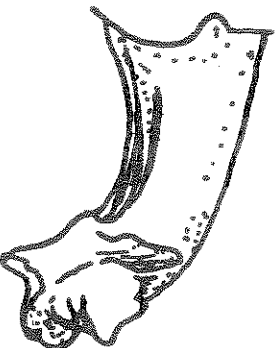


The Baroque



"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

Issue #144

OCTOBER 1970

"A crowd of 200,000 was present at his funeral in New York in October 1877, and never had there been greater demonstration of popular enthusiasm and respect in the history of the United States." Henry George died in October 1877 --- the above quote was published in REMEMBRANCE IN PROGRESS

"When we consider the evils which arise because government permits the private appropriation of rent, we are forced to the realization that the government should collect all ground rent, even if, after it has been collected, it were thrown into the sea and the people taxed for the support of government, as now; because only in this way is it possible to insure that no one will have an economic advantage over any other".

BOWEN & KOSBY-ECONOMICS SIMPLIFIED

Mr. Harry Kitzinger, a graduate of basic and advanced courses in HGS N.Y. and son of Mrs. Helen Kitzinger of East Orange, a graduate of basic and Science courses in that city, recently graduated six students of the Fundamental Course which he conducted in Montclair this summer. Mr. Kitzinger reports that all six students were enthusiastic, expressed a desire to study further the philosophy and otherwise promote the educational task of the movement.

The second Tuesday each month from 1:30 to 3:30 Afternoon Discussion Group gathers at headquarters in East Orange. Anyone who can attend is most cordially invited. The Discussions are informal, timely, interesting. Usually the group chooses its topics. Next session Oct. 13th 1:30.

"We like to continue to believe what we have been accustomed to believe as true, and the resentments aroused when doubt is cast upon any of our assumptions lead us to seek every manner of excuse for clinging to them. The result is that most of our so-called reasoning consists in finding arguments for going on believing as we already do."

It should be our pride to revise our ideas and not to adhere to what passes for respectable opinion, for such opinion can frequently be shown not to be respectable at all."

JOHN HARVEY ROBINSON

HENRY GEORGE SCHOOL OF NEW JERSEY
149 South Harrison Street
East Orange, New Jersey 07018

NONPROFIT ORG.
U.S. POSTAGE
PAID
NEWARK, N.J.
Permit #2136

Address Correction
Requested

CREEPING CAPITALISM

We've all heard the phrase "Creeping Socialism". That's the condition so evident in the United States the past generation as more and more socialistic programs have been adopted. But socialism is so inefficient and causes so many problems that a new phenomenon is slowly appearing in the United States. Forbes Magazine calls it "Creeping Capitalism".

It is the increasing adoption by people of private enterprise to perform functions which the government has been doing. People have turned to the free enterprise system not because they want to spend more money, but because the service rendered by government at all levels is so poor.

The most prominent example of what might be termed a species of creeping capitalism is the recent adoption by Congress of a bill turning the 131 year old Post Office Department over to an independent government agency. The post office is now to be run on principles somewhat similar to those of private businesses.

True creeping capitalism would have been to turn over the post office to private business to run with the government having nothing whatever to do with it.

This is what Forbes is talking about. The tendency to let private business do the job is in some instances being forced on the people. In San Diego, for example, in some areas of that city, garbage pickups had been on a basis of two, three or five times a week. But the city cannot afford such luxury anymore. One pickup a week is all that is now scheduled. The Mayor bluntly stated that anyone who wanted more pickups would have to get private contractors to do the job. Which is what people are doing.

Fire protection is expected increasingly to be performed by private business. The outstanding example of a private fire department is the Rural Metropolitan Fire Department which covers a 400 mile area in Arizona, and is expanding its service. It serves a city as large as Scottsdale with 66,000 population and much more efficiently and cheaper than any municipal fire department.

Protection, which most people believe is the principal reason for government, is increasingly becoming a function of private business. The local and other governmental bodies simply cannot do the job properly. People in high crime areas band together to hire private policemen to patrol their areas. Businesses have long had private police forces if the business was big enough. But now even smaller business firms find the public police force cannot do the job so they band together to hire private concerns to protect them.

