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## **Collusive Capitalism: The Elephant in the Room?**

**A paper prepared for the  
The 7th Annual *Preserving the American Dream* Conference,  
**Restoring Prosperity**  
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*In an ever more diverse America, people define the good life differently.  
Too much urban policy is focused on one size fits all solutions that assume  
cities should look and function something like Chicago.*

*But America's cities are very diverse and require tailored policies to suit  
the local landscape, and the unique local geography, demography, history,  
culture, and values that our cities bring to the table.*

*Great cities, like great wines, have to express their terroir.*

**“What does Urban Success Look Like?”  
Aaron M Renn, *newgeography*, April 11, 2009.**



## Background

*The following essay is a further development of a series in which the Centre has argued that the “big debates” about the nature of our world continue to reflect the contest between the Enlightenment and Romanticism.*

*The first essay [The Rise of Urban Romanticism – or the New Road to Serfdom](#), (first presented to the ADC conference in Minneapolis, 2005) discussed the impact of the Romantic movement and its contemporary expression on urban planning theory, and in particular examined Smart Growth and Visioning as planning tools within this context.*

*The second essay, [Beware the Dark Greens](#), explored the development of European environmentalism from the dark side of Romanticism as expressed in the early and mature phases of fascism. This passionate and spiritual form of environmentalism, does not sit well within those nations still committed to the democratic tradition.*

*The third essay, [The Age of Environmentalism – the American Story](#),<sup>1</sup> explores the origins of Environmentalism in the United States during the 1960s and its rapid development during the 1970s, and implies that this form of Environmentalism, which focuses on the natural and physical world, and makes the case for World Government, is the form which is most commonly expressed through the United Nations and current governments and has determined so much of the political debate of the current “Age”.*

*The fifth essay (yet to be written) “European Communes and Urban Villages” will explore the story of the commune movement in Europe and how those who failed in their quest to live “the good life in their rural communes returned to the cities to set up “urban communes” within the major cities and contributed to theories of Smart Growth, New Urbanism, and Urban Villages in which people walk or cycle to their destinations and eat organic food but without the need to actually till the soil.*

*This fourth essay further explores many of these impacts of Romanticism. In particular I argue that “aesthetic theory” is central to the new “Place-Based Planning” doctrine, and warns us that at times of economic strife we need to be aware of the re-emergence of such neo-fascistic ideas at all levels of governance of our societies.*

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<sup>11</sup> In case the links don't work, go to:  
<http://www.rmastudies.org.nz/index.php/issues/65-the-age-of-environmentalism/307-environmentalism>



## 1. Collusive Capitalism: The Elephant in the Room?

### 1.1. The Threat to Liberty posed by Global Recession.

Many of us are scared this global depression will lead to the abandoning of free trade and a rash of protectionism – like the last one did.

We should be more afraid that this global depression leads to the widespread adoption of fascism – like the last one did.

After all, the European Fascists opposed laissez-faire economic policies dominant in the era prior to the Great Depression. After the Great Depression began, many people from across the political spectrum blamed laissez-faire capitalism for their distress. History appears to be repeating itself.

Economic depression generates a state of fear and so too do the alarmist fears of Anthropogenic Climate Change. Vaclav Klaus, President of the Czech Republic fears Climate Change, not because of the change in the weather but because of the threat to freedom.

So the combination of the Global Economic Crisis and Global warming – which the late Aaron Wildavsky called “the mother of all fears” – is a heady brew for those who long to rule our lives. We need to be doubly on our guard.

The recently published Royal Commission’s report on Auckland<sup>2</sup> reflects much fascist thought, minus the promotion of the use of violence and external expansion. (You have to read the whole 800 pages, and know something about the theory of fascism to appreciate this.) I suspect the authors had little idea that they were resurrecting the thoughts of Friedrich List, and other fascist theorists when they wrote their report. That is probably because, since the Cold War began, political debate has been played out between parties of the ‘left’ (socialist) and ‘right’ (capitalist). We tend to be unaware of fascist thought, even when it stares us in the face.

Richard Pipes<sup>3</sup> made the point that for much of the twentieth century “property rights” were written out of the lexicon.

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<sup>2</sup> The Report can be found at [www.royalcommission.govt.nz/](http://www.royalcommission.govt.nz/)

<sup>3</sup> Richard Pipes. *Property and Freedom*, Alfred A. Knopf, 1999.



He observes:

*[If] you look for the word property in the index of books dealing with the evolution of American attitudes you will tend to find nothing there. Run your eyes down the list: progress, prohibition ..., then a gap where you might expect to see property. The series passes straight on to, say, prostitution.*

We paid a heavy price for overlooking the assault on property rights<sup>4</sup>

Also, during the sixties, ‘fascist’ became a general term of abuse for anyone you disagreed with, which has tended to deter rational discussion of fascist thought and ideology– except among students of political thought and ideology.

