



The American Assembly, *Columbia University*

THE GOOD EARTH  
OF AMERICA  
PLANNING OUR LAND USE

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## Introduction

Everyone "uses" many parcels of land. Could anyone possibly envision the thousands of pieces of land which are involved in making available the goods and services we consume? Even the separate plots we touch in a day's living, including streets and other property owned by government, will add up to hundreds or thousands. Ownership differs. And so do other aspects—size, location, worth, topography, development, zoning, fertility, and so on.

By reasonable standards of expectation much of the location process has been done well. Private ownership and the many forces of the marketplace, competition and the lack thereof, along with processes of governmental regulation and ownership, have combined to produce results which are impressive, favorably so. The accomplishments of organization represent achievements of a high order.

Today, however, criticisms are frequent; and expressions of concern about land use are in the news. The thrust of apparent interest directs attention to what is not good—in actual conditions and even more so as indicated for the future. Things could be better now. And observed or feared trends give rise to apprehension. The future we are making for our later years, and for our children, will depend significantly upon land-use practices. The communities in which we live and work, and the areas for recreation, will be more or less satisfactory depending upon decisions yet to be made—and over which men and women today have control.

In ways that are important economically—and therefore humanely—land differs from other things we use for production or in consumption, from machinery for production to durable goods for consumption. The

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aspects that make land different give rise to the need for special attention such as in this volume.

Land is fixed in quantity, not completely so but enough to make this a feature of importance in policies about how land is to be used. As population grows, in some particular locality or over the country as a whole, people must do something to adjust to the declining amount of land per capita. Paying more for land does not call more of it into existence.

To a large extent the physical characteristics of land result from what nature has done. In some contrast, what people will pay to use a piece of land, its price, depends upon conditions of the community and governmental investment. What will determine how much the owner can charge for use of a good location or for a plot of land which is attractive for one or more of several reasons? Whether he gets a lot or only a little will usually depend to a considerable extent on what others have done rather than on the inputs of labor and man-made capital put into making his parcel more attractive than when nature finished its work.

Rising incomes, population increase, and expectations of inflation have raised prices of much land rather strikingly. These higher prices can serve the valuable function of allocating limited areas for more, as against less, effective uses. Traditional forces of private ownership bring about this result. But objections to paying the high "toll" which market forces induce will contribute to arguments for changing land-use policies. We can expect pressures to substitute political (governmental) for market determination.

Today's explicit interest in land use reflects additional considerations. Two that are both weighty and complex grow out of uniqueness of land.

First: Some changes in land use are irreversible. To all intents and purposes, some drainage or inundation, some subdivision or consolidation, some shift from farm use to residential or factory-commercial use, will so commit the land, and the environment (broadly conceived), that much of what existed before will be gone beyond practical recall. The loss may sometimes be of irreplaceable and even unique elements. What must be given up will have great attractions to some people even though, obviously, the parties deciding on the change will have been willing to sacrifice what was lost for whatever they expect to obtain.

In other cases, probably the majority, irreversibility from change in use is not absolute. Earlier conditions can be restored. With investment of funds and resources—with determination, aesthetic and engineering talent, legal authority, and so on—what was desirable about some earlier aspects can be reproduced rather closely. But the costs will be very high. There may be alternatives, especially if the element of location is not of central importance for the "restoration"; the essence of the desired use may be realizable elsewhere. But the cost can in fact prevent achieving

this result. Structures have lives of decades. Typically, the capital that goes on to land has such a long life that a new use is a commitment for one third or half of a century.

Some of the present, and properly increasing, desire for reconsideration of land-use policies grows out of the economic, political, ecological, engineering, and other realities that make many changes in the use of parcels of land so binding as to preclude practical reconsideration for a long time. A related aspect: the cost of doing something desirable in the future will be greater, perhaps very much so, because of lack of foresight now. Having many examples from the past of planning (or lack of real planning) which proved very poor indeed, should we not exert ourselves to meet the challenges?

