

Economics: A Christian Worldview. Short Film:
“Hiring Teachers, Filling Potholes” (Public Works)

TEACHER INSTRUCTIONS/KEY

Time

15-20 minutes

Instructions

1. Play the short film “Public Works: Peter Schiff vs. Paul Krugman (Potholes & Teachers)” (9:50):
<https://www.youtube.com/watch?v=7kBG8VknT88>
2. Get students’ thoughts on this film.
3. Main ideas of this film (you can turn these into questions to ask students):
 - Americans are poorer because of higher taxes and increased government spending.
 - Government welfare programs create a class of people who become dependent upon government.
 - Being poor means that “you don’t have enough stuff” (food, medical care, cars, homes, computers, clothing, and so on).
 - How do you get poor people more “stuff”? By producing more “stuff” and saving to buy it, which government retards by higher taxes...to supposedly help the poor.
 - Krugman’s Keynesian ideas on how to create wealth include (Surprise!) increased government spending (which is paid for by inflation, borrowing, or increasing taxation).
 - Krugman claims that government can end the then-recession by hiring individuals to fill potholes and become teachers!
 - Schiff: “Fine! Then wouldn’t it be better to hire *millions* of teachers, so we could end the recession even faster? And then students could have private tutors!”
 - Of course, Krugman doesn’t realize (or maybe he does) that all this government spending must be paid for somehow, which makes it worse for the poor by taxing them even more or devaluing via inflation the money that they earn now. *Every dollar of government spending means that the people have a dollar less to spend themselves.*
 - Krugman’s suggestions create no new products for the poor, and they’re poor by definition because they lack “stuff”!