"THE GARGOYLE"

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HENRY GEORGE SCHOOL OF NEW JERSEY — OCTOBER 1956

THE DEAN

Alexander M. Goldfinger holds the above title by the mutual consent and approval of all of us.

Before the inception of the school in N.J., with eight others, he came under the tutelage of Dr. Bowen and her husband Mr. Rusby. Exposure to these two meant a fine case of inspiration. As we have heard, so much enthusiasm was generated that two years later, they all decided to start a school in Newark. Later the school was incorporated and these pioneers formed the board of Trustees. Alex has served on the board continously since.

Almost from the beginning, he carried on for Bowen and Rusby at the school, due to their advanced age. He with the help of others, labored constantly with the Rusbys in developing methodology. Later he collaborated closely with these two in publishing their book "Economics Simplified." Again he assisted in its revision and second edition. And so, when they passed from the scene, Alex Goldfinger was well qualified to lead the school forward.

He has insisted on clear economic reasoning, based on the contributions of many economists, avoiding emotional overtones. If I understand correctly, he feels it is the only way to prevent the charge of "cultism". Previously accepted thought was carefully reviewed, and if found wanting, was discarded. The New Jersey School, under Goldfinger's leadership, often blazed trail through uncharted territory; and still does.

Behind his insistence on impersonal logic, nevertheless, I believe that Alex Goldfinger is powered, or driven by an emotion common to most of us; a fervent love of justice.

When a few months old, Alex was brought to Jersey, where he has since lived. After visiting many exotic places, he refuses to sell Jersey short. To that sentiment - "Amen".

He finished Rutgers pre-med school before switching to law, which is his life's vocation. His interests have been literary, with a particular liking for history.

Soft-spoken Helene Goldfinger is her husband's most enthusiastic audience. Who, like Helen Tetley, has been an "economics widow" for many years. The Goldfingers have one son, Alex, now in service in France. Having earned his degree at Haverford, he majored in - Guess what? He will later study for his masters.

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DOUBLE FEATURE
ALUMNI PROGRAM

TUESDAY OCTOBER 16th Eight P.M.

"Economic Principles Applied to Investing."
"Driving Through Southern Europe"

Lancaster M. Greene,
Investment Counsellor

and Trustee H.G.S. New York

Color slides will be shown.

Be sure and attend
and bring a friend.

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(Continued from Column 1)

Today, the Dean is a director and an executive of the Robert Schalkenbach Foundation. He is Treasurer of Economics Education Institute and is Secretary of the Inter-Foundation Committee. These organizations are engaged in contributing to the development of a real science of economics, with the aim of supplanting old economic hodge-podge.

Virginia Harvey.

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CASSERLEY RIDES AGAIN !

Spellbound was the audience at Alumni Evening at the school in Newark in Sept. when Norman S. Casserley, more-travelled than Dulles, International Secretary of the Henry George School told of his hair-raising travels around the world - and the movie proved it beyond a doubt.

He also exhibited a film report of the Annual School conference at Beria, Ohio in 1955 and the conference at St. Andrews, Scotland vividly portraying the interest of the Henry George movement throughout the world. Those of you who had the misfortune of not being present missed a fascinating affair.

Plan now to get in on the exciting programs ahead. For October see above. November - Mr. Phil Grant, author of "The Wonderful Wealth Machine" lecture on "Human Progress." December - Mrs. Ann Meiers, N.J. State Teachers College on "General Semantics". January - G. Szymak, Economic Welfare Council - February - Wm. Dunkinson, prominent N.J. Lecturer and President Chamber of Commerce Maplewood and the Oranges. March - Dr. Dorothy Wilson "Cranial Osteopahty" DON'T MISS 'EM.

INFLATION

It is a peculiar aspect of life that very often issues which everyone assumes will grow into matters of great importance often fade into insignificance while other issues deemed minor develop into affairs of major importance. There is a great possibility that something of this order will occur within the next four years.

The two national parties at their Conventions devoted a great deal of attention to civil rights, to farmers, to Russia, but little, if any, attention to the problem of sound money. But while little discussion was held on the issue of money, the problem was manifesting itself quite unmistakably, if not to the general public, at least to the financial community.

Interest rates were raised to 4% for borrowers with the best credit rating, followed shortly thereafter by the discount rate charged commercial banks by Federal Reserve Banks being raised from 2 3/4 to 3%. While the average individual paid little attention to this as being of any interest to him, actually it is a matter which will concern him more day by day as this is a sign that inflation is changing its pace from a crawl to one much faster.

But what is inflation? If one goes to the literature on the subject, the diversity of definitions is enough to make one's head swim.

