

## InSight by Nora Hamerman

### American System living standards

*'Scarce resources' mean Americans must lower their living standards—it's a lie, and the American System approach to housing suggests why.*

**T**he end of the two-car family and the one-family home" is one of the announced goals of the self-styled futurologists who have determined that America should undergo a change in lifestyle to accommodate to a world of scarce resources and limits to growth. According to these "Aquarians," materialist greed of American workers has led to overconsumption

The prospect of further erosion in living standards undoubtedly enrages most *EIR* readers. Most, we trust, will also be aware of the fact that it is totally unnecessary. "Scarce resources" are a myth perpetrated by those individuals and institutions who are making the political decisions to determine in advance that current resources are exhausted and the new, frontier technologies to replace them are not developed.

But many of our readers may not realize that there is an explicit "American System" republican tradition of providing abundant, high-quality housing for the entire population.

A little over a century ago, Republican Congressman William D. Kelley made a plea for Philadelphia to host a great Centennial exposition to commemorate the "birth of republican liberty" in America, as "events not merely of

national but of world-wide interest." Kelley, whose speech to Congress in 1871 is printed in Allen Salisbury's book, *The Civil War and the American System*, had this to say on the political significance of American living standards:

"Again, the great thing that the people of Europe would learn by visiting us, would be the effect of free institutions upon the masses of the people, and that which they would most admire, and which they could see nowhere else in such numbers and perfection, would be the homes of our working people. I repeat, sir, that by nothing that they would see in this country would the workman or the capitalists of Europe be more instructed than in looking at the homes of the workmen of Philadelphia. No tenement houses there. Each laborer who has a family dwells under a separate roof, which is most frequently his own; in a house lighted by gas, supplied with an abundance of pure hydrant water. In every house there is a bathroom, into which there run streams, warm and cold, of the pure water provided by the public.

"This is a startling contrast to the homes of the workmen of England, France, Belgium, Prussia, or any other land. To thus bring the people of Europe to a knowledge of how laborers live in

our free Republic would give an upward impulse to the temporal condition of humanity everywhere."

Hardly a picture of American "greed"! Kelley and his fellow American System thinkers of the Lincoln political machine understood that decent housing was required in order to reproduce a skilled labor force that could continually absorb more advanced technologies and educate its children for the creative scientific advances society's progress requires.

Thus, when Federal Reserve chairman Volcker pursues credit policies that destroy the housing industry, he is doing something that is emphatically un-American.

In addition to the "greenfield" new steel plants and the vastly expanded nuclear installations the country needs, a U.S. government in the American tradition would today be taking steps to make possible the biggest housing boom this country has ever seen.

Every dwelling should be constructed to last for 50 years, with the built-in flexibility for growth and technological change. Every family requires enough space and soundproof doors and walls—to allow each family member the space to pursue uninterrupted activities of a wide variety.

It is not necessary to undertake vast federal housing projects to bring this about. What is required is a two-tier system of credit and taxation that rewards investment into such housing and other productive projects, while harshly penalizing wasteful, speculative investment. And: America's entry into the new gold-backed monetary system the Europeans have been putting together.