



Leviathan's Laws: The Insanity of New York City Housing

I'll be the first to agree that politicians and bureaucrats have no principles. But government itself does; like other entities, it operates according to certain precepts. We who loathe the State do well to understand these laws the better to combat its wickedness.

Perhaps first among them is Jefferson's famous dictum, "The natural progress of things is for liberty to yield and government to gain ground" — an unanswerable argument for anarchy, and one whose proof this country's history amply supplies. Even the most strictly, constitutionally limited government will explode into a totalitarian nightmare; those yearning for a permanently small State crave the impossible. They are as foolish as parents who expect their child to remain three years old for the rest of his life.



We owe a second axiom to Lord Acton: "Power tends to corrupt and absolute power corrupts absolutely." Voters who believe "good" politicians can save the country ignore the fact that every elected sociopath gained office precisely because enough people mistook him for our rescuer (presuming American polls are as open and honest as Our Rulers pretend).

Another of government's patterns is breaking legs, then preening itself for lending the victim a crutch. Or, as Harry Browne put it, "Government is good at one thing: It knows how to break your legs, hand you a crutch, and say, 'See, if it weren't for the government, you wouldn't be able to walk.'"

So every time politicians announce they are going to "fix" or "solve" a problem, you can bet it's one they created in the first place. That's not only logical but inevitable given another law, [the one of "unintended consequences."](#) Add to this the ignorance that afflicts every human being: none of us boasts the complete knowledge even of our own circumstances that we need for sound decisions, whether on the most mundane or most monumental matters. You don't notice your pen is leaking until after you stick it in the pocket of your white shirt; you offer to drive your son to soccer practice only to have your car die; you marry a fiancée who hides her addiction to gambling.

Politicians and bureaucrats aren't exempt from this universal nescience. But that doesn't stop them from meddling in vast and complex systems, from arrogantly decreeing billions of choices for millions of folks who must then cope with and pay for the damage.

All of us have seen and suffered countless examples of the "broken-leg-and-crutch" syndrome; indeed, most headlines in the news are merely variations on this basic theme. Take Obamacare — please: government's licensing of doctors and hospitals, its regulating insurance so intensely that the industry



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is nationalized in practice if not name, and its perverting costs and supply-and-demand with Medicare and Medicaid have cursed us with the unaffordable disaster that is American “healthcare.”

And what does Leviathan propose to repair the havoc it caused? Yep, more of the same — all while the beast and its apologists in the corporate media insist the same government that ruined American medicine will now deliver us from it. Rulers break our legs — or our medical industry — and then expect us to limp along on Obamacare.

Denizens of New York City literally live in another example of the “broken-leg-and-crutch” formula: their housing.

For starters, they don’t have enough of it. And what does exist is often old and dilapidated. It’s also outrageously expensive. [Rentals of one-bedroom, 900-square-foot apartments](#) in Manhattan’s dicey neighborhoods start at around \$1300/month; in trendier ones, [they can reach \\$5400 or more](#). Buying a home is just as impoverishing. Expect to pay the [“median price” of \\$529,000 for a one-bedroom co-op flat in the “median size” of 750 square feet](#). And that fortune doesn’t buy you charm or unusual features, either: we’re talking boxy rooms, tiny closets, and a communal laundry shared with your neighbors.

Why is housing such a problem? Because rulers have regulated how and where New Yorkers may live since colonial days. Those early laws mostly aimed to prevent fires; now they strangle virtually every aspect of residential life (“...government gains ground,” always).

Indeed, they ambush developers even before the first shovel bites the ground for new construction. Agencies notorious for their sloth, incompetence, and hostility force builders to buy innumerable permits. Meanwhile, the bureaucracy is so byzantine it produced a new profession: [expeditors](#) who [negotiate the maze of licenses and regulations](#) — for an additional fee, of course.

No great reward awaited the developer with the patience and deep pockets to leap the bureaucratic wall, however. Politicians pandered to the masses of voters who rent by controlling the prices landlords could charge. The result? Fewer and fewer developers bothered building rental apartments as the existing stock aged and dwindled. [Legislators exempted some new construction from rent-regulation in 1974](#), but the bureaucracy and the unions’ stranglehold on labor remain. Ergo, landlords must charge jaw-dropping rents just to break even.

That condemns poorer families to [subsidized, substandard housing](#). Again we find the rulers who robbed these victims of a modest but affordable home mercifully throwing them a crutch: [rat-infested, dangerous “projects.”](#)

Government pulls the same trick on wealthier folks who own cooperative or condominium apartments. Here, too, developers run the gauntlet of permits and build with wildly overpriced labor; their products’ astronomical prices reflect that.

The City further exacerbates this: its dictators long ago decreed that apartment buildings are businesses whose owners they may accordingly extort. But owners of *all* apartments pay, not just landlords of rental properties. So while the City might steal \$2000 annually from a single-family home, the thievery triples or even quadruples should that family buy an apartment of equal value.

The only nitwits surprised that developers quit building apartments because they couldn’t sell them under these conditions were rulers. How to remedy the shortage? That’s laughably easy — unless you’re a politician.



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Instead of abolishing the Building Department, its permits and real-estate taxes, the bozos decided to “encourage” construction. They invented a complicated scheme they dubbed “421A Tax Exemption,” in which buyers paid reduced taxes for the first ten years after a new apartment’s construction.

Whether this “encouraged” construction isn’t clear; in any case, the law expired a few years ago. But it certainly encouraged beneficiaries to thank the government breaking their legs for the crutch it threw them.



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