Dr. Ludwig von Mises, one of the world's outstanding monetary authorities says in "The Theory of Money and Credit" that "inflation is an increase in the quantity of money...that is not offset by a corresponding increase in the need for money ...so that a fall in the objective exchange value of money must occur."

Dr. Walter E. Spahr, one of America's eminent economists says in "Economic Principles and Problems" that "inflation is a condition resulting from an extension of purchasing power either in the form of money or credit which is not secured by reserves or commodities sufficient to liquidate it."

Col. E. C. Harwood in "Cause and Control of the Business Cycle" says that "inflation is defined, therefore, as the condition arising when the banks or other agencies...have created purchasing media in excess of that required to represent goods produced...that are currently coming to market."

Dr. Edwin W. Kemmerer in "The ABC of Inflation" says "inflation is too much money and deposit currency, that is, too much currency in relation to the physical volume of business being done."

Although at first glance there may not appear to be too much difference in the definitions, closer inspection reveals that two of them believe inflation is too much money in relation to goods produced, while the other two consider inflation as the condition resulting from the issuance of too much money.

Now, of course, each author has a right to define his concepts as he wishes and as long as he is consistent throughout his work, no possible objection can be raised. But the above differences do indicate the problem in semantics which has arisen.

At one time inflation was considered to be the deliberate increase in the supply of money by a government either thru an alteration in the quality or quantity of money which reduced its purchasing power, The rise in prices was the result of inflation. Today, however, depending on which author you read, inflation may be the increase of money, or it may be the result of too much money, that is, rising prices. In other words, we have a confusing situation where inflation may be either the cause or the effect.

It would appear that most people believe inflation is rising prices and deflation falling prices. If that is true, then we are always in an inflationary or deflationary period as prices are always rising and falling. But usually associated with inflation or deflation are serious losses, whereas the fact that prices are rising or falling does not necessairly mean that people, in general, are suffering any material losses. If selling prices rise faster than costs, profits are maintained, and if when prices are falling, costs drop faster than selling prices, profits are still maintained. These rises and falls in prices can occur as perfectly normal results of increases or decreases in demands by the public, increases or decreases in supply of goods, new discoveries or inventions---in other words, a host of reasons which have little or no connection with the money in use itself.

Usually when inflation is mentioned, however, the people appear to associate it with too much money rather than an alteration in the supply and demand for goods. And they dimly perceive that the problem ultimately must be corrected by stopping the increase in the flood of money.

Maybe then, the commonest definition is more nearly the best one, altho it lacks scientific precision. Simply put, inflation is the issue of too much money by the government.

This concept has the great advantage that it places the onus upon the government, and implies that to stop inflation, the government must stop issuing so much money.

It has the additional advantage of indicating the absurdity of capital and

(Continued next page.)

Inflation (Continued)

labor blaming each other for the rise in prices. If the rise in prices are the result of inflation, that is, the issuance of too much money by government, then the fact that albor and capital raise their prices is the expected result. Instead of attacking each other, they should join hands and point the finger of blame at the government and insist that the government cease pouring new money into the economic life of the nation.

After all, it is the government which is primarily responsible for the rise in prices as it is increasing money and credit to a phenomenal extent thru monetary tricks such as the monetization of the debt. In this one device alone, the government easily outshines the magician for it changes debts into money. When one realizes that the government's debt today is over 270 billion dollars--much of it being transformed into money--one has some idea of the tremendous amount of money available.

As has already been indicated, this issue was given scant attention at the Conventions, but it may well come to a head within the next four years, and if it does the effect will be one which will affect the lives of all of us as drastically as the depression of 1932 did.

When one watches the fantastic increase in money and credit, one is reminded of Louis XIV's prophetic warning, "After me, the deluge."

Oscar B. Johannsen

H.G.S. DIRECTORS

"Philadelphia is different" - so claims Joseph A. Stockman, the self-termed MIS-DIRECTOR of the school in the city where Henry George was born. Joe became acquainted with the H.G. movement through his father who was associated with the Father McGlynn group during the Henry George mayorality campaign. In 1935 he became active in the New York school - from 1936 to 1938 he was active in the Philadelphia school (living in that city) In '38 he returned to New Yo k and in 1941 was appointed Director of the Philadelphia extension.

The counter part of Joseph is Josephine (Mrs. Stockman) and Eleanor C. and George C. make up the family. The only Chinaman never in China, is our friend Joe Stockmam. He has taught the Chinese language and philosophies of the East at Philadelphia evening high school; given many lectures and made appearances on TV and radio, speaking on Oriental Philosophy in addition to discourses on Economics and allied subjects. Stockman is also on the lecture staff of the N.Y. Herald Tribuen, under the auspices of the East-West Association headed by Pearl Buck and Dr. Lin Yu-tang. He is associated with the Woo Che Fee University in New York and is also coash and assistant manager of the Little League Baseball Association in city of Brotherly Love. No wonder with all this Joe thinks Philadelphia is different.

