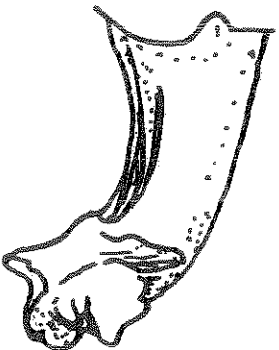


The Bargyle



"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. 75

OCTOBER 1963

STOCK MARKET BONANZA

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X
X The following is little note received at headquarters of Henry X George School of New Jersey: -- X
X "Stock market has been good to X me lately - I'd like to share X X some loot - H" Enclosed with X X this note - check for \$100. X X X X X X X X X X X X X X

Received from Leland Sapiro, co-editor INSIDE - new fantasy and science-fiction magazine. It is published irregularly at 90 Riverside Drive, New York 24, N.Y. Enthusiasts of these subjects might be interested in subscribing - send one dollar to Jonathan White, Editor at that address for next four issues.

AMERICAN IDEALS

Their Economic and Social Basis

By: Heman Chase

This is a very interesting booklet by a graduate of the New York School. It concludes "As for Marx and George, each is reported to have had a low opinion of the other and his doctrines. It is said that Marx called George's work 'the capitalists' last ditch,' and that George referred to Marx as 'the prince of muddleheads.' 'I agree with them both.'"

Price is \$1. and copy ought to be in the library of all faculty members, as well as those who maintain a George library. You may of course, borrow it from the school library - you should read it.

EFFECT OF INCOME TAX CUT

Most of us, I presume would welcome a reduction in our Federal Income Tax. The immediate result - more take-home pay, will permit purchase of additional goods and/or services, or savings and investment. Increase in production, an expanding economy may be expected as a result of lower federal tax (providing, of course, that local and state taxes are not immediately boosted). As those who really understand fundamental economic principles know, increased production leads to greater demand for the source of all production - LAND. As the margin of production is driven out, rents increase, land prices go up and speculation in land is intensified. The ultimate result - lower wages - higher prices - and eventually "the bust."

Now it is not to oppose a reduction of Federal Income Tax (let's take it while the taking is good) but let's hasten our efforts toward the collection of economic rent for the support of government. This will tend to lessen or eliminate land speculation and pave the way for possible total abolition of income taxes.

Note: To those who are not grounded in fundamental economic principles - if you really want to understand why the above is true, enroll for a course at the Henry George School.
John T. Tetley

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C O N T E N T S

Stock Market Bonanza
Revolution in Bolivia
William Buhr
Effect of Income Tax Cut
INSIDE - Fantasy & Fiction
American Ideals
The World of Economics

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"REVOLUTION" IN BOLIVIA

It is now ten years since Bolivia instituted an agrarian reform which gave back much of Bolivia's land to the Indians. It is interesting to note what has been the result.

It broke up practically all of the feudal haciendas, comprising 11 million acres and gave the land to the peasants, or campesinos, as they are called. Part of this land was expropriated, and part purchased with government bonds.

The land was given for nothing to the peasant but sometimes the peasant preferred to buy the land. This is because, although technically he is the "owner" of land of which he previously may have been the tenant, he finds he cannot get a loan with the land as collateral. The banks require a title dating back at least 30 years. So some campesinos who are able to do so, prefer to buy their land direct.

Housing has not improved much, if any. However the peasants have built schools; last year they built 400, while the government built 200. From a long time viewpoint this may be more important for with greater knowledge, their production should increase markedly.

And production has increased under the reform. On land affected by the change, corn production went up 100%, wheat 55%, and potatoes 370% since 1950.

In addition, the peasants have organized themselves into cooperatives called sindicatos which build roads, irrigation systems and schools.

It is claimed that the principal gain has been in time. At one time the peasant worked three or four days a week for a landowner or patron. In return he had the use of a small bit of land for himself. No wages were paid to him. Now he is a completely free agent. While he may spend all his time on his own land, and if the plot is large enough, may even hire his neighbors to help him, usually he has spare time and works for his former patron, many of whom still have large tracts of land.

Possibly the most important result of the reform has been the increase of the peasant's dignity. At one time, the patrons were so powerful, that the Indians had to kneel down before them, much as they would before some potentate. Now, they refuse to demean themselves. They also are becoming less provincial. At one time they never left villages; now they travel to the cities for business and other matters.

Materially they eat more, and slowly they are acquiring new things which were impossible for them ever to have obtained before. Bicycles are being bought and transistor radios and sewing machines are in demand.

