

Why City Planning Fails

THE acquisition of land reserves by municipalities for low rent housing, recreational areas, parking spaces, etc., is the solution of these major municipal problems offered in an article entitled "Land Reserves for American Cities."

Although the authors, whose intellectual integrity is unassailable, approve a progressive decreasing of the tax rate on all improvements and an increasing of the rate on land values, they fail to see that this very proposal would make unnecessary their cumbersome and impractical scheme of acquiring land.

As far back as Queen Elizabeth, "greenbelts" surrounding cities were encouraged. And like our modern zoning boards, even the willful Virgin Queen was unable to make the plan effective, despite numerous attempts. Land speculation could not then, as it cannot today, be controlled by legislation. "The folly of allowing further unrestricted expansion and disorderly sprawling of cities into rural areas," say our authors, "turning green fields and forests into dreary city streets and making the countryside inaccessible to the poorer inhabitants of the interior districts, is gaining increasing recognition . . ." That is folly, we agree; but that it can be stopped by establishing greenbelts around cities and prohibiting building within a certain radius permanently is an utter impossibility. There is no such thing as permanent legislation.

Difficulties stand in the way of the four methods suggested for acquiring municipal land reserves. The first, that of federal subsidies, carries the warning that the government "should be careful not to subsidize the development of neighborhoods of jerry-built houses, nor of surplus residential sec-

In the files of *The Freeman*, predecessor of *The Henry George News*, are a number of articles which appear worthy of republication. We hope our readers will find these of great interest, indicating as they do, the perseverance of principle, and often the consequent analytical and predictive ability of those who understand basic principle.

We shall be asking the authors whether they still hold to the views previously expressed and if not, why not. The author of this article on city planning, written about thirty years ago, whose name is withheld by request, has protested that it was brash and pervaded by "I knew-all-the-answers smugness."

Do others agree?

tions, nor of poorly planned communities. It should offer financial assistance only when municipalities follow a proper and well-considered housing and land-use policy." The interpretation of such vague adjectives as "poorly-planned" and "proper" cannot wisely be left to the distributors of patronage.

A second proposal, loans by state governments, is open to rejection on several scores. The present constitutional restrictions on the powers of states to incur debts grew out of the abuse of their previously unlimited powers to borrow and spend money. With the burden of debt already onerous in most states, it hardly seems practical to relax those restrictions today. The state government, too, like its federal sister, could use this increased power to serve a most corrupt political purpose.

The third proposal, which understandably enough has "ardent advocates," is to exempt loans for housing purposes from municipal debt limits. Surely this is not a wise course for municipalities already weighed down with debt. Such exemption would in-

crease the tax burdens on the very houses built as a result of this encouragement.

The most practical proposal, say the authors, is the setting up of a land acquisition fund by resort to recurrent annual tax levies. This method has not been widely used because of constitutional tax limits, restrictions on the purposes for which tax levies may be imposed or opposition to the expansion of municipal budgets.

Even were there ways to acquire such land reserves on a large scale, it is open to question as to whether the community would really gain by such acquisition. Zoning boards in the past have been guilty of great waste of public funds. In their zeal the boards have often allowed serious over-zoning for business and multi-family uses, as well as in the highly restricted one-family residence areas. However the authors are confident that the repetition of such mistakes could be avoided by the application of intelligence [sic] to planning.

The only sure way of putting land to its best use is to allow the laws of supply and demand to operate freely — which they cannot do under our present system. The authors' suggestion to increase taxes on land value and decrease them on improvements would tend to free these natural laws. They cannot operate effectively, however, until all taxes are removed from improvements and the community is allowed to collect *all* ground rent. The

end of speculation in land would throw all land open to use and obviate the necessity for over-crowded areas or the "sprawling of cities into rural areas." Zoning boards would not have to plan the destiny of various parcels of land, as land would tend to be put to its most suitable use.

The acquisition of land for public purposes would be simple if the municipality could satisfy the community that it could put the land to better use than any other user. Public housing projects would not be necessary when production, freed of strangling taxes, offered opportunity to all men for the satisfaction of their primary physical needs — food, clothing and spiritual desires.

The most damaging criticism of all planning or zoning systems is that they tend to increase opportunity for land speculation. That speculators invariably influence or control the legislation authorizing the boards, or the personnel of these boards, is a notorious fact. Even if this were not so, the very operation of these systems tends to create new speculative site values, and the anticipation of these has a tendency to raise the price of all adjacent land. Civic improvements are discounted by real estate operators long in advance of their realization.

The stimulation of this speculative tendency destroys the purpose of all city planning — for it discourages the very building operations the planners intended to encourage.

IMPROVING THE CITIES

New York City has a 4 percent tax on improvements. Boston has changed its former 6 percent tax on improvements so that improvements can now be taxed at only half as much as existing buildings, and therefore the city is experiencing a rise in new building. In New York, meanwhile, virtually all construction has come to an abrupt halt "with the exception of never-mind-the-cost office buildings renting at \$8 - \$12 a square foot, or luxury apartments selling at \$10,000 a room." Sylvia Porter in the New York Post (March 7) endorsed in these terms a 54-page statement released by a two-day seminar sponsored by Time, Inc. and the National League of Cities. The report will be reviewed in the April HGN.