Second: The belief that better policies can and should be devised reflects awareness of what economists call "externalities." The responsible concerns about land use grow in part out of the fact that what happens on one plot of land affects persons beyond those who make the decisions and bear the costs or share in the rewards. The addition of a beautiful new building, the failure to replace an eyesore, new highways or industrial plants, will affect those around.

If I keep a plot of urban or urban-fringe land in low-density use when others would pay "reasonably" to use it more fully, then they may have to settle farther out; day after day they will have to incur greater costs of time and resources in travel. The ability to put one plot to better use often requires assembly into a total of several parcels. No plot of land can be "an island unto itself." Relations among parcels of ground, each fixed in its place, are different from the relations among other types of property. The incentives of private property cannot serve all of the interests affected by decisions.

Recent discussions of ecology and problems of the environment have yielded many examples of effects which are external to (outside or beyond) particular parcels of property where a condition originates. Air and water pollution illustrate. The discharges from one place affect the desirability of properties downwind or downstream. An improvement in shopping or recreation or transportation facilities will add to the worth of properties around. Such effects are external to the decisions and to the transactions involving actual land uses and are termed "externalities."

Some of these external effects are desirable. Some are unwelcome. They do not get into the calculations on which decisions are made.

Private and governmental actions involving land use rest on considerations which do not include all of the results. Many externalities—"third party effects," "spillovers," "neighborhood results"—are by any reasonable standards too small to warrant concern in a world of human beings. Sometimes, too, both "goods" and "bads" will grow out of the same decisions so that a proper balance of the "outside-the-market" results would

be difficult to assess. Economists writing about interdependent relations, and the bearings of one use of land on the neighboring parcels, may have given misleading impressions which confuse frequency with size.

Unquestionably, however, decisions to use land in one way or another can be of significance for private property owners operating under present rules. Can "we" do appreciably better than with existing procedures to take account of more of the total effects, i.e., of more of the realities than now enter into the calculations of those in the market?

One approach would attempt to induce or compel the parties to a transaction to bring the broader range of results into private decisions. This process is termed "internalizing" the "externalities." Buyers and sellers, users, and to some extent governments as tax collectors, would share more fully in the *total* of effects, good and bad, of choices about the use of land. The chapters in this volume touch on the issues at various points.

Proposals for improving land use frequently involve different, usually expanded, roles for government. The considerations which have influenced land use have always had some governmental element, not the least being taxes. Such has been true even where more specifically economic (market) forces have been dominant. Trying to judge the relative weight of political and economic elements which led to the land-use decisions made in settling this country, and in building its towns and cities, would not be useful here.

More to the point today will be the effort to learn how both sets of forces can be used to best advantage. Some of the more articulate exponents of reexamining—and recasting—land-use practices focus on changing the scope of political activity. Often they propose to enlarge it. Yet one set of criticisms of current realities grows out of dislike of the ways some groups of voters use political power. Zoning, for example, can be used to exclude certain land uses which others would prefer. Can we, as a practical reality, expect better results if local influences were subject to more state or federal direction?

A goal of expanded governmental influence would involve the attempt to recognize externalities more fully. In principle, governmental institutions can hope to take account of aspects of land use which even the best of private markets cannot be expected to deal with adequately. Can we not recognize the interrelations among plots of land? How many areas are doing as well as reasonably possible to prepare for the future?

Many states have established substantial programs to guide land use. Some local governments on their own, as well as under pressure from states, have acted. Numerous federal programs have direct and indirect effects on land. Through a land-use bill, described later in this volume, Congress would create inducements of considerable attraction for states to develop planning.

Early in the planning of this American Assembly it became clear that

coverage would have to be limited. Space and time would not permit discussion of some highly important topics, to say nothing of many which though in a sense subsidiary can be of great significance. The selection does range broadly while dealing more completely with subjects which are clearly of prime importance—for untold millions as they will live their lives through decades to come.