What we see is that these poor people are slowly arising from the depths into which they had fallen as a result of the land policy which put almost all the land in the hands of a few patrons. In this rise many of the foolish notions which people had about the peasants are being dissipated. It was assumed that the Indian was uninterested in improving himself and incapable of doing so; also that he would not move from the Bolivian uplands to the rich lowlands. But this assumption was all based on an inadequate understanding of simple human nature. As long as the peasant saw no opportunity no matter what he did, naturally he did as little as possible. Once he saw a chance to make a decent living and saw that from his labor he would obtain more for himself, he worked as willingly as anyone.

He suffers today from being illiterate and from lack of having had the opportunity to develop his abilities. As a result, he is used by the politicians. But as the new generation comes along, with better education, and some of the comforts of life, it should develop much faster.

There is the danger, of course, that before the peasants understand fully the value of private enterprise and private initiative, that left wing politicians may take them down the road to socialism on the promise that land reform was only the first step. If that happens, Bolivia may develop somewhat as Mexico has. Mexico has instituted land reform, but it is also addicted with socialistic reforms which have inhibited its growth.

The program Bolivia adopted is not the correct approach to the land problem. It is the one that is usually taken--possibly the only one practical in view of the state of knowledge and the wishes of the people. However, the ten years since the reform do indicate once again that to give people access to land on terms which assure them at least a fair share of what they produce will result in tremendous changes not only in themselves but in the whole country.

So, Bolivia gave back the land to the Indians and it is sparking a revival which if not interfered with may prove to be the outstanding event in South America in this generation.

Oscar B. Johannsen
THE WORLD OF ECONOMICS
By Robert L. Heilbroner

This is No. 5 of "Reading for An Age Of Change" published by the American Library Association in cooperation with the Public Affairs Committee, Inc. The five series of pamphlets was designed as guide for reading - "to help select wisely from wealth of available material." No reference is made to Henry George, but the author in his book THE WORLDLY PHILOSOPHERS DEVOTED QUITE SOME SPACE TO GEORGE; however not too favorably.

SENSE & NONSENSE

News dispatches indicate that this past Spring Joao Goulart, the president of Brazil, was putting on pressure to have the Government adopt a sweeping land reform bill.

Brazil has a population of 75 million of whom 3 million are landowners. Goulart argued that private property would be strengthened if 10 million people owned land as a result of his agrarian reform proposals and eliminate the threat of revolution.

Just another of a host of examples that the underlying cause of the economic maladjustments and unrest existing throughout the world is the land problem.

It's just as foolish for the rich to think the poor are happy as for the poor to think the rich are.

The late Per Jacobson, an international economist, once related a conversation he had with General de Gaulle. "Mon General you spoke about restoring the esteem for France. I do not think that there will ever be esteem for a country that has a bad currency." He went on to say that he would like to describe briefly the French monetary history for the last 150 years, which would be very instructive.

In 1802 Napoleon gave France "the gold franc". It remained unchanged till 1914. It survived the two lost Napoleonic wars; the war of 1870-71; it survived the revolutions of 1830 and 1848; and all the changes of government during the Third Republic.

"You see", he said, "the French are intelligent, hardworking and thrifty; if you give them monetary stability they can stand a great deal of political instability. But after 1919 they had had both political and monetary instability and that is too much even for the French." He went on, "I am sure you will do well to give the French a better constitution; but you never know; the French are awfully politically-minded. But if you could, like Napoleon, give a good currency to the French, you would certainly have done a permanent service to France."

The rest is history. Whatever de Gaulle's faults may be, he did give the French a currency which bids fare to be a stable one. It is so strong that right now it is reported that de Gaulle, annoyed at the hostile attitude of our Administration, warned it that France held a \$4 billion mortgage on U.S. gold which he might call if it didn't tone down on its carping at the Franco-German accord.

It is obvious that sound money will not eliminate the injustices created by the land problem. It is equally true that sound health will not alleviate any business or personal problems you may have. But just as sound health won't add to your problems, so sound money won't add to your economic problems.

Unless our Government wakes up and follows de Gaulle's example and returns to sound money, we, too, will not only have monetary instability but political instability.

The difference between old times and new is that then you made \$5. and spent \$10. Now you make \$25. and spend \$50.

Do you know who is the biggest landowner in the country? It's Uncle Sam. He owns 772 million acres of land valued at \$86 billion. This includes not only land in the U. S. but throughout the world. His holdings almost equal the size of India. The total value of real and other property is \$229.4 billion. This is appraised at acquisition cost, not current value.

But in selling it he acts like any landowner and tries to get the best price possible, so don't get your hopes up that maybe you can get some of this land real cheap. He's changed from what he was in the 19th century, when he gave millions of acres away for nothing or practically nothing. He's a typical landlord.

Did you know that the merry, merry life we are leading is increasingly being financed by the inflationary rise in real estate? Since WW II, 20 million new homes have been built, most of them with borrowed money. The people have been paying off these mortgages but to their surprised delight they find that because of inflation the value of their homes has increased. Thus, they can borrow more money, often more than they paid originally for their home. With this money, they purchase appliances, stocks, and most anything one can imagine.

