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HENRY GEORGE SCHOOL OF NEW JERSEY

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STATE SOCIALISM

Canada has frequently been pointed out as adhering more closely to the principles of free enterprise than the United States. This may be true of much of that country, but certainly not of one of its provinces, Saskatchewan, for that province is literally drowning in state socialism.

It is now going to abolish doctor bills for its 910,000 residents by means of a compulsory per capita tax. It is going to do this despite the fact that almost two-thirds of the population already have private and municipal medical care programs which pay most of the physicians' fees.

The Co-operative Commonwealth Education Party, a socialist party, has been in control since 1944 and is building a welfare state which in the not too distant future will break the backs of its taxpayers.

It has already indulged in schemes which have been dismal flops. After having built up debts of about \$3 million, it had to drop a shoe factory, a woolen mill, a housing corporation, a fish marketing board, a tannery and a box factory. About the only salutary thing about these ventures is that as a result Saskatchewan's socialist government does not want to eradicate capitalism as it once did. But despite that, it is involved in all kinds of enterprises from making bricks to running telephone companies, not to mention "social improvement centers", where its citizens can take part in plays criticizing the U.S.

The "beneficiaries" of all this thoughtfulness find that the budget has increased from \$25 million in 1945 to \$149 million this year, with costs likely to continue to skyrocket. This is obvious as it also has a bathroom building project to encourage farmers, in particular, to build modern bathrooms. A half million dollars has been appropriated this year to start the program which eventually is to extend to about 50,000 farmers.

Its "free" medicine for all has been building up for some time. It started in 1947 with a hospitalization plan, which was designed so that eventually all items as drugs, eyeglasses, etc. would cost nothing. However, this free program costs \$35 million a year now. Premiums for individuals are \$17.50 and \$35. for the family, which is only about 1/3 the cost. Hospitals are jammed, not because the people need hospitalization, but because they like to stay there, particularly the elderly.

The new medical program to pay all doctor bills is estimated to cost between \$20 million and \$25 million. The physicians are afraid of it for fear they will become mere pawns of the government, but the government pays no attention to them.

Don't be surprised if within another two or three years you hear of Saskatchewan trying to get some foreign aid from the United States to help it pay for all this "free" service. When it comes to paying the bills "decadent capitalist American" is not too decadent.

So if you want to see what happens when a socialist party takes over a state watch Saskatchewan. It will be an eye opener.

Oscar B. Johansen

A MOST ENCOURAGING EVENT

"Never before - to our knowledge - has an important national magazine devoted so many pages to the land question and concluded in favor of land value taxation. HOUSE & HOME is the leading magazine in the field of home building", says Robert Clancy, Director of the Henry George School New York. Further "It deserves extra special attention and distribution to businessmen, editors, educators, home owners and builders, legislators...all alert citizens."

Reprints available from school office at 35¢ each, three for \$1.00.

FRANK ADAMS

We couldn't be more pleased than to announce that Mr. Adams has become an active member of our faculty here at the Henry George School of New Jersey. He enrolled last year in a fundamentals group and continued with the new advanced course. The principles expounded appealed to him from the beginning, both from the economic logical standpoint as well as the philosophic and ethical.

He is a native of Jersey, having attended the Newark schools, later taking up the study of law at Seton Hall. He also completed the courses of instruction at the Vale School of Real Estate. However, he is experienced in the "food" business; and at the moment, is rebuilding and modernizing his diner at 141 Avon Avenue; and will shortly be open again for an expanded service.

At present, he is in the Coast Guard Auxiliary. During the war, he was in the army.

stationed, for the most part, at Rataan and Corregidore. He was involved in interesting work in the intelligence service.

Mr. Adams now lives in Springfield. He and his wife, Eleanor, have a brand new six week old son; and he is already anticipating the time when this boy, fortified with sound economic concepts, will look at the world and take his place there with real, fundamental understanding.

He and his wife share their interests, which take active form; they like skeet shooting, skating and use the miles of trails in the Watchung Reservation for horse back riding.

I daresay their chief enthusiasm is everything pertaining to horticulture. They are devotees of organic food production, as so many of us are in this age of chemicals. And I was charmed to hear, and a little envious, that the riding stables serve a double purpose in making it possible to close the circle of production without chemicals at all. His neighbors are astonished at the resulting fine garden products and flowers. An aside to Howard Thomson up in Massachusetts: "We are with you all the way."

Mr. Adams lives as near outside as possible, having, himself, installed sliding glass walls in his house. And there you have another of his happy interests, which is the constant development of his place in its entirety.

Mr. Adams was fully ready for economic concepts relating to the earth; for he has always been interested deeply in man's personal relation to it and the benefits of close relation with it. While in the South Pacific, he became convinced of actual healing properties inherent in contact with the soil; he was following an army doctor's suggestion at the time.

