

## THE PACE UNIVERSITY LEFT FORUM PANEL RECONVENES AND HENRY GEORGE IS REBRANDED

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<http://www.opednews.com/articles/The-Pace-University-Left-F-by-Scott-Baker-130707-495.html>)

*"If there be time to expose through discussion the falsehood and fallacies, to avert the evil by the processes of education, the remedy to be applied is more speech, not enforced silence." - Supreme Court Justice Louis Brandeis, Whitney v. California (1927), <http://prospect.org/article/remedy-more-speech>*

The team of panelists from last year's Pace University Left Forum panel - reviewed in the March/April, 2012 issue of GroundSwell - reconvened this year on June 8, 2013, minus Kucinich adviser Dave Kelley who was sidelined due to a back injury. The remaining panelists were Dr. Michael Hudson, Dr. Cay Hehner, and Chair Andy Mazzone. The title of this year's panel was "Wall Street's War to Impose Austerity." Here is the abstract I developed, with the blessing of the panelists:

### Abstract:

Wall Street had a record year in profits last year. Bonuses were up and stock prices zoomed. Meanwhile, the productive classes continued to see their wages stagnate as they have for 40 years, while under-reported inflation figures and regressive tax schemes took more of their paychecks, if they could find work. But now Austerity threatens to siphon whatever is left from the bottom to the banking elites. Faux progressive organizations like Third Way in the U.S. are attempting to privatize Social Security to pour billions into Wall Street for further gambling. From Cyprus' confiscation of up to 70% of bank deposits to Greek pro-recession budget slashing, the road to neo-feudalism continues. Based on Professor Dr. Michael Hudson's book "Finance Capitalism and its Discontents" and "The Bubble and Beyond", panelists Dr. Michael Hudson, Dr. Cay Hehner, Dave Kelley, and Chair Andy Mazzone will discuss specific austerity measures that are designed to confiscate, impoverish, and destroy the middle class, while widening the already historic wage gap even further. Learn how the expansive forces of industrial capitalism have been subverted by today's predatory finance capitalism aided by junk economics and failure to collect the economic rent. What is the rentier class and how does it collect 1/3 of GDP? Is government regulation always wrong? What is the best tax policy? Why the 1% versus the 99%?

Current president of the Henry George School, Andy Mazzone, gave the opening, and after introducing himself as an ex-CEO of a Fortune 500 company, and a trained economist in Marxism, said he now classifies himself as a neo-Georgist - defined as "someone who believes all forms of

monopoly should be taxed" while untaxing all forms of earned income - wages, sales, capital. (In previous discussions with Mr. Mazzone, I have challenged this tax-all-monopolies philosophy a bit, relying on my experience in the fast-changing world of Information Technology where I was a Manager of Information Systems for over 2 decades, and where monopolies may last no longer than the next business cycle. I think we get into questionable territory in advocating taxing patentable innovations (though I would agree that patents are too easily granted nowadays). The land monopoly is different, of course, because land, unlike capital, cannot be created by people, is finite, and generally appreciates, while capital goods depreciate and are replaced by newer "improvements," just as Henry George said over a hundred years ago when improvements came along at a much slower rate.)

Mazzone went on to say that Michael Hudson's book "Super Imperialism" basically forecast the current crisis and the financialization of everything, and the subsequent collapse from de-industrialization. Mazzone spoke of what has become accepted wisdom among Georgists - that 1/3 of GDP, here identified by Mazzone as "surplus," is rent of some kind. (Hudson later confirmed this figure in his portion of the presentation too). This rent is taken by "guile and force," an example of which, Mazzone said, is the operations of Goldman Sachs.

After setting up a hypothetical world in which the elite owned everything (this is really not so hypothetical, after all; in a Vanity Fair article sometime rentier-critic Joseph Stiglitz says the top 1% own 40% of the wealth: <http://www.vanityfair.com/society/features/2011/05/top-one-percent-201105>), Mazzone further challenged the audience to determine why the "elite 1% should not continue to "garner the lion's share of society's wealth as it always has, albeit within certain limits, and with some overhead for priests, rabbis, police and courts to enforce the disparity, while keeping it just low enough to prevent a revolution" (the elite are apparently quite good at figuring out how far they can push things, most of the time). He pointed out that the financial elites can create bubbles by literally controlling the creation of money, blow it up, and if their power is large enough, force government to bail them out and continue the game in an unlimited way, not because they are necessarily evil, but because there are no constraints. This gets to the crux of economics - that to change people's behavior, you have to change the incentives, and not rely on some "better nature" coming out of human beings. The clear implication is that the incentives are therefore perverse and literally counter-productive. Obama and many of the political class, says Mazzone, has no clue how to change this, and neither does almost anyone else. There is no way, under the present system, to change the outcomes, and the temptation to collect "100 million dollars at the expense of the country" instead of working, is simply too great. (Super-regulator Bill Black, who led the reform efforts of the S&L crisis and who is a colleague of Michael Hudson's at the University (continued on page 6)