



FRANK LLOYD WRIGHT AND THE JOHNSON BUILDING: A CASE STUDY

Much can be learned from case studies. They provide a picture of how the design professional and the client interact over costs. The case studies in a book dealing with law are usually actual cases that have reached an appellate court. One such case, *Griswold*, is reproduced in Section 12.03C. It very likely involved the use of AIA documents.

The Frank Lloyd Wright case study did *not* culminate in a written contract, a lawsuit, and a reported appellate decision. Yet much can be learned from it. The human side of the architect–client relationship is not always depicted in actual cases. This case study involved Frank Lloyd Wright and one of his most famous projects, the Johnson Building in Racine, Wisconsin (see photos A–C). In 1986 it ranked ninth on the list of best architectural designs by the College of Fellows of the American Institute of Architects. For the portion of this case study that deals with costs, we are indebted to Professor Stewart Macaulay,² who gained access to records and obtained testimony from witnesses.

²From “Organic Transactions: Contract, Frank Lloyd Wright, and the Johnson Building,” by Stewart Macaulay [1996], *Wisconsin Law Review* 75. Copyright © 1996 by the Board of Regents of the University of Wisconsin System. Reprinted by permission of the Wisconsin Law Review. Most notes have been omitted. Those not omitted have been renumbered.

Macaulay writes that at the time Wright received his commission, his practice was faltering due to scandals involving Wright and the onset of the Great Depression. Wright managed to survive this period by lecturing, writing, and forming the Taliesin Fellowship. These young architects and artists paid to work with Wright. Macaulay continues,

The Johnson Building was Wright’s next major commission. He was eager to get it, and it marked a major turning point for him. Wright was nearing seventy, and after more than five years when he had no significant commissions, the publicity provoked by “Fallingwater” and the Johnson Building reminded people that Frank Lloyd Wright was not merely an important figure in the history of architecture. He began about twenty years more of highly productive work. This last phase of Mr. Wright’s career ended in 1959 when he died at age ninety-one with New York’s Guggenheim Museum under construction.

...

The company needed a new administration building. It hired a local architect named Matson who offered a traditional design. Jack Ramsey [general manager of Johnson] was dissatisfied. Several people suggested Frank Lloyd Wright. Ramsey and Bill Connolly, the Advertising Manager, went to Taliesin to meet Wright on July 17, 1936. Ramsey knew Wright’s reputation as an



(A)



(B)

PHOTOS A AND B Frank Lloyd Wright's Johnson Building—Research Tower (A) and Administration Building (B) exteriors. Photos courtesy of SC Johnson, A Family Company.



(C)

PHOTO C Frank Lloyd Wright's Johnson Building—The Great Workroom, located inside the Administration Building. Photo courtesy of SC Johnson, A Family Company.

architect from Ramsey's experience in Europe, but he also knew Wright's negative reputation in Wisconsin. People there thought about the scandals related to Wright's domestic situation, how seldom Wright paid bills on time, his unconventional houses, and the cost of his work. The commission could be a great opportunity for Wright, after having so little work for a number of years. Wright was at his most persuasive, and Ramsey was impressed. He wrote a memorandum to Hibbard Johnson who was at his cottage in Northern Wisconsin. Ramsey's memo strongly recommended that Johnson meet Wright. A Frank Lloyd Wright building became Ramsey's cause within the company. In effect, he committed his reputation to a project by the controversial architect. Ramsey said:

Regarding the new building, I had a day Friday that so confirmed and crystallized my feeling about Matson's present offering and that at the same time so inspired me as to what can be done that I was on the point of sending you wild telegrams Friday night when I got home, or getting you out of bed on the telephone.

... Honest, Hib, I haven't had such an inspiration from a person in years. And I won't feel satisfied about your getting what you want until you talk to him—to say nothing of not feeling justified in letting \$300,000 be clothed in Matson's designs.

...

He's an artist and a little bit "different," of course, but aside from his wearing a Windsor tie, he was perfectly human and very easy to talk to and most interested in our problem and understood that we were not committing ourselves, but, gosh, he could tell us what we were after when we couldn't explain it ourselves.

...

And he asked about what we thought this building would cost us. I said, when we got through with the building, landscaping, furnishings, etc., we'd be investing around \$300,000. He asked how many people it would house. I said about 200. He snorted and said it was too damn much money for the job and he could do a better functional job in a more appropriate manner for a lot less. . . .

He is very easy to talk to, much interested in our job whether he has anything to do with it or not, because it hits his ideas of modern building, because it is a Wisconsin native proposition, and because it seems to hurt his artistic conscience to see so much money spent on anything ordinary. . . . Will you see him?