People may slowly begin to realize that actually there is no service which the government renders which cannot be done better by private enterprise, except the collection of economic rent. The expensive road system of the U.S. would have been built at a lot less cost if the principle of the old turnpikes of the 19th century had been followed. In the early part of that century over five million miles of private toll roads were constructed. There is no reason why private roads could not be constructed today. Look at the saving to the public if such were done. Maybe they will yet as costs get too great.

Of course, more and more people are sending their children to private schools. Our socialized (public) schools are going from bad to worse. So, people are more and more subjecting themselves to the double cost of education involved, (paying for the public schools which they don't use and paying for the private schools which they do use.)

The concept of creeping capitalism is a good one and one can hope it will change from a creep to a gallop. However, one flaw in it all is that the tendency to use private services is not based on the conviction that the services should be performed by private enterprise. Rather it is that the public service is so bad that people feel forced to look to private concerns. If the philosophy took hold that these services which many consider the province of government, as education, actually are functions of private enterprise, then we would really see the development of truly remarkable services at low cost. And we would be on the way to the ideal form of government, which is that the best governed are the least governed.

Oscar B. Johannsen

SENSE & NONSENSE

The press reports that the "money squeeze" is passed. The Penn Central bankruptcy, initiated by a "liquidity crisis" (gobbledygook for short or cash) sparked fears that a financial debacle would ensue. The Federal Reserve System jumped to the rescue by quickly increasing the expansion of the so-called money supply.

It had been increasing the amount of "paper-money" at a 4 to 5% annual rate, but impelled by the Penn Central mess, accelerated the rate so that by August it was at a seasonally adjusted rate of 13%. This is a fantastic figure and unless reduced betoken serious trouble in the future.

But, no matter what the Federal Reserve does, trouble lies ahead. The economy of the U.S. has reached a point where it might be said that the inflation of the "money supply"

CONSIDER CAREFULLY, PLEASE

In preparing their wills disposing of their worldly goods many people provide for bequests to favorite churches or charities. Their motive whether expressed or implied, is to help in a modest way to aid such organizations to improve this world.

In these times of problems and turmoil, such motives are much needed and usually the money or property so bequeathed or devised serves a useful purpose.

But, to try to alleviate poverty or illness, or to furnish spiritual leadership, although worthy endeavors, are less efficacious than trying to determine the causes of problems and then helping to eliminate the causes and the problems.

The Henry George School of Social Science of New Jersey has functioned in this field since 1935 and thousands of its graduates were and are convinced that they obtained a comprehension of the causes and the probable cure for the maldistribution of wealth and the elimination of poverty which are causes of most of the world's problems.

The Henry George School of N.J. does not make a charge for its courses but functions with voluntary contributions of those who believe in a private enterprise system and deplore communism and a collective system of government and economy.

In the past the School has received some modest bequests from deceased benefactors and if more individuals would provide a part of their "do good" resources to the maintenance and increase of the School's ability to multiply its effectiveness it would aid tremendously in making this a better world in the future.

Those interested in leaving a bequest to the School may provide in their wills "I give and bequeath to the Henry George School of Social Science of New Jersey the sum of----- (\$---) for the purposes stated in its charter".

"The purposes for which this corporation (Henry George School of N.J.) is formed are:

1. To establish an educational institution which will afford a thorough training in the fundamental principles of economics, social sciences, and/or other sciences.

2. To establish and maintain such facilities as may be necessary or desirable to accomplish the purposes herein expressed; publish and distribute appropriate literature; provide lectures and other educational activities, and to do all other acts that may tend to further the objects named.

has reached the point of no return. Whenever a depression appears likely, more paper money will be printed. From time to time, attempts will be made to slow the increase. For example, it is quite likely that once the November elections are over, or even shortly before, the rate of increase may be slowed. This may go on until the financial problems of businesses and people reach a point where there is danger of widespread bankruptcy. Then the printing presses will go into high gear, spewing out more paper dollars.

The sad fact is that everything points to the dollar becoming ultimately worthless. It is merely a question of how long it will take. There had been hopes that the new administration would have reversed the present suicidal path, and it did take certain timid steps to do so. But it probably was hopeless to expect that it could withstand the pressures on it. Today, almost everyone wants the inflation of the money supply, no matter how much we all say we deplore it. We are now "money-adicts" and none of us is willing to go through the pain and suffering involved in the cure.

So the stock market has reversed itself from the lows experienced in May, mortgage money is a bit easier to get, the prime rate will probably be lowered to 7½%, and gold stocks are starting to move up.