Inflation feeds on itself in this fashion. One bank executive said that 75% of his bank's mortgage refinancing was for non-housing purposes. Many people have been puzzled by the continuance of the boom. This is one of the secrets of it.

It also means that when the bust comes, inasmuch as it will come from a higher level, it will probably be worse than any which has ever occurred. This assumes that someday, the government decides not to continue its inflationary policies. If it doesn't do it voluntarily, the boom will rock along unevenly until people refuse to accept the economic media which the government calls money. An old story but one which we may relive.

Inflation is a state of affairs when you never had it so good or parted with it so soon.

This is still the land of opportunity. Where else could you afford to spend so much for so little.

Don't fret about the \$24. paid to the Indians for Manhattan Island. The Government is getting prepared to pay California Indians millions of dollars for land occupied once by the Cheyenne and Arapahoe Tribes. Already it has paid \$78 million to full-blooded and part Indians, and has

over 400 Indian claims still unsettled. It will probably take ten years to clean them all up and total Government payments are expected to exceed \$1 billion. Makes the Louisiana Purchase for \$15 million look like a real bargain.

In 1946 Congress authorized Indians to submit claims for the loss of their former lands. They promptly made claims to over 75% of the U.S., including practically all of the West!

Of course, the whole thing is absurd. There is no point in paying the descendants of the Indians who lived here. The white man had as much right to the use of the land as the red man. What was wrong was that the white man pushed the red man off the land and made him a dependent of all of us. Most of this money we pay will go to clever lawyers and others who will prey on the Indians.

Our foolish land policy has made the stalwart Indians weak dependants of the Government. Now to pay them for this land is to compound the folly.

WILLIAM BUHR

It has been said that any young man, with a developing social consciousness, has been a socialist for at least a time before he is twenty. Unfortunately, he often remains thus "unfinished," ideologically speaking.

However, we all think, if he develops to the ultimate, he progresses through several stages until at last, his reason is only satisfied with the Henry George concept. This, if he is fortunate enough to have learned of it.

Whether Mr. Buhr took this mental route or not, he was at one time, a speaker for a World Federalist organization.

Eventually, he heard of the George theories during long talks with his good friend, Stephen Bell, who was so active in espousing these same theories.

About 1944, Mr. Buhr sought out the Henry George School in New York. Later, he led many groups of students there, also in several communities in New Jersey. He will lead a class this fall in his home town, Mahwah.

The Buhrs have two sons in school. They own a beauty salon locally. On Hearing this, I visualized, aloud, a captive clientele receiving willy-nilly, a large measure of the proper economics along with the usual services. My only answer was a wicked laugh.

Strangely enough, they are both interested in oil painting, I believe, particularly landscapes. They have a good market for their work, when they wish. I feel he understated their activities in this field.

He finds chess fascinating and began playing by correspondence with Mr. Bell,

and these chess-by-mail games continue now with Mr. Stephen Bell's son.

Then, Mr. Buhr is very active in bowling; and because, after all that, he still has "loads of time", he builds houses. He mentioned that he was painting three of them during this lovely clear weather. Naturally, my first thought was regarding his possible problems with obtaining land.

Now people have told me about many things they collect as hobbies. But his answer was a very first: "Why I collect land, or I did." And that past tense made all the difference.

Virginia Harvey

SALT OF THE EARTH

Poverty is the condition we try to conceal at the time and then brag about in our memoirs.

If you make a mountain out of a mole hill don't expect anyone to climb up to admire the view.

Did you know there once was a time when a baby was considered an addition instead of a deduction?

Contrary to popular belief, the movie "The Longest Day" concerns an episode in WW II rather than being the day before pay day.

If you feel neglected, think of Whistler's father.

You know when a husband opens the door and helps his wife into the car, it's a pretty good guess that he had only recently acquired one or the other.

If you don't think things are as bad as they're painted, visit a modern art exhibit.

Sign on lawn: Anyone is welcome to use our lawn-mower provided they do not take it off our lawn.

DAFFYNITIONS

Idler: Man who lives by the sweat of his frau.

Ignorance: A by-product of education.

Incompatibility: The greatest common divisor.

Indian Reservation: The home of the brave Ingenue: An actress who gets billing by cooing.

Interpreter: A ventriloquist using two dummies.

Intense: Where the scouts sleep.

Jazz: An appeal to the emotions by an attack on the nerves.

Jimmy: A small lever used by a felon to pry his way into jail.

Judge: A referee between two other lawyers

TAX SKIDS

Monrovia, Calif. The tax rate keeps going down. Rate of \$1.64 per \$100. of assessed valuation was approved - a cut of 2 cents. The rate has been lowered annually for the past 10 years.