On July 21, 1936, Johnson drove to Taliesin to meet Wright. At first, the two men argued. Johnson later said, "I showed him pictures of the old office, and he said it was awful. . . . He had a Lincoln-Zephyr, and I had one—that was the only thing we agreed on. On all other matters we were at each other's throat." Johnson described his goals for the new building. He wanted it to symbolize the progressive company that his grandfather and father had built. Wright then "described the kind of building he would design, unconventional, imaginative, trend-setting, a visual symbol of a great company."

On July 23rd, Johnson wrote Wright:

I am now asking you to proceed with plans and sketches of a \$200,000 office building for us in Racine on the basis of 2½% or \$5,000 to be paid you when sketches and plans are submitted. . . .

It is my understanding that the remaining commission of 7½% or \$15,000 will not be paid to you unless your plans are used wholly and under your supervision. Also, that we are free to use any or all the ideas you offer—either ourselves, or other architect. . . .

I want to take this opportunity of expressing my appreciation, as well as Mr. Ramsey's, for your gracious hospitality, and for the inspiration and education we received.

. . .

Wright and his associates then worked around the clock to produce his proposal. He presented it to Johnson, Ramsey and several other executives on September 15, 1936. On that same day, Johnson and Wright presented the plan to the firm's Board of Directors. The Board approved the project.³

³On August 18, 1936, Johnson wrote Wright,

Some time ago the Directors approved a sum of \$200,000 for a new office building. No mention was made of furnishings, fees, etc. At the next meeting I will advise them of your goal—the building complete at \$250,000—which I feel will be acceptable to them, considering the plus value we will receive by having you do it for us.

[The author of a book on Wright and the Johnson Building] also quotes John Howe, Mr. Wright's chief draftsman, as saying, "From the start, the money they were talking about wouldn't have done the most ordinary kind of building. Mr. Wright always started doing what he thought was right for the building. He didn't burden himself with undue considerations of cost."

The company hired a contractor on the basis of cost plus an agreed upon percentage for overhead and profit. There is no record of any detailed written contract signed by Wright and the Johnson firm.⁴

Macaulay then describes the building of the structure. Problems developed, such as

1. Would the structure serve its business needs?
2. Discovery of two major structural problems
3. Greater than expected delay and
4. "The building cost far more than Mr. Wright's various estimates."

As to the latter, Macaulay continued, summarizing the facts already given:

Responsibility for delay strained the relationship, but the real arguments focused on the cost of the building. When Jack Ramsey had first visited Wright, Ramsey said that the Johnson company was planning to spend about \$300,000 on the local architect's plan. Ramsey reported to Hib Johnson that Wright "snorted and said it was too damn much money for the job and he could do a better functional job in more appropriate manner for a lot less. . . ." Johnson's letter offering the commission to Wright suggested a \$200,000 building. Later, Johnson wrote to Wright and quoted a total cost of "\$250,000 including furnishings, fees, etc." Wright's fee was to be ten percent of the total cost of the building. As the cost of the building increased so did the architect's fee. Although the final cost was not announced by S. C. Johnson & Son, it was clearly many times Mr. Wright's original target of \$250,000. One speculation was \$750,000, Mr. Wright's figure was \$850,000, and another estimate was \$900,000.

⁴Wright wrote Ramsey:

I am sorry you had to break off the thread of continuity so abruptly next day. I tried to get . . . you to stay until we could get formalities over with so we might proceed with Mr. Johnson's decision to build immediately. But we are so proceeding anyway without formalities so that no time will be lost. When you return we can get things straight. The first part of the service according to our agreement is practically rendered and a letter of acceptance from the company closing the preliminary episode and opening the second phase is in order when you get around to it.

. . . Later, Jack Ramsey wrote Frank Lloyd Wright about the Johnson firm's arrangement with Wright. He mentioned Hibbard Johnson confirming "our verbal agreement" in a letter of July 23, and Mr. Wright's "long-hand note" of August 15 " 'assuring and driving at the Building complete at a cost of \$250,000 including an appropriation of \$20,000 for furnishings. Architect's fee is included and also the Clerk of the Works fee.' Letter from Ramsey to Wright, Dec. 11, 1936."

Wright and Ramsey first debated fees in December of 1936. Wright wrote to Ramsey, addressing him as "My dear Jack," with a "proposition" about designing the furniture for the building. He said that he had charged others twenty percent for designs of furniture and equipment. However, he offered to do it for ten percent if Ramsey would send him \$3,000 "on furniture designs you have not yet seen . . ." Wright noted that "Christmas is coming and the best way for me to get a good one is to pay up the thousand and one petty accounts nagging my footsteps."

