

THE ONLY CURE FOR BOOM AND BUST

By Herb Meyer

According to the London Planning Advisory Committee, London's new strategic plan for the year 2000 and beyond "must avoid an office boom and bust cycle". In the current fin-de-siècle this is like "planning" for apple pie, motherhood and clean streets. There can never be an end to the boom and bust stop-go cycle until its causes are understood by all.

The only economist who clearly stated the cause of recurring industrial depressions was Henry George. He understood the origins of social inequalities, which drive workers to the wall and bankers to Wall Street. If the LPAC wants guidelines in the preparation of its Almanac for the Millennium it could do worse than read *Progress and Poverty*.

The cause of social inequality is political injustice. How do we now institute social and political justice and thus achieve true equal opportunity?

That it must be done and done quickly, Prague, Sarajevo, Cotgrave, Los Angeles, Bradford, Oxford and the gathering world-wide depression and economic collapse demonstrate only too clearly; for, as the Reverend Jesse Jackson stated in Brixton in 1984, "The price of peace is justice."

In *Progress and Poverty* Henry George demonstrated the remedy for the periodic industrial depressions of the current economic system. He further showed how all the other panaceas would fail.

In 1992 we have had "cuts", the greatest number of high-qualified unemployed, "trainees" ad nauseam, record "savings", trade unions and co-operatives galore, a welfare state and even in some limited areas "a more general distribution of land. None have cured the problem of poverty amid plenty as Henry George foresaw. And he saw what would happen if his

remedy was *not* implemented. In *Progress and Poverty* George prophesied, "how modern civilisation may decline".

"What has destroyed every previous civilisation," he wrote, "has been the tendency to the unequal distribution of wealth and power. This same tendency, operating with increasing force, is observable in our civilisation today, showing itself in every progressive community, and with greater intensity the more progressive the community. Wages and interest tend constantly to fall, rent to rise, the rich to become very much richer, the poor to become more helpless and hopeless, and the middle class to be swept away . . . there are indications that we are actually turning back towards barbarism . . ."

There is always a political choice available. The choices for urban design form in the coming millennium, which is rapidly approaching, are three. We could continue as players in "the landlord's game", that is, we could allow land value speculation to reassert itself after this critical depression.

The roller-coaster ride of boom and bust could carry on, with ever-accelerating booms of higher intensity but shorter duration, to be followed by ever-increasing slumps of deeper depression and longer extent.

One of the alternative scenarios volunteered as an antidote to this is for the world to re-enter the era of "altar and crown", where all become subjects to the Prince's "urban villages". Sterile, illiberal, sited on Sitte's pro-medieval aesthetics. Prince Charles' urban villages lack, as so perceptively noted in a recent letter in *Building Design*, the fundamental basis of all true garden city design; land value taxation. Without such a Georgian basis, the Prince's urban village becomes but another more

intensely developed and highly density garden suburb. The banality of both Poundsbury and the urban village "Greenville" match that of Prince Albert's 1851 Great Exhibition model cottages.

But there is a third alternative. Progressive radicalism can still triumph over royal reaction, unrepentant charity, or unreformed laissez-faire. We could all become free citizens of a new Broadacre City, a true garden city.

We could return to the *essence* of Georgism – apply the single tax on the unimproved site value of land, reduce densities to manageable numbers, build to a human scale of not more than ten dwellings per acre, set out cities out in the American democratic grid which belies hierarchy, orthodoxy, rigidity and status.

We could re-introduce that important concept of the mediator between public and private – the house porch. We could reduce the road system to a rational network tamed to suit the pace of the pedestrian and the scale of low-density living.

Plato's City of Health, More's Utopia, Garnier's City Industrielle, Frank Lloyd Wright's Broadacre City would encompass the dream and prophecy of Henry George and give us all an insight into the absolute moral strength of land value taxation.

As Professor Roy Douglas reminds us: "The Elder Mirabeau, we are told, ranked the proposition of Quesnay, to substitute one single tax on rent, *L'impot Unique*, for all other taxes, as a discovery equal in utility to the invention of writing or the substitution

of the use of money for barter."

The last fin-de-siècle ignored Henry George and brought us to the First World War and Hitler, Mussolini and Stalin, the previous fin-de-siècle ignored Mirabeau and brought us to the French Revolution and the Napoleons . . .

My friends, is strategic planning to achieve the City of God on Earth, a just and free society, too heroic a vision for the third millennium? I think not, and in Henry George's single tax we have a clear blueprint for a true Almanac for the Millennium. As my great friend, FDR, wrote just before he died: "The only obstacle to our dreams of tomorrow are our fears of today. Let us move forward with strong and active faith . . ."

Will we never learn . . . ?

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