

The Example



"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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HENRY, MURRY, MURRAY

DEATH DISCUSSIONS

There is still a possibility for enrolling in the fall classes to open in Perth Amboy, Public Library, Monday Oct. 6th at 7 PM; South Orange-Walpolewood Adult School or East Orange Headquarters, Tuesday Oct. 7th at 3 P.M. But telephone soon - 672 0313. The groups must be limited and there may not be room for you or your friends.

CONJUNCTION We regret the omission of three lines from bottom of page 3 Sense & Nonsense, last issue GARGOYLES here they are: It seems quite likely that we are witnessing the beginning of a series of monetary devaluations which will -

If you still have your copy - you may wish to insert these missing lines to complete the item so it will make sense.

The afternoon discussion group got off to a fine start in September. Attendance was good and discussion lively to say the least. This is a group which meets at the school headquarters the second Tuesday of each month from 1:30 to 3:30 P.M. Anyone who can attend is welcome. All sorts of topics receive cross-fire treatment. On Tuesday, October 14th there will be two items discussed - (1) Should age requirement for voting be set at 18? (2) Should a lottery be authorized in New Jersey - run by the State for purpose of raising revenue? If you can come out and present your views, please do so - and bring along a friend.

Suggestions for topics to be discussed at future sessions wanted.

The simple theory which I have outlined...explains this conjunction of poverty with wealth...It explains what is commonly called the conflict between labor and capital, while proving the real harmony of interest between them...

As land increases in value, poverty deepens and...where land is cheap.... the inequalities in condition are very slight. In the great cities, where land is so valuable that it is measured by the foot, you will find the extremes of poverty and of luxury. And this disparity in condition between the two extremes of the social scale may always be measured by the price of land.

For land is the habitation of man, the storehouse upon which he must draw for all his needs...material progress cannot rid us of our dependence upon land; it can but add to the power of producing wealth from land; and hence when land is monopolized, it might go on to infinity without increasing wages or improving the condition of those who have but their labor. It can but add to the value of land and the power which its possession gives. Everywhere, in all times, among all peoples, the possession of land is the base of aristocracy, the foundation of great fortunes, the source of power.

Henry George - PROGRESS & POVERTY

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GOVERNMENT SCHOOLS

Across this nation, those parents who would exercise responsible choice in the education of their children are penalized for their responsible behavior. Parents who would place their children in a private school more responsive to their values and attitudes are advised by the tax collector, "first support the state's educational philosophy; then, if you have any surplus resources, you may pursue your educational philosophy."

Education in America has become a reflection of the insistence that education be a function of government, cost free to participating students, fully financed at taxpayer expense. What originated as local schooling, supported by taxation in the immediate community (and therefore somewhat responsive to local and parental wishes) has inexorably moved toward bureaucratic bigness - the fate of all publicly funded projects. On the local level, the parent finds the system less and less responsive to his concerns. Meanwhile, power has tended to gravitate from the little red schoolhouse to the State House to Washington. Control of the purse strings has brought control of education.

The remaining private educational institutions on all levels face exorbitant costs as they try to compete for scarce educational resources. Now are they to attract students and faculty in view of the expensive plants, research facilities, salary scales, and subsidized tuition offered by "public" institutions? Many have succumbed to the lure of state and federal aid, losing self-control in the process.

There have been various proposals for relief of this bureaucratic congestion, among them the idea of "decentralization". But recent events should make it clear that no genuine decentralization can occur under public financing. The effect of socialized finance in any project, education included, is toward more centralized control, not less.

Another proposal is to allow the individual tax credit for income spent or given for educational purposes. This too might serve as a holding action, although it still fails to deal with the underlying moral issue. Why should the money of one citizen be taken by force to finance the education of other peoples' children, any more than to finance the building of other peoples' homes, the gasoline for other peoples' cars, the payment of other peoples' medical expenses? I have yet to hear a compelling moral argument justifying coercion for such a purpose.

So long as we are willing to allow an immoral premise to dominate our educational endeavors, we must be willing to live with ugly results. The only lasting solution is to remove education from the hands of government, restoring responsibility to the student and the parent.