Apparently, fundamentally, it is impossible to eliminate inflation in an orderly manner as long as land is treated as though it were private property. This is because this system of land tenure tends to the condition of more men than jobs available. To institute sound financial practices leads to more unemployment. This causes grave social unrest, so the government is forced to reverse itself if it is not a dictatorship.

So, unless our system of land tenure is changed to a just one, most of us will probably live to see the day when we express the uselessness of some thing by saying "it's not worth a dollar."

When it comes to investing, you can probably do as well as the so-called professionals who put their expertise at your disposal for a fee. The sorry record of the mutual funds in the past year and a half attests to the fact that where the stock market is concerned there are no experts. One fund which was started in 1967 by a man who was considered a financial genius made a unique record for himself, even when compared with the sorry record of mutual funds. If you had invested \$100 in this fund when it started, today your investment would be worth \$2.51. Now, can't you do just as efficient a job of losing money as this professional?

3. In pursuance of the above objects to receive and to administer, sell, mortgage or hypothecate such funds or property as may be donated, devised, or bequeathed to this corporation for its use."

Since the school is tax exempt as an educational institution, all donations to it are tax deductible by donors and all bequests to it are exempt from inheritance taxes.

May we respectfully suggest that you give the matter of a bequest to this school your thoughtful consideration, and if you wish to discuss the matter or if you desire help in preparing a Last Will and Testament - a representative of the school will gladly confer with you.

HARRY GEORGE SCHOOL OF NEW JERSEY

PLAN TAX DISCUSSION

"New Approaches to Property Taxation" will be discussed at 40th annual meeting of the New Jersey Taxpayers Association Oct. 14 at the Robert Treat Hotel, Newark.

The discussion, featuring the afternoon session, will include:

"A Statewide Property Tax for Education" by Dr. William Miller, staff director of the Governor's Tax Policy Study Committee;

"The Property Tax and Environmental Quality" by Dr. Isabel Walker, executive director, Tax Institute of America;

"Effects of the Property Tax on Housing" by Dr. George Sternlieb, Director, Urban Studies Center, Rutgers University;

"The Wisconsin 'Circuit Breaker' Program for Property Tax Relief, by Billy D. Cook, assistant director of Fiscal Planning and Research, Government of the District of Columbia.

The discussion, open to the public, will begin at 3:45 p.m."

WEDNESDAY 11:30 - Sept. 2, 1970

ASSIGNMENT CUT URGED

New Brunswick, N.J. "A reduction in the assessment on the majestic Theater in Perth Amboy was recommended by the Middlesex County Board of Taxation by the City of Perth Amboy at a tax appeal hearing.....The corporation asked that the assessment of \$53,500 on the theater be cut in half. Assessment on the land would remain the same \$20,700.....Other reductions the city made.....All reductions were for buildings, and not for land.

THE NEW BRUNSWICK-woodbridge

SALT OF THE EARTH

The wisest among us is a fool in some things.

Did you know that some work like a horse only when the boss rides them.

Giving a penny for some people's thoughts is just another example of inflation.

Counterfeiter: A man who gets into trouble by following a good example.

Reputation: What is chiseled on your tombstone.

Character: What the angels say about you before God.

Committee: A group of people who individually can do nothing, but who as a group can meet and decide that nothing can be done.

Successful man: One who holds onto the old just as long as its good and grabs the new just as soon as its better.

For every ill beneath the sun There is some cure--or there is none If there be one, try to find it. If there be none, never mind it.

We must free the earth before man can be free.

Education without Action availeth Naught.

We cannot succeed unless we try.

QUOTATION TO POWDER

"The streets of our country are in turmoil. The universities are filled with students rebelling and rioting. Communists are seeking to destroy our country. Russia is threatening us with her might and the Republic is in danger. Yes, danger from within and without.

"We need law and order. Yes, without law and order our nation cannot survive. Elect us and we shall restore law and order."--Adolf Hitler, in an electioneering speech, in Hamburg, Germany, 1932.

V A T

Value Added Tax. Anyone interested in taxation will probably wish to read "Will This Be Our Next Tax?" an article by Wolfgang Langewiesche in September 1970 TAXING DIGEST

Thomas Jefferson - letter to his grandson about to enter a university "Be a listener only keeping within yourself the habit of silence, especially on politics."