

Land&Liberty

212 Piccadilly, London, W1J 9HG

ph +44 (0) 20 7377 8885

e office@LandandLiberty.net

Editor Peter Gibb

Executive Editor Lars Rindsig

Publisher Henry George Foundation

Contributors

Duncan Elliott, Geoffrey Lee, Ole Lefmann,
Isabel de Menenez, Jo Stocks

To receive **Land&Liberty** and to support
the work of the Henry George Foundation
contact us at the address above.

Land&Liberty has chronicled world events
for over 100 years. It has offered a unique
perspective with its reports, analysis and
comment on the core issues of political
economy. And that uniqueness remains.

Land&Liberty aims to explore how our common
wealth should be used – and to demonstrate
that this is the key to building the bridge of
sustainability between private life, the public
sector and our resources – between the
individual, the community and the environment.
Land&Liberty – putting people at the heart of
economics.

Copyright in this and other **Land&Liberty**
publications belongs to the Henry George
Foundation which welcomes approaches
for the reproduction of articles. However
reproduction is prohibited without prior written
permission of the copyright holders. No
responsibility will be accepted for any errors or
omissions or comments made by contributors
or interviewees. Views expressed are not
necessarily those of the publishers. Goods
and services advertised are not necessarily
endorsed by the publishers.

Produced by the Henry George Foundation
and printed by Calverts on Corona 100% post-
consumer recycled paper.

ISSN 0023-7574



The Henry George Foundation is an
independent economic and social justice think
tank and public education group with offices
in London and members throughout the UK.
The Foundation deals in cutting-edge ideas,
exploring and promoting principles for a just and
prosperous society and a healthy environment.

The Henry George Foundation of Great Britain
Limited is a company limited by guarantee,
registered in England, no. 00956714, and
a charity registered in England under the
Charities Act 1960, no. 259194.

www.HenryGeorgeFoundation.org

www.LandandLiberty.net

“Fooled once – shame on Wall Street. Fooled twice - shame
on Capitalism. Where money is involved, mistakes do not get
repeated.” So says Lawrence Yun in our cover story.

But what is happening in the global economy is not happening
because of ‘mistakes’. The subject and nature of the ‘fooling’ are
not as Yun assumes. In his error Yun stands side by side with the
majority of his conventionally-thinking mainstream economist
colleagues. Their profession, and its collective failure to exercise its
work for the science that it should be, has brought the world to the
lamentable point at which it now finds itself.

We are about to experience the violently painful and now
unavoidable outcome of running our economies as we do. This
crash will not be a ‘fool’s’ ‘mistake’. It will be an intended feature,
a design, of our chosen set of economic rules. The pain and the
suffering are part of the system: the violence is in the system: the
crash will be the inevitable consequence and a necessary component
of the West’s prevailing macro economic and fiscal policy orthodoxy.

But be in no doubt, some – certainly most of the powerful and
wealthy – will do not so badly out of the impending chaos. The losers
will be the more ordinary folk: families will lose their homes; hard
workers will lose their jobs; worthy enterprises will go under; good
reputations will be darkened; pensions and savings will evaporate;
inheritances will vanish. The whole cycle will repeat.

This is not how it should be.

In this very place, three years ago, in our summer 2004 issue,
we brought readers’ attention to the cutting-edge work of reformers.
We stand by the conclusions we came to back then. The first global
housing crash will hit in 2008 and unfold to its worst in 2010. We
have at least two years of economic hell in front of us.

We cannot avoid it now. If there is not a ‘major readjustment’ of
the market, dumping a massive portion of its value, and trashing
homeowners’ assets – how would ordinary families without
property inheritances ever be able to afford their own homes? –
what would happen to future levels of tax receipts, considering the
increasing portion of national ‘wealth’ deriving from the unearned
gains in the housing market – universally lightly taxed?

Of course the global nature of this crash does not mean a universal
market outcome for all players everywhere. Instead, simply, it will
be one that is globally-linked: the usual regional re-balancing of
locational resource value will occur, as usual at this point in the
cycle, but it will happen on a planetary level. As the impact of the
crash destroys values in Western markets, some part of those values
will re-manifest themselves in land value gains in the emerging
new superpowers of India, China and elsewhere. Soon Chinese and
Indians will be sitting down to enjoy land value gains which were the
subject of a decade’s dinner party table-chatter back West.

We should pity the property-rich Western homeowners relying
on their property assets for their pensions. But, first time buyers,
rejoice. Your time is nigh.

Peter Gibb
editor@LandandLiberty.net