However, the twentieth century was dominated by the contest between three ideologies – Socialism, Capitalism and Fascism, and it was Fascism which led to the Second World War. Furthermore, Communism is a mix of Socialism and Fascism – Fascism provides the charismatic leader, whose job is to force the workers to adopt the benefits of Socialism, which otherwise they were annoyingly reluctant to do.

Of course, the fascistic thinking of today is not the same as that which generated the horrors of the Second World War and the Holocaust. But we must be prepared to see through the mask of the contemporary camouflage and identify the common threads lying beneath the surface.

## **1.2 Is Collusive Capitalism a More Useful Term?**

The key characteristic of fascistic economics is the partnership between the State and the corporate capitalists. Unlike the Socialists, the Fascists are willing to leave property in private hands, provided it is used in the service of the State.

Joel Kotkin recently wrote an excellent essay about Obama’s policies and politics on his *newgeography* web site, titled [From Bush's Cowboy to Obama's Collusive Capitalism](#).

The second paragraph reads:

*In basic terms, the president is overseeing a profound shift from cowboy to what may be best described as collusive capitalism. This form of capitalism rejects the essential free-*

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<sup>4</sup> See my own essay [“How did we get to be the way we are?”](#) or at: <http://www.rmastudies.org.nz/index.php/component/search/Foreshore?ordering=&searchphrase=all> . And click on “The Foreshore, Law and Politics Conference, October 4<sup>th</sup>, 2003.



*market theology embraced by the cowboys, supplanting it with a more managed, highly centralized form of cohabitation between the government apparatus and the economic elite.*

Joel Kotkin is disturbed by aspects of this collusive capitalism. And, of course, so he should be. Collusive capitalism is simply a more acceptable – or less recognizable – name than the old term fascism, the ideology ‘which must not be named’.

But just as doctors need to name a disease before they can treat it, we need to be prepared to name ideas, ideologies and programmes, for what they are. So let us stroll through this Royal Commission paper, written during a time of financial turmoil and widespread fears and test it against the tenets of fascistic thinking – as it now presents itself in the 21<sup>st</sup> century.

## **2. The Threads of Neo-Fascism in the Royal Commission Report.**

### **2.1 Strength through Unity**

The Royal Commission’s promotion of a single Super-City with a single Super-Mayor, reflects the classic fascist advocacy of ‘strength through unity’. □

The term ‘fascism’ comes from the Latin *fascēs* which were a symbol of authority carried by the Etruscan and then Roman lictors – an axe surrounded by a bundle of bound sticks. The bundle of sticks reminds us that a collection of sticks can be broken one at a time, but when bound together the sticks become strong.

Many of the advocates of the Super City argue that Auckland needs to be ‘strong’ to deal with Wellington, and to be able to ‘speak with one voice’. Amalgamation is normally driven by the desire to reduce costs and increase efficiency. We cross an important line when the amalgamation is designed to increase the ‘strength’ of the City, the unity of its leadership, and the presumed unity of the people who are being spoken for.

Of course the presumed unity is a fiction.

### **2.2. One Plan, One Rate, One Leader, One Voice to promote a Mono-centric City.**

So we now have a proposal for a single City, with a single Mayor, so that the Super-City ‘speaks’ with a single voice. The Super-City Council will strike one rate, and write one land use Plan. There will be no right of appeal against the Plan’s objectives policies and rules. The One Plan must be put in place directly, and be firmly enforced to direct all the people’s actions in accordance with the Plan. And of course the Plan will inevitably promote the



mono-centric city model even though Auckland is naturally becoming multi-nodal, as are the vast majority of cities in the world.

Many of us approve of one RMA plan with one set of environmental standards, but the Commission is proposing a single plan to manage “Urban form” to reflect an aesthetic ideal of the vision for an Uber-Auckland. After all, fascism is largely an aesthetic theory.

The report recommends that the visual symbol of the Uber-City is the old Town Hall in Queen Street. Many people in the region have hardly ever seen it, and many never will.

### **2.3. Fascism and the Economy**

Socialism is primarily an economic theory that requires the nationalization of the means of production, distribution and exchange. Fascism is much less econo-centric and allows property to remain in private hands but requires property owners to use their property to promote the interests of the State.

The Commission says we must all live at high density to ensure the viability of public transport because high-density living and public transport is more energy efficient than low density and automobiles. Neither statement is true. □

This will require a total transformation of the City which will never happen, and will never achieve its goals, if only because technological change will outpace the rate of structural and form change by decades. Cities are not rebuilt overnight unless they are subject to rapid and intensive “Urban Renewal Programmes” such as the Blitz and the bombing of Dresden.

And of course we must build no more roads – because cars set us free. (And make us fat.)

Presumably the Uber-Mayor will even get the trains to run on time.