He has a most forward-looking theory, with which I concur heartily, that the most satisfactory mental accomplishments should be paralleled by energetic physical activities; and that failure to do so brings upon us severe penalties.

In short, it is the realization that lack of equal opportunity, socialism, and physical lethargy go together; while equal opportunity, true free enterprise, and effort, both physical and mental, are necessary to human well being.

Virginia Harvey

SENSE AND NONSENSE

Lyndon Johnson is reported to be concerned about objects in the sky and wants a Senatorial investigation. As one man remarked maybe what he sees is the "Pie in the Sky" which the Democratic Party is offering.

The tax laws are making it wise for some to make direct exchanges without the intermediary of money. Why? Because if you have property which has increased in value and exchange it for some other piece of

property, the law permits dererment of the capital gains tax if the properties exchanged are of a "like kind". The cost of the first property is considered to be the cost of the second, so any profits are deferred until the second property is sold.

Looks like ingenious men will always find loopholes to avoid paying taxes as long as possible.

People have complained that based on the platforms of the two major parties, the proper man to run would be Norman Thomas, the perennial Socialist candidate. However, he claims that "even the Democrats haven't appropriated all Socialist planks" and "they promise too much to everyone too easily." Interestingly, he goes on to say, "Unlike Socialists they do not challenge the outrageous land system which permits lucky individuals to pocket rental and sales values of land created solely by social forces. They claim to honor a profit system called "free enterprise" only by contrast to Communist totalitarianism."

Maybe with the two parties gradually taking over the Socialists' platform, the only one which they will have left will be the elimination of the land problem. Now, if the two parties would take that item as their platform and leave all the rest to the Socialists, then the country really might make progress.

A man owes it to himself to be successful, and when he becomes successful he owes it to the Internal Revenue Department.

The Cuban government, under the communist, Fidel Castro, has taken over millions of dollars of American property with only token reprisals by the American Government. It remained for an individual to take action to protect his interests in a way the Communists understand. Mr. Irwin Harris, whose business had a bill of \$237,801.37 due it for public relations work to promote Cubana Airlines had been trying to get it paid. He even flew to Havana and met Maj. Ernesto (Che) Guevara, President of the Cuban National Bank, and reputed real power in Cuba, who stated that while they owed the money, Mr. Harris would not be paid because of the action of the United States Government.

Mr. Harris decided to take legal action and on September 15th when a \$4 million Cubana Airlines plane landed at Idlewild it was seized on a court order which Mr. Harris had obtained. Under the warrant, he also was allowed to seize Cubana's bank account and its two Manhattan offices, which meant that the air line's operations in N.Y.C. were virtually stopped.

No doubt, his bill will now be paid. It just goes to show, it's the individual citizen who gets things done. The bureaucrats merely shuffle more papers around or issue news releases.

All men are created equal and endowed by their creator with an insatiable desire to become otherwise.

As a result of a land reform scheme, 383,000 farm families have purchased land on long-term installments. The result is that since then the two major crops increased their production by 50%.

The government took over the land, and assessed the value at $2\frac{1}{2}$ times the value of the average annual crop, plus the value of any trees, buildings or other property on the land. Landlords received their payments partly in $\frac{1}{4}$ government bonds, redeemable in 20 semi-annual installments and partly in stock of government-owned corporations. The government had enacted a law in 1953 requiring landlords to sell all land to the government exceeding 7.2 acres of paddy land or $\frac{1}{4}$ acres of dry land which they did not cultivate themselves with their families. In addition, there were other laws which forced landlords to sell land to their former tenants.

This procedure, of course, does not solve the land problem. Ultimately, it will accentuate it. What it did was to make conditions better for more people. It created thousands of small landowners which will make it difficult to practice large, economical farming. But, as of now, conditions for most everyone are better. Eventually, those who do not have land will find they are just as bad off as before, and those having land will just ek out a comfortable subsistence living.

How many generations must pass before people learn the local community must lease the land, not sell it?

THE BASIC IDEA OF HENRY GEORGE

The basic Henry George idea is that labor and capital both, are exploited by the private retention of ground rent --- PLUS, the Tax Exactions of Government.... another very important point, is that .. Taxes and Ground Rent ---are NOT the same thing! Taxes are a compulsory exaction of private wealth; supposedly to pay for governmental services; a Social Theft Scheme inherited from feudalism, whereby the upper few live in great luxury, not from their own labor but from Social Theft.. If All the Ground Rent was collected and Taxes abolished--a condition would arise of "equal opportunity for All and special privilege to NOW."

Taxes are a business expense and are shifted onto the cost of goods and services. Taxes are part of prices. As taxes go UP--prices go UP. As prices go UP--the dollar buys less. Increased prices mean less sales. Less sales mean less jobs. Taxes also hide the root of all evil--the cause of social theft: Privately Retained Ground Rent.

Ground Rent is Population-Rate; is in reality--the People's Service Charge for governmental services and all of civilization's advantages. Since government does not take this Rent - it is obligated to TAX - thus two robbery processes: Privately Retained Ground Rent and Taxes.

