

SITE VALUE AND ARCHITECTURE

From the Report of a Special Committee of the American Institute of Architects submitted in April, 1932 :—

Recent and present paralysis of the architect's activities, and the collapse of the building industry, have prompted inquiry by this committee into conditions which originate outside the architect's scope, but vitally affect his affairs. Cessation of building operations cannot be explained by anything inherent in the architect's function. Its causes must lie elsewhere.

A building owner seeks opportunity to sell building accommodations, which are the result of the combined efforts of Labour and of Capital without the aid of the site owner; the site owner, as such, seeks a privilege to collect rent without contributing, as Labour and Capital do, to the wealth of the community. The site owner thus becomes the legal collector of community created values, although he could not claim to be the producer of them. What he receives is taken from wealth produced by Labour and Capital, and is measured by enormously increasing values of land.

Even children understand and realtors boast, that site values are created by the presence of population and the taxes it pays, and that these taxes are paid because they do provide streets, parks, schools, and all other improvements and services the whole community decides it needs. Why, then, should the building owner not insist that the site owner apply the rent paid him to financing the things for which he receives rent, thus freeing the building owner from double payment of rent and taxes? Why should he pay for them once to the site owner and again to the tax collector? The answer seems to be, if sound business principles are to be adhered to, that if the building owner pays for these publicly created benefits in his rent, the site owner should supply them; if he pays for them in his taxes, there would seem to be no sound business reason for paying the site owner.

If private appropriation of community created values is to remain legal, people must live, move and have their being, not in ways that serve them best, but in whatever ways may be necessary to satisfy beneficiaries of that system.

Unbiased citizens, the Committee observes, want street congestion done away with—it impedes traffic, wastes time, makes for noise, dirt and confusion—but site owners want more congestion. They rejoice over every new building, especially if it be big, in the neighbourhood of their sites. They know that in proportion to numbers who frequent their neighbourhoods, they can increase site rents; they can exact from building owners and tenants, all above what their labour and capital are accustomed to yield them; average prices of commodities, therefore, through any extended period of time, cannot come down. In the circumstances, site owners are not likely to favour plans to lessen, or to prevent, congestion—it is their only hope of enlarging their gains.

The committee recommends that study of the subject considered in this report be pursued, with a view to verifying, or contraverting, conclusions herein set forth. Also, that a continuing committee be authorized to note the trend, and rate of variation, of site prices, rents, wages and interest, throughout the entire period of the ensuing "business cycle," and to report upon conclusions these phenomena suggest, that, if possible, the American Institute of Architects may be prepared to take an intelligent part, when the time comes, in preventing recurrence of the inactivity now being experienced in the building industry and the architectural profession.

FORM OF BEQUEST

I bequeath (free of duty) to the United Committee for the Taxation of Land Values, Limited, the sum of £ _____ and I declare that the receipt of the Treasurer or Treasurers for the time being of that Company shall be a sufficient discharge to my Trustees, who shall not be concerned to see the application of such legacy.

HENRY FORD ON LAND AND MACHINERY

(From the "New York Herald Tribune" and other leading papers, 31st May and 1st June. Prepared and paid for by the Ford Motor Company as a contribution to public welfare.)

Methods of self-help are numerous and great numbers of people have made the stimulating discovery that they need not depend on employers to find work for them—they can find work for themselves. I have more definitely in mind those who have not yet made that discovery, and I should like to express certain convictions I have tested.

The land! That is where our roots are. There is the basis of our physical life. The farther we get away from the land, the greater our insecurity. From the land comes everything that supports life, everything we use for the service of physical life. The land has not collapsed or shrunk in either extent or productivity. It is there waiting to honour all the labour we are willing to invest in it, and able to tide us across any dislocation of economic conditions.

No unemployment insurance can be compared to an alliance between a man and a plot of land. With one foot in industry and another foot in the land, human society is firmly balanced against most economic uncertainties. . . .

I do not look for less but more use of machinery. If the world is to have even a minimum supply of goods, it must utilize the machine. The people will never willingly forego the help which the machine gives them in their work.

Besides, machinery makes more jobs. It enables everyone to enjoy inexpensively the comforts and conveniences of modern living conditions. As for over-production, we have never yet had a sufficient production of all the things which the family needs. It would be splendid if the world should seriously attempt to overproduce everything that everybody needs!

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What a help to industry and progress this great inventor and Free Trader would be if he could widen his definition of the term "land"! Until he does this, until he gets a glimpse of the law of wages and its corollary, the law of rent, he must remain as helpless as he is to-day, after all his fine triumphs, to make any impression on "the person sitting in darkness."

The *Times*, in its issue of 18th July, fills nearly two columns with a list, in very small type, of "Tenants of Shootings" in Scotland for the coming season. This is in spite of the fact that "in the north-east of Scotland the demand for moors and forests is said to be the worst since the War," this, too, "in spite of reductions of rents, sometimes by 50 per cent," and in spite also that "in the smaller quarters usually let from season to season the inquiries have been disappointing," even though "prospects of sport are satisfactory." According to a Parliamentary Report [538 of 1913] the deer forests and lands exclusively devoted to sport in Scotland had then a total acreage of 3,599,744 with a rental, as in the Valuation Roll, of £183,788. Some of them include land in the straths and glens, cleared of their peasant cultivators to provide wintering for the deer. The records of the Scottish Land Courts abound in cases of crofters appealing for reductions of rent, or for remissions of arrears, on the ground that their crops have been eaten by deer or rabbits or grouse. When the Land Valuation provisions of the Finance Act, 1931, Part III, still on the Statute Book, come before another, differently constituted, House of Commons, the value of shooting and fishing rights will be due to be included in the land values to be ascertained and taxed.

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Lord Oxford and Asquith (then Mr Asquith), at Bletchley, 13th August, 1909: "I will confess to you that I had a shrewd suspicion that when the Budget (providing for Land Valuation) saw the light of day it would drive all other political topics out of the field"—(laughter)—"but I am free to confess that I had no conception of the kind and character of the reception which awaited it."—*"Land Values," September, 1909, page 81.*