The Political Dangers

The second essay in "Social Problems" by Henry George is particularly appropriate in this pre-election period as in it he discusses "Political Dangers."

No doubt, as a result of his knowledge of fundamental principles George saw quite clearly what America's future might be, for in this essay in 1883, he prophesied that "the center of wealth, of art, of luxury and learning, must pass to this side of the Atlantic even before the center of population. It seems as if this continent had been reserved--shrouded for ages from the rest of the world--as the field upon which European civilization might freely bloom."

But at the same time he warned that "the great, wealthy and powerful nations have alwsys lost their freedom; it is only in small, poor and isolated communities that liberty has been maintained. So true is thás that the poets have always sung that Liberty loves the rocks and the mountains; that she shrinks from wealth and power and splendor, from the crowded city and the busy mart."

Were he alive today, undoubtedly he would sadly conclude that America is joining the list of powerful nations losing their freedom. Peacetime conscription, the very antithesis of freedom, is now the order of the day. Restrictions on the right to work via closed shop or subtle devices as "maintenance of membership" are growing. Forced exactions of your pay to purchase "social security" whether you want it or not are taken for granted.

George recognized that "Liberty is natural. Primitive perceptions are of the equal rights of the citizen, and political organization always starts from this base. It is as social development goes on that we find power concentrating, and institutions based upon the equality of rights passing into institutions which make the many the slaves of the few... We have already under the popular name of 'bosses', developed political Caesars in municipalities and states. If this development continues, in time there will come a national boss."

Today, the power of the President has reached such a point that he is, for all intents and purposes a national boss. With each passing day, Congress has less and less control over him.

George pointed out that "Democratic Government in more than name can exist only where wealth is distributed with something like equality--where the mass of citizens are personally free and independent, neither fettered by their poverty nor made subject by their wealth." For as he states the core of the problem is that "Beneath all political problems lies the social problem of the distribution of wealth." (Continued next page.)

Political Dangers (Continued)

At the time he wrote the essay, George made what must have seemed to have been an astounding statement for he said, "It behooves us to look facts in the face. The experiment of popular government in the United States is clearly a failure. Not that it is a failure everywhere and in everything...but speaking generally of the whole country...our government has in large degreebecome, is in larger degree becoming, government by the strong and unscrupulous."

Today, while many people would not be willing to go so far, yet a scrutiny of the platforms of the two major parties can only make them appreciate that possibly George was only too correct. The platforms can be succinctly summarized as "You name it, we'll promise it." In return for a vote, the government offers itself as a grab bag-- a grab bag which is filled by the very people who hope to take something out of it.

Conditions had reached a point even in George's day that "thw ordinary citizen... is, in reality, not one of the governing classes, but one of the governed...He occasionally, in disgust, votes for 'the other man' or 'the other party' but generally, to find that he has effected only a change of masters, or secured the same masters under different names."

In his time as now, "The popular idea of reform seems to be merely a change of men or a change of parties, not a change of system."

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

MARK THESE DATES IN YOUR BOOK

October 16th - Investment Economics
November 13th - Human Progress
December 11th - General Semantics

These are Alumni and FRIENDS night at Henry George School - 8 p.m.

If you cannot attend - tell a friend
Everyone welcome - no charge.

SALT OF THE EARTH

With so much of his salary taxed to balance the budget, all the average man can do is budget the balance.

The Hoover Report is referred to by many politicians as a plum-clearance program.

One thing about the good old days -- if you bought a horse you could be pretty sure the model wouldn't change next month.

Many a man's wallet would be fatter if it weren't so full of credit cards.

Diploma: A document entitling the holder to a larger allowance from the parents it certifies he's smarter than.

Of gold at the end of the rainbow
We may be dreaming a lot -
But find, after paying our taxes,
The rainbow has gone to pot.

I met a little elf-man once,
Down where the lilies blow.
I asked him why he was so small,
And why he didn't grow.
He slightly frowned, and with his eye
He pierced me thru and thru;
"I'm just as big for me," he said
"As you are big for you."

A hair divides genius and insanity, it is said, but money is what usually separates an eccentric from a crackpot.

Son: Dad, what makes the rent of land rise?
Dad: I don't know.
Son: What makes interest on capital go down?
Dad: I don't know.
Son: Am I bothering you with my questions?
Dad: Not at all. You never learn anything if you don't ask.

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"Glad to get the 'oil' - The Gargoyle - fine issue." - Noah Alper - St. Louis.
Thanks, Noah.

HENRY GEORGE SCHOOL of NEW JERSEY
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