

"The rent of land is determined by the excess of its produce over that which the same application [of labor and capital] can secure from the least productive land in use."

Words that rocked the world? Not quite. We know how important a relationship it is, how much it illuminates. But state that principle straight out, and watch the students' eyes glaze over. Or, if the idea does go in, many will understand it today - but lose all touch with it by next week. Fellow stalwarts, we have, in no less vital a place than the central relationship governing the distribution of wealth, a major pedagogical stumbling block. Consider this unhappy dialogue:

"The least productive land in use" - where's that? Why, it's at the margin of production, of course. The margin of - the what? Oh, the margin, you mean the free land, right? Well, yeah. Sort of. But there is no free land anymore, except maybe in the desert. So, you mean the rent for my apartment is the difference between the rent in Brooklyn and the rent for the same apartment in the Arizona desert? And anyway, what is this "same application" bit? If I'm using my labor and capital in Brooklyn, I can't very well apply the same labor and capital in the desert, can I? Besides, I don't apply my labor where I live, I apply it where I work, and then pay my rent (which is too high) out of my wages (which are too low). I think they oughta just lower taxes.

No wonder their eyes glaze over! The student is being asked to process an abstract statement about a relationship among categories described by words that suddenly do not mean what they have always meant. This problem inspired the first great Law O' Rent innovation: the wealth distribution chart, developed in the 1890s by Louis F. Post and used (with modifications) ever since. (For a nifty new look at the old warhorse, see the *Teacher's Corner* of Nov. - Dec. '92). The chart makes it easier to keep the concept in mind - but it is still abstract. It would be much easier if there were signs outside the downtown district:

**YOU ARE NOW LEAVING 8 LAND
AND ENTERING 9 LAND
Please drive carefully**

We must find ways to make the idea concrete. In the May - June '93 *HGN*, for example, we took an egregiously common example of land speculation - a surface parking lot in midtown Manhattan - and examined it in terms of assessment figures, compared to nearly identical surrounding properties with large buildings on them. We determined that the parking lot, in order to pay its property tax burden and its one employee, needed only to fill half its spaces, on the average. Facts like that go a ways toward bringing home the real costs of land speculation.

To examine different grades of land,

TEACHERS' CORNER



by Lindy Davies

we could gather rental figures for the same type of accommodation in different places. Suppose we compare prices for, say, 700 square foot one-bedroom apartments in twenty-year old buildings. In Manhattan such an apartment rents for \$1200 (and up) per month. What does one go for in your town? The main difference in its cost in different locations would be due to land rents, would it not?

A simulation may help to bring home the ethical dimension of the land question. Let's say you have a class of twenty students. Normally they come and chose their favorite from among twenty-five chairs in your classroom. What if one week you place the chairs in five stacks (assuming you have stackable chairs) of five chairs apiece. You announce that the first five students to arrive may claim a stack of chairs, and any who arrive after them are perfectly free to rent a chair if they wish to sit.

This basic idea has been turned into a full-fledged simulation game here at the New York HGS. *The Monopoly Experience* turns a classroom into a mini-macro economy, complete with agricultural and industrial resources, natural monopolies, money, corporations and free-market mayhem. While the game requires some careful administration, it can provide strong insights into the factors of production and their dynamic interactions.

Perhaps the easiest and most telling way to make the Law of Rent concrete for students is to comb the newspapers and other media for stories of poverty and crime, deforestation, homelessness, crises in public finance, urban sprawl, farm crises...the list goes on and on, and land speculation plays a vital role in every one. With all these object lessons coming at us from every direction, all the time, we should never need to take refuge in abstraction. ■