The response at that point tends to be, "Why, if there were no public education, parents wouldn't send their children to school?" I have yet to meet the person who will not send his children to school. It is always those other people who would supposedly be remiss in their duty. A parallel case may be discovered in the arguments of the last century concerning organized religion. The original argument for a state-supported church was that religion would fail if people were given their choice whether or not to support organized religion. The identical argument is advanced today in regard to education; despite the fact that religion thrives after more than a century of separation of church from state. Is there any compelling reason why voluntary support of education should not be given a similar opportunity?

Development of individual personality not social conformity, should be education's concern.

In a practical sense, genuine education trains students to think for themselves.

Those who effect great revolutions are always small in number. Such people need not wait to become a majority. No one else can do the job except those who understand what needs to be done.

George

Extracted from Charles Locke III, one of series of articles: Education in America. - THE TRIBUNE

From: Hon. Alger's Brief Cases - WGN

So, Joe asked asked in the Railway Age in an article, "Is Transit Only Talk?" Unfortunately Joe failed to mention that the property tax is only on land values. It is important to teach that the real estate tax is not one tax but two, and that they affect people in opposite ways--good and bad. And it is important to know which is which. The quotes are from the St. Louis Post Dispatch, March 12th.

The trouble with being punctual is that people think you have nothing more important to do.

General Features Corp.
Disabled Sign - OUT OF ORDER

A new taxpayer sent the Internal Revenue Department 23 cents with a note saying he understood that he could pay his taxes by the quarter.

LET'S ELIMINATE THE TELEPHONE
"MONOPOLY"

The N.Y. Telephone Co. is having its headaches. The service in 1969 has been exasperating with interminable delays, irksome equipment breakdowns and tiresome waiting for installation of equipment. So bad has the situation become that the parent company, AT&T has rushed an emergency force of 1500 technicians from all parts of the country to New York to try to remedy the situation.

The reasons for the deterioration in service are many including poor planning, poor forecasting, too great stress on economy, large labor turnover, and incompetent help.

But such excuses are unimportant in contrast to the main reason. It is that poor service is always a potential as long as telephone service is a monopoly.

It is true that the telephone company has been one of the best run monopolies and America has the finest telephone service. But this has been due not only to a realization that the owners of the monopoly could not exact all the advantages inherent in such a situation, but also due to the fact that there is indirect competition. Other companies exist in providing service, but in different areas. They are connected to the Bell System however. So their competition is not direct. Nonetheless these companies do compete by evolving many of the improvements in service which Ma Bell then copies. And, of course, telephone service has been more costly than would have been the case if competing companies existed in all communities.

The argument that two phone companies cannot exist in one city has been refuted by Philadelphia which for a long time did have two. But obviously it is a nuisance to have two phones on your desk at business, or at home.

What is needed is merely a central switchboard. If such existed, then there could be many competing companies offering service, all phones of which would be connected to the same switchboard. Then more service would tend to be available than needed. If one company underestimated future demand, probably one of the other companies would compensate for this error by over-estimating the need.

And even the monopoly situation created by having only one switchboard could be eliminated by having different companies in the business of providing switchboard service. If a company in a city was giving bad switchboard service, a competing company could offer to come in and build another centralized switchboard.

It might even be possible that the phone companies directly servicing customers might want two or more competing centralized switchboards in a large city in order to keep the price of switchboard service down. Even though it would mean connecting all phones to two or more central switchboards, it might be worth the cost. In that way the phone companies could police the switchboard companies. If one switchboard company's service started to deteriorate, the phone companies would simply switch more of the calls through competing switchboards.

If phone service is put on a competitive basis, such as described above it would be possible to abolish the state and federal bureaus which have been created to police the phone companies. Competition would do the job more efficiently, and the kind of service we would have would be far superior to anything we have had to date.

There is only one monopoly which requires collective action to control it and that is the land monopoly. All other so called monopolies can be controlled by the marketplace if a little imagination is used on how to do it.

Oscar B. Johannsen

SENSE & NONSENSE

The House-passed reform tax bill is so complicated that it is becoming known as the "lawyers and accountants relief act of 1969".

Boston, Pa., recently a small town near McKeesport, had a replica of the famous Boston Tax Party of Revolutionary days. The purpose was to dramatize the participants' opposition to excessive state spending and oppressive taxation. Maybe if the Founding Fathers could see what taxation with representation is like, they would not have thundered against taxation without representation.

