

Teacher Talk

Max Panzner

Max Panzner is not new to the School, but he has only recently begun to teach Progress and Poverty, which he is doing again this fall term. As a Hunter College student with many academic achievements to his credit, he also does computer design and manages off-Broadway productions. Still, he takes the time to answer his students questions. One of his students, Riva, was given the following response to one of her inquiries.

What about Riva's very strong feeling that government should provide housing for those without?

There's certainly plenty to be said about how the government should and shouldn't be spending our tax dollars, most of which is (unfortunately) a matter of personal opinions and special interests. It seems that in this class we're all pretty much in agreement about the need for public housing and for improvement in the living standards of the unemployed and working poor. What is desperately needed is an analysis of the current dilemma that transcends opinions and mere habits of thought; an understanding which explains the problem and offers solutions based solely on the observable facts. So what are the facts pointed to in Riva's argument for government intervention on behalf of the homeless and the poor? What are we saying exactly when we talk of "affordable housing?" Where does homelessness come from; when did it begin? (And what does it mean when the word "homeless" becomes a regular part of a society's vocabulary?)

The problem begins to look almost deceptively simple when we examine it historically. We know there were not always homeless people in this country (or anywhere else in the world for that matter). If you came here as a settler, you went to live with relatives or, more likely, you claimed some land as yours and you built yourself a home. Of course you also claimed much more land than you could put to use, but that land will have its use one day, as people keep emigrating and the population reproduces and multiplies, putting greater demands on less and less available lands. So what happens when all the land is claimed? People are forced to pay

rent, forced to hand over a part of their labor to someone else just for the right to occupy a little bit of space that the first person got for free. Now we know that homelessness is not as simple as all the land being taken up and people not being able to afford the rent. But we do know that this is one of the two principle factors contributing to the lack of affordable housing. The other has to do with labor in constant competition against labor for those scarce jobs mentioned earlier.

How did working opportunities become scarce? The same way as all others: by the ownership of the land. What is labor without access to nature - to the land, to the resources from

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which all wealth is generated. This relationship between labor and the land seems outmoded today, but it is really obscured by a highly specialized and incredibly complex economy, where the base forms of production that are the foundation to all other production, such as agriculture and the extractive arts of mining, tapping crude oil, fishing and herding, and so on, have become so advanced that very little direct human labor is required. This is why catch-phrases such as Information Age and Service Society hold such sway in our minds - we are very far removed from but no less dependent on the forms of production which still come first, those which are absolutely essential to our survival. So we are dependent on access to the capital of others for work opportunities since we no longer have access (or are compensated for our lack of access, which is essentially what land value taxation is) to the land and its resources. This is essentially the Marxist point: that the owners of capital control the means of production and thus the standard of living and livelihood of labor. Now we can accept that production today cannot carry on without capital, but there is an essential difference between land and capital: we can produce as much capital as we need (or want), while land is absolutely fixed in supply. With access to land being prohibitively expensive, labor has no choice but to compete with each other for the opportunity to work for others

(a mix of capitalists, landlords, and capitalist/landlords) just to pay someone (landlords) for the right to exist. The competition among labor drives wages down as those without work are willing to accept less and less to survive. With land in private hands, increases in population and technological improvements in production only worsen this situation, putting more people out of work and increasing the demand for jobs and access to land...

The tiny trickle of government money that finds its way to the poor, the unemployed and the homeless is, in a sense, a portion of what is in fact due to them by the owners of land for allowing them to put that land to their own use. In other words, the percentage of the value of the land that is collected by the government in real estate taxes is already a version of land value taxation, although this is nowhere near the amount which should be paid to the community for permission to put that land to some specific use, restricting others, like the unemployed and the homeless from the opportunity to use it themselves. By now I must be sounding like a broken record, but I hope this repetition is forcing us to shed our biases, if only for a moment, and to think through these relations for ourselves. Like Riva, I am all for providing affordable housing and jobs and health care and education opportunities to everyone, but even if we were to devote all of the government tax revenue to these programs the fundamental problems would remain firmly in place. Labor would still compete against labor (you can imagine millions of brain surgeons and rocket scientists, all highly educated and living in concrete housing projects working for minimum wage), in-

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stead of landowners competing against landowners for the right, granted by the rest of the society (the true landowners), to put the land to use. And of course this means they could do whatever they wanted with the land so long as they could afford to pay its full value in rent - unquestionably an incentive toward improved pro-

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duction. We also shouldn't lose sight of the fact that when I say they can do whatever they want with the land, this is still subject to the laws of supply and demand; if people don't want their goods or services they won't have a viable business and thus won't be able to afford the rent on that land. So the needs and wants of the society figure prominently in what we mean by the best use of the land. And yes it's true, many jobs would disappear, but just as they should! The cashier and the bank clerk and in some areas the small farmer would go the way of the blacksmith, the wainswright, and the magician, as advancements in production and the growth of the economy demand a better educated work force freed from the burden of unjust taxes and rewarded their share of the value of the land. In other words,

you can expect to see an increase in the value of educators to the society, along with all sorts of other occupations - writers, artists, counselors, lecturers, entertainers, athletes, scientists, engineers, etc. - as well as the growth of new fields and industries we can't even imagine. Okay, sounds too good to be true. Utopia, right? Well, it isn't necessary to conjecture all of the changes which land value taxation would bring about. All we need to do is understand the problems we do have, and their causes, and formulate a solution that is fair, that is most just. We may also want to figure out the simplest, and least disruptive way to implement any solution, though even this is not necessary. Just think it through, and we'll yell about it for two more weeks.

