

HOUSING REALLY IS ABOUT SUPPLY

There is resistance in some quarters to recognizing that Australia has a housing supply problem. They see the source of our housing woes lying entirely elsewhere.

The extent of undersupply is revealed in a number of ways. The growth of dwelling completions has been well under population growth over the last 25 years. And in recent decades average household

WE NEED TO BE A NATION OF RENTERS

As well as having housing abundance it would be great to see renting becoming more attractive relative to the mortgage treadmill.

Supporters of capitalism are very keen for workers to be "homeowners" and achieve the "<country> dream". It ties them down physically and financially, and gives them an investment in the system. It would also leave a revolutionary regime stuck with a lot of people attached to a bit of private property.

In Australia the tax and welfare systems both favor home ownership over renting. This has to be challenged. Also, the tenancy laws have to do a better job of protecting tenants from landlords.

In Australia around 85 percent of the rental stock is owned by "mum and pop" landlords with three or less properties. This is because state land taxes are progressive and on the basis of total properties owned rather than each separately. This deters large institutional investors who would make much better landlords. Unlike small landlords they would not kick out a tenant to sell to a homeowner nor to install a family member. And when supply is keeping pace with demand, there would not be the capital gains to realize by selling. They would also be more reliable with repairs because they have a brand to protect and tenants can organize against them.

Large landlords would be more relaxed about long-term leases and allowing significant interior changes much in the way shops and other businesses do. And with their large number of properties they can risk being stuck with the occasional bad tenant.

There also needs to be a boost to public housing to accommodate those who tend to be rejected by the private rental market and were at risk of being homeless. Some people have grander visions of a greatly expanded public housing sector and possibly think there is something "socialist" about it. However, providing public housing to everyone on welfare would require a level of spending that is simply not going to happen. On the other hand, increasing the federal rental assistance to anyone in that category is a realistic proposition.

size has stayed much the same although demographic changes would suggest that it should be somewhat lower. For example, there are fewer children, and more empty nesters and single people. So people are sharing when they would rather not. Adult children staying with their parents is a classic example. And telling the same story is the fact that dwelling per thousand people has stayed the same in recent decades, and the figure is one of the lowest among developed countries.

On top of this, undersupply is worse in those areas where people would prefer to live. They want to live in the inner and middle areas close to work, facilities and other people.

Melbourne, Sydney and the other capital cities are overwhelming low density single dwellings once you leave the CBD. This has been enforced through various local and state government restrictions. First off you cannot demolish a pre-1945 house because it is "heritage". This is a big problem because these cities have mostly been quite sizable for well over a century so you have to travel quite some distance to get away from these houses. So, in this inner and middle ring higher density development is confined mainly to old factory and warehouse sites. Then where houses are not considered heritage you still face local government "planning" that caters to the usual aversion of incumbent residents to multi-story apartments and more people. This is the renowned NIMBY problem.

So, to meet people's housing needs, given expected population increases and location preferences, we will need to start demolishing Victorian cottages, Edwardian houses and California bungalows and replacing them with apartments. At the moment the very idea is abhorrent to existing home owners in these areas and to all "fine thinking" people. This will only be changed if they can be convinced that there really is a supply problem and infill will be done really well both in appearance and livability. They would also be more receptive if the windfall gains from up-zoning were taxed and put to local use.

David's Political Substack mcmullend.substack.com

There is a post every 10 days, mainly covering revolutionary Marxism and geopolitics. See the About page for an overview. Posts generally do not date so it is worth clicking on the TOPICS or ARCHIVE link and reading previous material.



GOOD OLD NEOLIBERALISM

The July Platypus Oceania Conference will have a session on "neoliberalism". For the pseudo-left there is no bigger bogeyman. Its rise from the murky depths was a "major defeat for the working class", a "capitalist offensive" in fact.

I haven't exactly been an avid reader on the subject, so I can't give a full-blown review of their thinking. But I will just point to a few things that make me uneasy.

There is the view that involvement by the capitalist state is "socialist". This was behind much of the shock-horror over privatization. Public ownership was ownership by "us" and selling public utilities or whatever was making the rich richer. I think it makes more sense to think of public ownership under capitalism as in fact collective ownership by the capitalists. It is part of their system. It does not matter who owns what.

Then there is a failure to recognize the extent of what bourgeois economist and free marketeers call "government failure".

There is no problem fully acknowledging it. Indeed, the issue can be turned back on those who think they are making a great argument for markets. The fact is that government failure is a form of market failure. This is something they fail to note even though it is the elephant in the room.

Government failure refers to how governments make bad and inefficient decisions because they are captured by vested interests. How true but why stop there? Why not also point out that you only have vested interests when you have markets for goods and labor power. The owners and the employees of individual firms or whole industries turn to government for protection from icy market winds. Bureaucrats want lots of bureaucracy so that there is a growing demand for their services. And politicians buy votes by bribing and pandering to their electorate, and cozy up to potential post-politics employers. So government failure is not some foreign body, it is endogenous to the system.

And when it crossed borders neoliberalism became the dreaded corporate globalization! Opposition to the continued development of capitalism on a global scale is similar in nature to opposition to the industrial revolution in England during the 18th and early 19th century. In both cases it is opposition to the only available means of advancing human progress. It is quite reactionary.

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TROTSKYISM AND GEOPOLITICS DON'T MIX

When it comes to assessment of international conflicts, the putative left does not always have a great record. While Trotskyism is not alone when it comes to folly in this department, it is certainly up there with the best. I'm very much a newbie when it comes to forensic work in this area, but what I have exhumed so far leaves me highly unamused.

