, are still monopolies and cannot help acting in accordance with monopolistic principles. Such is the case of A. T. & T. Early in the game, it recognized that for it to stay in power it would not be able to exploit to the fullest extent its monopolistic position in the telephone field. Therefore, it has generally bent over backwards to be fairly reasonable in its dealings with its customers.

However, as it did not have the spur of competition, it has been laggard in many improvements despite the fact that it has a well equipped research department with highly trained specialists. Many of the improvements now in common use were produced by some of the smaller telephone companies and only subsequently did it adopt them. It usually charges an extra fee until it gets so many complaints that it feels it the better part of valor to drop the fee.

Although most people are probably unaware of it, all telephone equipment is owned by the company, and they will not permit the use of any other equipment on their lines. This has created a problem for today, more and more of our fashion-conscious housewives want instruments which blend with the decor of their Louis XVI living room or with their early American bedrooms. And to meet the demand, private companies have designed some of the most interesting and beautiful phones that can be imagined. And the housewife has had someone hook it up in place of the company phone. But this is illegal, and the company has been disturbed about it. They did not wish to make too much of a fuss about it for they did not care to get the dander of the housewife up. Therefore it has reluctantly agreed to install the necessary inner workings in whatever telephone "shell" the housewife provides.

Although the company claims only a few people want unusual phones, one private company disagrees for it says it is selling over 2,000 phones a month to people dissatisfied with the Bell's designs.

All of this points up the fact that a monopoly is a monopoly is a monopoly. While Americans have the finest telephone service in the world because the companies are privately owned, nonetheless the service is not as good as it would be if telephone

service was on a competitive basis. This writer has long maintained that there is no need for one company to dominate any area. There should be as many companies in an area as can profitably exist. All that is really needed is one central exchange into which all companies will hook. If this were done, the service we would have would be out of this world. Instead of strident bells summoning us to the phone, we might have softly sibilant sounds; the decor of the phones would match anything we like and the competing companies would be deluging us with ever better phones or service if we would only patronize them. And the rates would be the lowest possible, with no bureaucracy needed to oversee the telephone industry.

The central exchanges themselves would either be operated by private companies which would specialize in such business, or one of the companies would do it and the expenses pro-rated among all of the companies connecting into it.

Though it would require the solution of quite a lot of technical problems to institute the program in view of the present set up, none the less it can be done and should be done. If not, eventually the government will be taking over the telephone industry as it is gradually taking over everything else.

But, in the meantime, it's nice to see how milady has made the powerful telephone company bow to her wishes. Never underestimate the power of an individual, particularly if it's a woman.

Oscar B. Johannsen

#### SENSE & NONSENSE

Fidel Castro is letting some of his slaves leave the Island Paradise he was supposed to create when he came into power. So anxious are they to leave that many are not even waiting for formal arrangements to be made but are embarking in any frail boat they can find to take them to this capitalistic purgatory.

No one has been able to figure out why he is being so generous. However, judging by those who first came out, it appears that the state of Cuba's economy is the main reason. It is so bad that he simply cannot feed them all, and in order to stave off a rebellion he is letting some go. Those he is letting go are, for the most part old men and women, children and infants. Not many able-bodied men, nor people with skills or highly educated have been among those who have reached America.

This is reminiscent of the mass exodus from Red China into Hong Kong a few years ago when conditions were so bad. They let some out, but whether because of the fear of the publicity or because conditions might have improved somewhat, they slammed the door again. No doubt, the Cubans are well aware that this might happen which is why they are so anxious to leave, even at the peril of perishing at sea.

This is clear evidence that a planned economy simply cannot work. It is as impossible as it would be for a human being to plan the beating of his heart. Only under free market conditions are the needs and desires of men met automatically and as though an invisible hand was directing everything. And yet, despite all this evidence in our colleges and universities our children are constantly being fed Keynesian economics which is merely a highly sophisticated form of statism. Why?

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There may be free cheese in a mousetrap, but you rarely see a happy mouse there.

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The Administration is fighting a none subtle battle to prevent interest rates from rising. Secretary of Treasury, Fowler in a speech before the American Bankers Association said that the money markets seem to be "jumping in conclusions instead of acting on the basis of hard facts." This, because banks have been raising various interest rates to their customers. They have not raised the prime rate which is the one they charge their prime customers. This is  $4\frac{1}{2}\%$ . Last year when three banks raised the rate to  $4\frac{3}{4}\%$ , the U.S. President bore downso hard on the banks that they rescinded the increase--an almost unheard of thing to do. So, now, they are leaving the prime rate alone but many firms which thought they were prime are finding out they are now not prime, so they have to pay the higher rates.

As inflation gets warmer and warmer, prices all rise, including interest rates and there is simply nothing the government can do about it. Natural forces are at work, forces which the government helped institute, but which cannot be swayed to meet the desires of politicians. The government must decide whether to stop pouring out money which will probably mean a depression, or continue on its present course, which can only wind up with people refusing to accept money as it loses value constantly. What will it do? No one can really say. A lot depends on the personalities who happen to be in control. At present it looks as tho the government will take the easy path of continuing to issue money. That's why the stock market is booming. The question is, how long can it all last?

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Whenever you pull the wool over someone's eyes, don't forget to use the proper yarn.

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Do you know why the Russians are angry with the Chinese? Because they're acting like a bunch of Communists.

#### AFTERNOON PROGRAMS

Second Tuesday each month at 2 p.m.  
78 Clinton Ave, Newark. Open to all adults - tell anyone you think might be interested; Nov. 9th - topic for discussion: "Ten Pillars of Economic Wisdom" - explained in everyday language.

Beauty contests did not start in Atlantic City or Hollywood. They began when the second woman was born on the earth.

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Parents who have recently examined college tuition costs now know why it is called "higher education."

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Misers are not much fun to live with, but they make wonderful ancestors.

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Specialization in America has reached such great lengths that even the men who can do nothing is specializing in a specific area of incompetence.

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Russia won't have to resort to war to destroy us. All she needs do is to poison the glue on our trading stamps.

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Want to know what is the most permanent thing in the world? A temporary tax.

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Optimist: One who expects his children to learn something at school.

Pessimist: One who has a good idea what it will be.

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Politician: A man who sees both sides of an issue so he can get around it.

#### NEW JERSEY SCHOOL NEWS

It is with sorrow we report the death of Carolyn Eblovi, wife of Ernest Eblovi, Trustee and member of Faculty.

Mrs. Virginia Harvey has moved to Maryland. Upon unanimous vote of the Board of Trustees, she has been made Trustee Emeritus.

Dr. H. A. Lazaar will conduct a Tax Seminar starting Nov. 9th in the Council Chamber at Carteret. Several of the members of the City Council have enrolled.

#### WEST COAST BANK FOR FREE ENTERPRISE

The Coast Federal Savings & Loan Association, Joe Crail, President, of Los Angeles has been putting out many folders and material in the interest of preserving the free market. One is an elaborate folder - "An informal folder of free enterprise materials to help educate the public on the truth about the American economic system. society and government."

"The truth is that business is where people are free to buy or sell, work or not work, change business and exchange what they have for what they want, only as they want it strong enough to give up what they have." Joe Crail

Mr. Crail and the West Coast S & L are to be congratulated upon this splendid contribution to economic thought.