FALL CLASS SCHEDULE

Progress and Poverty

(Fundamental Economics)

PART I: Principles of Political Economy

(All classes 6-8 pm)

Mondays: Max Panzner
Tuesdays: Alton Pertilla
Wednesdays: Vesa Nelson
Thursdays: Paul Kahane
Thursdays: Nivaldo Aguilera (in Spanish)

- ♦ Learn how our economy is structured to ensure an imbalance in the distribution of wealth and opportunity.
- ♦ Make a distinction between the natural opportunities of the Earth and those values produced by human labor.
- ♦ Explore the relations between the individual and society and principles of private and public property.

Applied Economics

PART II: Principles of Political Economy

Wednesdays: George DeShields 6 to 8pm
 Beneath political problems often lie social problems caused by the maldistribution of wealth. This course confronts those problems directly and examines the current global economy and free trade initiatives. Will NAFTA and GATT increase your wealth or reduce your wages?

Economic Science

PART III: Principles of Political Economy

Mondays: Dan Kryston 6 to 8pm
Thursdays: Manuel Felix (in Spanish)
 This course enables students to understand and evaluate economic theory and demonstrates how economic behavior is the engine of civilization's development. This class may be taken as the second part of the three course program.

Critical Thinking: II

Toward the Good Society

Mondays: Vesa Nelson

6 to 8pm

This class will focus on the skills necessary for critical thinking and interpretation. A place to discover the joys of reasoned thought, intellectual exchange and open-minded consideration of new points of view. You will come away with a better understanding of people and ideas.

The Genesis of Modern Economics

Tuesdays: Paul Kahane

6 to 8pm

This course reviews the theories of the world's great economists. Learn how socially created land rent is stolen from the community and that crime is justified by modern economists. This in turn perpetuates poverty and low-wage bondage, the slavery of our times.

Public Speaking

Thursdays: Sydney Mayers

6 to 8pm

Stage fright? Mike fright? Nervous when you have to face an audience? Don't panic. There are simple ideas that can bolster your confidence and help you overcome your phobia. This course offers a systematic method of oral presentation in public, based on tried and true techniques. Learn to stand-up and speak-up!

Great Decisions

Tuesdays: John Bruschi

12:30 - 1:30 pm

Wednesdays: Bruce Oatman

6 to 8 pm

For 75 years, the Foreign Policy Institute has been producing educational materials in order to enlighten the public and inform debate on the complex issues of our time. From the new Information Age to the New World economic order, the Great Decisions course follows the flow of world conflicts and resolutions.

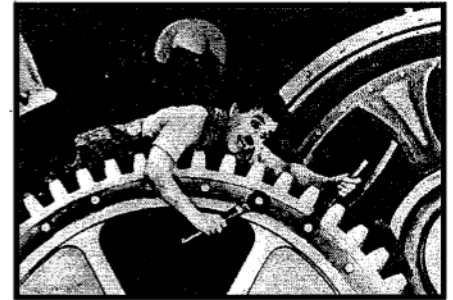
Money & Banking

Thursdays: Billy Fitzgerald

6 to 8 pm

An introduction to the function of money and credit in the modern economy. Beginning with the origin and nature of money, this course explores the Federal Reserve System, banking, the money supply and price levels.

UP COMING SEMINARS



MODERN TIMES

FRIDAY FILM FORUM Oct. 8, 7pm

Charlie Chaplin's satiric look at the machine age and its effect on social relationships and personal anxiety.



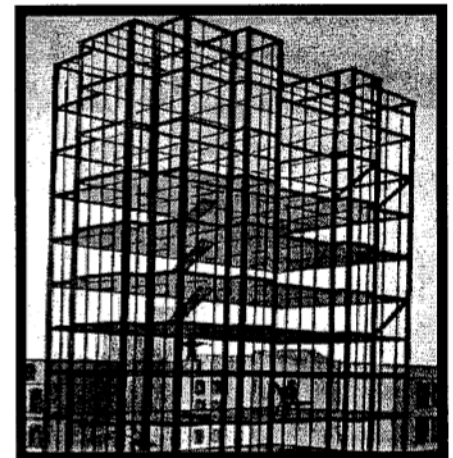
JOBS

YOU & the LABOR MARKET

Bring your resume!

Henry Silverman, a manager in the Community Services Division of the NY State Department of Labor, will illustrate the dynamics of the job market, including your skills assessment, resume construction, resources and skills pricing. This seminar is by registration only and is limited to the first 25 students.

Friday, October 15, 7 to 9 pm



YOU CAN CHANGE THE WORLD

FRIDAY, OCTOBER 22, 7 -9PM

A quiet revolution is underway. An increasing number of communities are discovering the secrets which vested interests have kept from us for so long. We can encourage construction and diminish speculation through shifts in the tax structure. Dr. Steven Cord, a leading exponent of this Georgist remedy, will show us how to make "real world" applications.