### **2.4 The Assault on Property Rights.**

On page 533 of Part 5,<sup>5</sup> the Commission recommends an Urban Development Agency, and says:

*The Urban Development Agency would give effect to the spatial plan and infrastructure plan, and its activities must be consistent with the RPS, regional transport plan, and regional economic development plan. This agency could also have a role in ensuring that the more complex urban renewal in planned nodes and*

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<sup>5</sup> [Part Five: Practical solutions to pressing problems.](#)



*corridors is achieved. Compulsory acquisition powers for the Urban Development Agency should be considered under the Public Works Act.*

In New Zealand the 1960 Hunn Report recommended Government be able to confiscate ‘under-productive’ Maori land. Maori should be wary of these ‘new’ ideas too.

As in the Keno decision these proposals reflect the fascistic view that private property must be used to serve the higher needs of the State.

## **2.5 Aucklanders must be Socially-Engineered.**

The Commission recognises that its proposed reorganisation of our style of living is difficult and will require rigorous “enforcement” because we have the wrong “attitudes”.<sup>6</sup>

Consequently these “bad attitudes” must change – or be changed. So Aucklanders must be socially engineered to gain the “correct attitudes” towards living in apartments and using public transport, presumably using the social budget allocation recommended in the report.

## **2.6 Who are the Polluters who threaten Auckland’s Purity?**

The fascist states of Europe feared the ‘mongrelisation’ of their race and the Nazis in particular feared the Jewish threat to the ‘purity’ of the Aryan race. Because fascism is the dark side of the Romantic movement it looks back to tribal beliefs which strongly advocate purity and build a structure of taboo to enforce it.<sup>7</sup>

The people of Auckland are probably among the least anti-Semitic in the Western World. Many Aucklanders voted for Mayor Robbie, (one of Auckland’s most popular Mayors, serving from 1959 to 1965 and early 60s, and from 1968 to 1980) without being even vaguely aware he was Jewish. But the fascist concerns about purity and pollution remain to be exploited. The people who threaten our 100% purity in the 21st century are those who don’t turn their lights out for Earth hour, who want to have a decent shower, use plastic bags, disposable nappies and drive automobiles rather than bicycles.

Ironically the climate skeptics are routinely labeled as ‘deniers’ or ‘denialists’ as if they are akin to holocaust deniers.

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<sup>6</sup> Part 5, op cit, pps 532 - 533

<sup>7</sup> See Mary Douglas: *Purity and Danger - an analysis of concepts of pollution and taboo* (1966)



And as Joel Kotkin observes:

*The collusive capitalists — notably, powerful IT companies and venture capitalists — now look to spur “green” technologies, which are seen as their next meal ticket.*

Unsurprisingly the Commission insists that Aucklanders must therefore unite to serve the “Sustainable City-State”.

The Commission’s Report never mentions the wants or desires of the people. Aucklanders’ needs and desires are to be subservient to the needs of the new Super-City State.

The report sets up a powerful republic with an all-powerful “President” unrestrained by the countervailing discipline of the US constitution and Bill of Rights. The Sub-City mayors and councilors would be a joke. The Uber-Mayor would collect all the rating revenue to be distributed to the councils who would challenge the Uber-Mayor at their peril. They will be like children who depend on their parents for their pocket money.

Why would anyone stand for election to such thankless posts? On the other hand, anyone who enthusiastically seeks the position of Uber-Mayor should probably be disqualified from seeking such an office.

## **2.7 The Aesthetic Theory.<sup>8</sup>**

Fascism is largely an aesthetic theory so, predictably, the Commission recommends that every significant development in the Region must be approved by an Urban Design Panel. (i.e. an urban design censorship board.)

The Uber-Mayor will undoubtedly have a smart uniform.

Some find this claim that urban planning is increasingly based on aesthetic theory somewhat hard to swallow. However, the urban planning literature is increasingly dominated by essays, papers and books with titles replete with words like ‘creativity’, ‘design’ and ‘art’.

The archetype publication is probably *The Art of City Making*, Charles Landry, Earthscan Publications Ltd, London, 2006. Chapter Six is titled *The City as a Living Work of Art*. The chapter sub-headings are:

- *Re-enchanting the city 278*

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<sup>8</sup> This topic is more fully discussed in terms of urban planning in [The Rise of Urban Romanticism](#). See the foreword on page 2.



- *Re-establishing your playing field* 278
- *Reassessing creativity* 280
- *Revaluing hidden assets: A creativity and obstacle audit* 282
- *Reassigning the value of unconnected resources* 285
- *Recycling and greening* 287
- *Recapturing centrality* 288
- *Revisualizing*

And an earlier chapter includes:

- *Urbanism, place-making and sustainable communities* 239.