Full page ads still appear in the papers warning of the dangers of the "population explosion". Seems like nothing will convince some that this is all nonsense. The fact that private property in land holds millions of acres of land out of use and makes it appear there are too many people is something no one seems ever to consider. Possibly, Georgists should counter 20th Century Malthusians with the slogan: "Land Enclosures Make it Appear there's a Population Explosion".

Judging by price increases of almost everything, the efforts of the administration to reduce the money-supply have not been too effective. However, there is a considerable time lag between the time the printing presses pouring out paper money are slowed down and the effect on prices. In 1928 the Federal Reserve System finally put on the monetary brakes. But the stock market kept right on merrily reaching

for the sky until October 29, 1929, when "Black Tuesday" erupted. Now 40 years later, monetary restraint seems to be working somewhat differently. It has caused the stock market to drop, but not the prices of goods. But due to the time lag it will also be about a year before business drops off and most prices decline. The question in everyone's mind is what will the administration do? If it looks as though a depression will occur, then will the administration remove monetary restraints and start inflating the money-supply again, or will it stick to its guns? Most are betting that politics will win over economics. Possibly, but the smart thing would be to wait until the evidence one way or the other is in.

Whatever is done, the nation can look forward to a rough decade in the 1970's.

The recent leases by Alaska of 430,000 acres of land on its oil-rich North Slope for over \$300,000 million give some clue as to what the economic rent for land must be. In this instance it averaged about \$2000 an acre, altho certain especially choice parcels went for over \$20,000 an acre. And this is only for ten year drilling rights!

In addition, Alaska will collect 12 1/2% royalty on oil produced on state lands, a 4 1/2% "severance" tax on the same oil and 10% of the royalties paid for oil produced on Federal land. If the North Slope produces a million barrels a day, as is expected, the royalties will be about the same as its annual budget of about \$140 million.

Had this land been owned by private individuals, one can imagine the fantastic wealth the landowners would have received for doing nothing but letting oil producers use the land the Almighty made.

And some try to depreciate the amount of economic rent which would accrue to society if it collected it, as it should. Of course, the oil-bearing land is exceptional but then there is also exceptional land in which iron ore, copper, silver, gold and other minerals exist. Most of the rent from such land however goes to private individuals or companies, and not to society.

But while in the case of this oil-land, as it happens to be owned by the state or the Federal government, the economic rent is going to the state, it does not mean that it necessarily will be used wisely.

Inasmuch as there are about 225,000 citizens in Alaska, if the \$300 million was divided per capita among them, each would receive about \$4000.

Fundamentally, if a just system of land tenure existed, with free migration of all people to any area, this per capita division would be the proper one. At the present time, however, there is little likelihood that anything on that order will be done. Instead, the politicians are already evolving all sorts of pork barrel projects on which to spend the money. Therefore, unless something unusual occurs, it is hardly likely that the money will be used wisely. This points up an important fact, often neglected by Georgists, merely collecting some of the economic rent by the state does not necessarily mean that the condition of freedom of opportunity will prevail. To begin with it must all be collected by local communities and must be used wisely, or many of the problems which the libertarians warn will erupt when too much money is in the hands of the politicians.

It will be interesting to watch to see if Alaska does surprise all by making a just distribution of this rent fund, or if history will record it was the instigation of gigantic frauds, such as characterized much of American history in the 19th century,

SALT OF THE EARTH

You can't judge a modern girl by her clothes. There just isn't enough evidence.

Skeptical: Do you guarantee this hair-restorer?
Salesman: Better than that. We give a comb with every bottle.

Hubby: You're always wishing for something you haven't got.
Wife: Well, what else can one wish for?

Me: I never clash with my boss.
She: No?
He: No, he goes his way, and I go his.

Diner: Do you serve crabs here?
Waiter: We serve anyone; sit down.

Hubby: The bank has returned that check.
Wife: Isn't that grand. What can we buy with it this time?

Doctor: I don't like the looks of your husband.
Wife: Neither do I, but he's good to our children.

Tramp: Lady, I'm almost famished.
Housewife: Here's a cent. But how did you fall so low?

Tramp: I had your fault - I was too extravagant.

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Henry George died October 29, 1897

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