I've been looking at the position the Trots took during World War II. They were decidedly "anti-imperialist" and refused to support the US and Britain during the 1939-45 war against fascism. They said it was just an inter-imperialist war. It is a bit like the way various present-day Trot groups and others characterize Russia's plans to totally destroy Ukraine as an inter-imperialist proxy war with the West.

The Trots had the view that the US and Britain were just as much rampaging imperialists as the the fascists. Both sides were "equally predatory" according to their 1943 resolution. The US occupation of Europe would be much like the Nazi one. And their bourgeois democracy and liberalism were more and more a facade and on the way out. So it did not matter much who won the war.

The journalist Peter Jenkins wrote in 1977:

... the attitude of the Trotskyist movement in particular towards democracy has frequently been an ambiguous one. While democratic rights, for example for the trade unions, for national minorities, etc., are vigorously defended, democratic institutions are equally vigorously denounced. This outlook is possible since in the 'epoch of capitalist decline', Trotsky argued, the very material basis of bourgeois democracy has been eroded. "Naturally there exists a difference between the political regimes in bourgeois society just as there is a difference in comfort between various cars in a railway carriage. But when the whole train is plunging into an abyss the distinction between decaying democracy and murderous fascism disappears in the face of the collapse of the entire capitalist system. (marxist.org)

Trotsky also said:

The victory of the imperialists of Great Britain and France would be not less frightful for the ultimate fate of mankind than that of Hitler and Mussolini. Bourgeois democracy cannot be saved. By helping their bourgeoisie against foreign fascism, the workers would only accelerate the victory of fascism in their own country. The task posed by history is not to support one part of the imperialist system against another but to make an end of the system as a whole.

Max Schachtman in January 1938 proclaiming that in the event of America being pulled into the coming war, their party, The Socialist Workers Party (US), would

... utilize the crisis of capitalist rule engendered by the war to prosecute the class struggle with the utmost intransigence, to strengthen the independent

labor and revolutionary movements, and to bring the war to a close by the revolutionary overthrow of capitalism and the establishment of proletarian rule in the form of the workers state.

The war did not cause a crisis of capitalist rule and nobody was overthrowing anybody. All this fellow was doing was giving weight to the view that Trotskyists were agents of fascism.

With the victory against fascism, we saw the return of bourgeois democracy in Western Europe and in Eastern Europe the replacement of reactionary prewar autocracies by "people's democracies". At the same time we saw that capitalism still had a heck of a lot of economic and social progress left in it. It did not sink into economic and social crisis. The colonial and former colonial countries certainly suffered during the subsequent Cold War and beyond, but what they have endured does not come close to what victorious German and Japanese fascists would have inflicted. Indeed they have made a certain wobbly progress. So, the victory against fascism really mattered. This is so obvious, you really shouldn't have to say it!

CHINA THREAT

What is the nature of the China threat? They are keen to seize Taiwan with all the human misery that would entail. They have already grabbed the South China Sea and its resources. If Russia is internally weakened or fractured they may grab a chunk that used to be China and gain its resources.

By condoning Russia's attack on Ukraine and even assisting the war effort, they have turned their backs on the rules based order that says borders are borders. This says something about them.

The bigger longer term threat lies in the fact that they have clearly proclaimed themselves the enemy of freedom and plan to help others emulate their brand of tyranny. Having a hegemonic power that is committed to tyranny and the destruction of bourgeois democracy does not augur well. Pax Sinis will be far more vile and reactionary than Pax Americana.

Reading suggestions at David's Political Substack:

- A Palestinian state now, not in some misty future
- European far right are Russian Quislings
- Ecosocialism and degrowth folly
- Hal Draper is not particularly interesting
- We need housing abundance
- Saito misreading Marx on degrowth
- China and orthodox Trotskyism

REACTIONARY DEFEATISM

With events still unfolding in Iran at the time of writing, I thought I would cast my mind over some unfinished business on the Ukraine Front. I am thinking of the "anti-imperialist" supporters of "revolutionary defeatism".

According to them, the war is merely a case of inter-imperialists conflict where we should not take sides. "We" should engage in revolutionary defeatism and turn the imperialist war into a civil war. This civil war will be a class war where the working class takes on the bourgeoisie. "No war but the class war" as the saying goes.

I am afraid if Ukraine were defeated you would not have a civil war in that country but Russian occupation and guerilla resistance. In that situation normal Ukrainians would be aiming to build a united struggle against the occupier, very few of whom would be radical left in any sense. The mercifully few trotskyites and other ultra-leftists would of course be aiming to oppose all "bourgeois reactionaries" and in that way assist the Russians.

A defeat for Ukraine would mean millions of people fleeing to the West and those who don't escape would be the victims of rampaging vengeful ruscists. Victory on the other hand would mean one more bourgeois democracy free of tyranny and with ties to the west and prospects for a degree of economic development.

Revolutionary defeatism would of course be an great idea in the case of Russia. A Russian defeat would lead to considerable political turmoil and possibly civil war. The critical battle line would be that between the fascists and democrats. As in Ukraine, there is no radical left worth mentioning. So any talk of proletarian revolution is ridiculous.

A victory for democracy and the return of normal ties with the West would be an excellent outcome. Russia would then be part of the democratic (aka "Western Imperialist") camp and no longer a nuisance. It would likely to be keen for NATO membership or other security guarantees given the threat from China. Indeed, while this is all going on, China may have already taken a bite out of Russia, particularly those bits with valuable mineral resources and which they can claim as being part of the old Chinese empire.

¡No pasarán!

Just as well the Spanish Republicans didn't receive military aid from the British or French. Otherwise you would have had to declare the civil war a proxy war!

Muchas gracias

Venezuela has 2000 generals, more than NATO! To think that there are people on the "left" who support this kleptocratic shit show. Sorry. I forgot, it is part of the "anti-imperialist resistance"!