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The Uncertain Future of the Metropolis

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I learned about this conference on the "Future of the Metropolis" just after returning from the ruins of ancient Greece. I could not help but visualize future people, two or three centuries from now, wandering through the ruins of our cities. Would they be puzzling over the eclipse of a great civilization, as I was at the haunting temples of Delphi and the cyclopean walls at Mycenae?

These unsettling thoughts are not mere metaphor. Pessimism intrudes insistently on anyone who tries to project the future from current trends. Most signs of our times add up to a grim forecast of what tomorrow holds.

The single element that makes me apprehensive about the future of our cities is our land system. Tentacles of our misguided land policies are choking almost every vital aspect of metropolitan life. This is doubly worrisome, because the full dimensions of the land problem have barely surfaced in the public consciousness. To put it in the vernacular, most of us don't know what's eating us.

We have scarcely begun to identify the causes of today's city land problems. This is not to denigrate the legions of good folk -- officials and citizens alike -- who are trying desperately to cope with the daily disasters. But without a better notion of what is producing these disasters, we are unlikely to stem the flood.

A major problem, certainly, is our distorted land system that operates around the clock and around the calendar, and under the full sanction of the law. It rips off the poor, saps small business, and deprives municipalities of their rightful revenue.

The people as a whole create land values, not only by their presence, but also through participation in government, as taxpayers. Schools, firehouses, streets, police, water lines -- the whole gamut of public works and services that enhance a neighborhood are converted into higher land values. The taxpayers of the entire country, through federal aid for our multi-billion-dollar Metrorail project, have been boosting Washington, D.C. land values mightily.

Not all land values are manmade. Inherent qualities also give land special advantages: fertile soils in farming districts, scenic views in residential areas, subsurface riches of coal, oil, and minerals. None of us, as landlords, tenants, or governments, can lay claim to having created these values. The people who have been drawing up an international law of the Seas have characterized these natural endowments as "the common heritage of mankind", where no people, individually or collectively, produce these land values, it is difficult to argue with the conclusion that they belong to all people equally.

If the institution of private property has a sound foundation, and I believe it does, then it rests on the principle that people have a right to reap what they sow, to retain for themselves what they themselves produce or earn. Land values, produced by all of society, and by nature, do not conform to this prescription.

In the case of Washington, B.C., most landowners are petty holders. The biggest portion of their property value is in their homes or small shops, only 15 or 20% in land. Only five percent of the city's properties, land and buildings together, are valued over \$100,000. Because the high peaks of land values are concentrated mainly in the central business district, those who walk away with the lion's share of the community's land values are a mere handful of owners.

Decade after decade, billions of dollars in urban land values are being siphoned off by a narrowing class that has no ethical or economic claim to them. To be outraged when a few ghetto dwellers, in an occasional frenzy of despair, engage in looting on a relatively miniscule scale, but to remain indifferent to this massive, wholesale looting, is worse than hypocritical. It is to ignore a catastrophic social maladjustment, more severe, I believe, than anything the U.S. has experienced since slavery.

Henry Reuss, Chairman of the House Committee on Banking, Finances and Urban Affairs, recently pointed out, that over the past thirty years, the Consumer Price Index rose 300%, the price of the average new home went up 500%, and the price of the land under that average new house went up 1,275%. "Ways must be found" he said, "to curb the tendency to invest more and more in land, a passive activity that adds not a single acre to the nation's wealth. Instead we must encourage investments in job-creating plant and equipment."

One optimistic note amidst the pervading pessimism is the work being done toward the creation of land price index. H.U.D. and the Urban Land Institute contracted with fifteen people to construct land price indexes in selected metropolitan areas. Next month, this group will review what has been uncovered about the availability, reliability, and compatibility of various land price data, and they will spell out national needs and uses for a land price index. This index might serve as an alarm that goads us into examining phenomena, that have been largely shielded from public scrutiny. This process could begin to inform a whole set of policies, starting people to think in new directions.

The land problem is far from the only important perspective from which to view cities. It looms in importance to me, not so much because of the dead civilizations I recently visited, but because the evils of landlordism were well-engraved in my consciousness during a year in South America. Compared to Ecuador, of course, the U.S. is almost Utopia, in many respects. But I sense that we are drifting rapidly towards a landlord-dominated society.

Economic trends point toward bigger and bigger recessions. I do not expect we will ever have another 1930's-type depression. I doubt whether people will accept or tolerate such unemployment or misery. Instead, I believe they will demand the use of extraordinary governmental powers to tell us where to work, what wages to accept, what goods to produce -- in short, a degree of regimentation that will threaten many cherished freedoms.

Before that happens, the opportunity awaits to see whether a reasonably free economy can still be made to work. Unless we tackle the land question, and the looting of America, that game may be forfeited.

The future of the metropolis is uncertain. The choice is ours. We can intervene in the way society is now headed, to preserve the American dream. Or, we can continue along the present path and await the American nightmare.