Ramsey responded the next day, noting that he was "the Scotchman in this picture." This letter was the only time that either Johnson or Ramsey turned to the language of their contract with Wright. Ramsey referred to the parties' agreement for designing the building:

[A]fter various conferences, you finally wrote him [Hib Johnson] on August 15 (long-hand note so maybe not in your files), "I am assuring and driving at building complete at a cost of \$250,000 including an appropriation of \$20,000 for furnishings. Architect's fee is included and also the Clerk of the Works fee."

Ramsey said that they had not added to the original plans except a squash court over the garage. "But now you tell me it will run about \$300,000 and that apparently exclusive of furnishing and fees!" Ramsey thought that Johnson's Wax might not be able to "splurge" on new furnishings, and they could not commit to Wright's designs without seeing them. "Money is an irritating part of this world, but we've got to take it into account—not for piling up gold for its own sake, but just so that this business continues to run properly and serve the very human destiny that it has for fifty years." He concluded:

In any case, it seems to me that there are a lot of things about the building itself that have to be completed first [before the Johnson firm agrees to Wright-designed furniture]. Do you realize that Hib has advanced, to be exact \$20,964 on an extreme expectation of something under \$25,000 [in total architect's fees] and we have not yet the completed construction plans, to say nothing of final interior layout and approved plans on heating, ventilating, lighting—even the glass to be used in wall construction? That is confidence beyond anything I can say in words, so I know you will not take my plain words wrong.

Wright responded over a month later, beginning, sarcastically: "Dear Mr. Ramsey. Thanks a Lot Anyway." He noted that he had had pneumonia, and Ramsey's letter had been kept from him because it was "considered disturbing." Wright justified the

increased costs by pointing to what had been added to the structure. He wrote of what he had saved the project by battling state regulators. He said that commercial buildings usually carried separate fees for a "structural engineer, sanitary engineer, heating and ventilating engineer as well as architect." He argued that the creative work of planning had been completed. "I would be then entitled to 7½% of the revised est. of \$300,000 or \$22,000." He noted that he felt free "to throw away details . . . and make others when I find I can improve the structure or save something. . . . This will never . . . [stop] until it is finished if I can keep my form." He ended, "So you see, Jack, Scotch though you may be, your architect is no longer trespassing on his client."

Shortly before Christmas in 1937, Hibbard Johnson indicated his concern about the mounting costs of the building. Wright responded in a long letter. He pointed out that he was not profiteering from the project. "No architect creating anything worth naming as creative work ever made or can make any money on what he does." He then asserted that the company could afford what Wright was providing. Johnson had "the privilege of paying for something way beyond money value." Wright had saved money on the project in various ways. The building would benefit the company as a symbol that could be advertised.

He then turned to the costs. He said, "if the office building runs to \$450,000 (as it will) including furnishing:—it will have cost the Company about 33 cents per cubic foot, which is the price of any ordinary well-built, fire proof, air-conditioned factory building." The structure was bigger and built under more expensive conditions than Wright had imagined. The total costs were not extravagant "considering the resources of the owners and what they are getting for their outlay. . . . The labor scale and shorter hours and prices for materials, all these are higher than any previous work of mine." Wright said that the demands on him in supervising construction had been excessive. Wright ends by asking Johnson to send him a check "to help get started in the [Arizona] desert."

Hibbard Johnson was surprised by the new cost estimate of \$450,000, and he responded with some heat:

I know it does no good to complain as you are an artist so in love with your work that nothing will make you change your ideas of what the . . . [building] ought to be, even though it works a hardship on your client. You would rather tell the client whatever comes into your head as to the cost and the time to construct, at the start, just to sell the job and give satisfaction to your art to create something worthwhile, rather than be accurate in cost estimates. Why didn't you put me wise long ago as to the true costs and time to construct? Would that be

unreasonable to ask? That is water over the dam now and I am going to have to take it, but I will never like it. That is, the way you have handled me; the buildings . . . I am going to love. . . .

Now, Frankie, this reply to your letter is no complaint as it would do no good to complain. You have us hooked and we can't get away. Rather, it is written to show you how I feel and, if possible, spur you on to economize on matters still undecided in the building. . . .

Most people called Frank Lloyd Wright, "Mr. Wright." Hib Johnson was a special client and called him, "Frank." "Frankie" should be taken as an expression of annoyance.

A writer on the staff of Architectural Forum was visiting Taliesin in 1938. He overheard a meeting between Mr. Wright and Johnson officials.