Herman Ellenoff

Primer on Depression

Definition: A depression is stoppage of production on a large scale.

Cause: Prohibitions and restrictions which make it unprofitable for labor and capital to produce.

Villain: The man with the gun -- the government.

What happens: Man with gun adopts privilege laws favoring special groups such as farmers, laborers, businessmen, landowners.

How? Crop restrictions, making it profitable for farmers not to produce.

Monopolistic labor laws making it profitable for labor leaders to hold up businessmen for a larger share of the production pie than the laborers actually produced, thereby making it less profitable for businessmen to produce.

Protective tariffs and licensing laws restricting the competition of businessmen, tending to increase prices.

Land tenure and tax laws making it profitable for landowners to hold land out of use or to demand such high rental or selling prices as to render it unwise for capital and labor to use the land.

Taxes, taxes, taxes, which siphon off all the profits, earned and unearned which the above laws are supposed to give the farmer, laborer, businessman and landowner.

For what purpose? To support the man with the gun, who now has standing behind him with outstretched hands bureaucrats, foreigners, pensioners, indigents, laborers, capitalists, landowners and more bureaucrats.

With the results: Prices build up to point where the consumer is forced to revolt.

How? By restricting his purchases to the things he absolutely needs, as food, drugs, clothing.

Why? Because he's the farmer, the laborer, the capitalist, the landowner who was supposed to be benefited by these restrictions, and might even be benefited temporarily, but now finds he has not enough production to exchange for all the things he wants.

How to Cure Depression: Increase production.

How do that? By the government removing all restrictions, reducing taxes drastically, eliminating private appropriation of economic rent, and eliminating the army of bureaucrats so that the government becomes once again only the man with the gun.

When will this happen? When knowledge of the true cause of depressions has been disseminated sufficiently widely that right action will follow.

WHAT'S DOING?

Howard Thomson, former Faculty member and Trustee of the New Jersey School will be leader of a "GREAT PROBLEMS DISCUSSION GROUP" in North Andover, Mass. The group will meet for twelve Thursdays beginning September 29th at the Historical Society, and according to attractive poster sent to us: the scope of the discussions will treat

Some of the Great Problems Simplified Semantics of a Problem

Analysis

Proposed Remedial Actions

Proper Functions of Government

Proper Sources of Government Revenue
And, states the poster - "If you are seriously concerned about the underlying cause of and possible remedial action for many local, national and international problems, you are invited - Fees: None."

"Chick" Reinhart, faculty member and Trustee of N.J. School has moved to Miami. We sure are going to miss him. We sure band, "so I like to spend money, but name one other extravagance."

The HENRY GEORGE SCHOOL MAGAZINE, published Tommy and I like the same things, only by the HGS in London, England, July 1960 he likes to save it and I like to spend issue contained a three page quotation from it.
ECONOMICS SIMPLIFIED.

Those who were present at the N.J. school to hear the tape recording of the inspiring address of Dr. Robert V. Andelson, had a real treat. The tape (and recorder) is available for loan and could be used at a public meeting or played for a home group. It will help interest persons to enroll for basic course or at least learn a bit about what the school stands for.

How about YOU arranging for presentation somewhere soon?

Incidentally, Dr. Andelson writes - "I am always favorably impressed by the GARGOYLE but I thought Sept. was an exceptionally good issue. Oscar Johanssen's review of Atlas Shrugged was very apt...As for Dean Goldfinger's column on "Representative Government" its thesis is exactly the same as that of an article I wrote called "Automation Comes to Washington".

The Editorial staff of THE GARGOYLE would be grateful for "What's Doing items" Let us know what you think readers like to know, so we can tell them.

HENRY GEORGE SCHOOL OF NEW JERSEY
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SAIT OF THE EARTH

Green Thumb - What the tourist gets from passing out too much currency.

If the 14-day week ever becomes a reality, then who's going to compensate us for the two coffee breaks we'll no longer have?

"Etc." is a sign used to make believe you know more than you do.

Actually, it's the person who knows everything who has the most to learn.

Too many folk go through life running from something that isn't after them.

A man who gives in when he is wrong is wise; a man who gives in when he is right is married.

"All right," cried the wife to her husband, "so I like to spend money, but name one other extravagance."

Tommy and I like the same things, only he likes to save it and I like to spend it.

An executive is a man who can make a decision and stick to it--no matter how wrong he is.

The ability to speak several languages is valuable, but the ability to keep your mouth shut in one language is more valuable.

It is fine to get up in the world providing it doesn't make you look down on others.

The smart salesmanager sticks pins in his salesmen rather than his sales map.

An experienced married man is one who can tell when his wife comes to the end of one argument and begins another.

The Orient invented face-saving but it took the U.S. beauty industry to make it pay.

Almost everyone knows the difference between right and wrong. But some just hate to make decisions.

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