I first became aware of the rise in aesthetic theory and practice during recent visits to the University of California, Berkeley, my Alma Mater. I spent my first year (1968) at the presciently named “College of Environmental Design,” because I had enrolled to study towards a Masters in City and Regional Planning, rather ‘un-presciently’ named, because MCP<sup>9</sup> soon became an unfortunate label to add to one’s name.

In my days the walls outside the Administration Office were lined with recent essays and lectures which focused on issues of urban governance, politics, power studies, urban economics and so on.

But by the time of my last visit (2008) these pages of print had been almost entirely displaced by computer graphics of proposed developments for whole city blocks – presumably using the powers enabled by the Kelo decision.

These were powerful images, constructed with remarkable precision and graphic content, and indeed were so powerful as to deliver their own message of inevitability and conviction. These are a long way from the soft pencil drawings by Frank Lloyd Wright of his Usonian suburbs.

One can only wonder if this technical brilliance in constructing computer graphics of huge developments has encouraged the belief in urban design as a tool for solving all our problems of economics, and social and cultural wellbeing, and of course, ‘sustainability’.

Soon they will be in three dimensions. Be prepared.

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<sup>9</sup> For those too young to remember, during the seventies, MCP stood for *Male Chauvinist Pig*.



### **3. What should be done with the Plan for Uber-Auckland?**

The genuine and identifiable problems with the development of Auckland's infrastructure may well be solved by a combination of the proposed RMA reforms and by setting up a few region-wide service organisations to manage water and sewage etc – preferably on a fifteen year franchise so they compete like the French do.

The present Government also seems to be taking a realistic attitude to transport and will build some roads – preferably at-grade rather than in expensive deep tunnels.

We tend to confuse democratic form and function with engineering form and function - but that too reflects a world-view that sees Government largely as a process of design.

The New Zealand Labour Government of the eighties decided to use its famous 4000 page Social Services review as a doorstop. This latest piece of labour is only 800 pages long but could well be used to keep the door open for some sensible ideas and more democratic reform.

Certainly, this new Government would be ill-advised to burden itself with a remnant of the last Government which was so committed to central planning and interventionism.

And our people are under considerable stress and should not be tempted by the false fruit of concentrated power.

It will lead us down the road to serfdom and to ruin.

### **4. No Conclusions – suggestions for further research.**

The group of papers I have prepared for this conference have been based on events taking place in real time as I have been writing the words. Therefore, there has been little time to consider the real meaning of the analysis and certainly no time to conclude with a list of firm conclusions.

For example, I am only now realizing that the real import of the essay on the *Age of Environmentalism*<sup>10</sup> is that the sixties was not the decade that created a new world which we live in now. Rather the sixties were the last years of the 'Age of Optimism' which followed the end of the Second World War. The seventies were the first years of 'The Age of Pessimism' which we have living in ever since.

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<sup>10</sup> *The Age of Environmentalism – The American Story.*

<http://www.rmastudies.org.nz/index.php/issues/65-the-age-of-environmentalism/307-environmentalism>



A small re-write is now required.

However, this has been the case with all my papers presented to these Annual Conferences of the American Dream Coalition, and this is the reason I particularly enjoy coming here and am so pleased to be able to do so.

Rather than write papers that reach tidy conclusions, all gift-wrapped and tied with a bow, I have introduced some discomfiting topics, and typically ones which I have neither the resources nor the skills to bring to proper conclusion.

There was some discomfort when I first used the “f” word in my paper on Urban Romanticism, first presented at Minneapolis. There was similar discomfort when I made the link between Global Warming and Smart Growth in my paper “Why Urban Planners Love Global Warming” at Houston. Some did not want the issue of global warming to be challenged within Coalition forums. Many of us now accept that there is plenty of scope to debate energy use, energy efficiency, carbon prints and the like without setting out to challenge the fundamental science promoted by the IPCC.

Thankfully, one of the Wendell Cox clones (No. eleven I understand) is now debating these topics with more skill and resources than I could ever bring to bear.

Similarly, my proposal for a “Houston Declaration” spelling out that Smart Growth was the cause of the Global Financial Crisis, rather than the banks alone, was rejected strongly by some, although it has become much more acceptable as the history of the real estate bubble and Federal interventions have been properly documented. And again, my US friends and colleagues have been able to make these arguments with more skill and authority than I could dream of.

In this paper I have further developed of the role of Aesthetic Theory in urban planning and drawn attention to the unsurprising attractiveness of neo-fascistic thinking at a time of fears of Global Depression and Climate Change. I suspect that over the next year many of you, and our absent friends and colleagues, will take up these ideas and develop them with your remarkable skills and resources.

I hope so. It gives me great satisfaction to light a small match and watch others build the fires.

Thank you all for making these adventures possible. I look forward to many more.

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**Owen McShane, 14<sup>th</sup> April, 2009.**