[We could hear the loud voices raised on the client's side, and afterward Mr. Wright came out . . . and said that the client was unhappy . . . [because] the building was going over budget. . . . [H]e said . . . "You know, they really don't understand this building at all." He said, "They're acting as if this were a normal office building and you calculate this the way you would a normal office building. But they have forgotten what they told me initially, which was that this was a memorial to Grandpa, the founder of this great industrial enterprise, and you don't build memorials with the same materials, or the same spirit, or the same budget, you know as you do speculative office buildings." He said, "One of these days . . . you're going to see . . . tourists from all over the country . . . come and see this building."

Almost a year later, Jack Ramsey and Frank Lloyd Wright again debated the delays and cost of the building. Mr. Wright wrote Ramsey while traveling on the train to Arizona. He remarked that the original plans were only "a crude unfinished sketch" of what was in process in Racine. He said, "I realize fully the strain the growth of this great landmark in new-world architecture has thrown on you—and do not resent the breakdown of good feeling and consequently of good sense."

Ramsey replied that he appreciated the letter. However, "I can't subscribe to the statement that we ever lost 'good sense'; but I freely admit that 'good nature' took an awful long vacation." Then Ramsey sought to justify the Johnson company's concern with the costs of the building:

Cost, as measured in money, is a most difficult thing to argue with you. Idealistically you despise the idea of money

as a measure of anything. It probably has not occurred to you that Hib and I and probably 90% of the rest of the world also realize the imperfection of such a measuring stick. Nevertheless, it remains a fact that it is a universal yardstick used even to measure happiness. Wastefulness of dollars in the construction of our building did not grieve us because each dollar came off of a cold figure concerning a bank balance, but offended our sense of justice in that such wasted dollars were a measure of some other constructive accomplishment that thereby must be omitted from the scheme of things.

It is, I believe, only a matter of proportion on which we have differed with you. If a farmer has a hundred dollars and has a certain aim in view concerning the raising of poultry, he might be justified in spending twenty dollars on a chicken coop, or even twenty-five dollars with the extra five dollars as a measure of additional content and happiness afforded the chickens and the eyes of all beholders, but he would be morally unjustified in spending ninety-nine dollars on his chicken coop and thereby starving his horses and cows. And if he hired a chicken-coop specialist to build the finest coop in the world at an estimated cost of thirty dollars and the cost ran up to ninety-nine dollars, moral responsibility would be upon aforesaid specialist.

That is not a pretty example and it is probably crude and exaggerated but I am impelled to try to illustrate our side somehow.

Mr. Wright did not accept Ramsey's position. He said that if the chicken house simile were apt, "[w]e would all be written off for damn'd fools and sent over the hills to the poor house. I've felt (as I know you and Hib have felt) that there were human values involved, in this building way beyond any that could be measured by money."

. . . .

One sanction usually available to a dissatisfied party to a contract is refusing to interact again with the other party. Wright and Johnson had become friends, but Hib Johnson felt that Mr. Wright had manipulated him with an unreasonably low estimate to get the job. This strained the relationship. Wright wrote Ramsey after Wright had prepared a revised edition of his autobiography: "I've heard nothing from Hib since I sent on the piece on the building now appearing (soon) in *An Autobiography* . . . I thought he would like the piece very much. But I guess he didn't. . . . We expected Hib to invite us to dinner sometime this winter—but no."

After the Johnson Administration Building was completed in 1939, the firm decided to build facilities for research and development of new products. World War II delayed the project. In October of 1943, Hibbard Johnson wrote Frank Lloyd Wright, asking for comments. Johnson said:

To be frank, Frank, we simply will not consider a financial and construction nightmare like the office building. It is a plain factory kind of job that should be built by an engineer or contractor like our other factory buildings. Yet because of its proximity to your masterpiece, it should have a relationship thereto and we feel it would be unfair to you and a mistake on our part if we didn't ask how you think you would want to fit into such a picture.

After several letters and a proposed design, Johnson changed his mind and hired Wright to build the Research Tower. Mr. Wright's plan was not for "a plain factory kind of job." The Company attempted to be more cautious and formal in its dealings with Frank Lloyd Wright. Hib Johnson wrote Wright: "We want this building built on a contract basis, if at all possible; if not that, then on a basis where the cost would not vary 10% over estimates." Nonetheless, they went ahead on a cost-plus basis without the ceiling that Mr. Johnson wanted. Mr. Wright was to be paid his usual commission of 10% of the costs of the project.

The tower's estimated cost rose from \$750,000 to over \$2 million. In May of 1948, Johnson accepted this estimate but again bargained to cap Mr. Wright's commission at \$200,000 to be paid over two years.
