

The Largest Landowner

THE FEDERAL LANDS, by **Marion Clauson and Burnell Held**, University of Nebraska Press, Lincoln, Nebr., 1965, Bison Book edition (paperback) 501 pages \$1.95.

Reviewed by
Alexander M. Goldfinger

The senior author of this book was formerly director of the Bureau of Land Management of the Department of the Interior. The junior author researched agency records to obtain data on federal land uses, revenues therefrom and expenditures thereon. This is a good compendium of the history of the acquisition of land by the United States Government, the disposition of vast acreage for exploitation and use, and the retention of extensive areas for present and future use.

The federal lands now comprise 24 per cent of the nation's total land area and contribute 9 per cent of the gross national product. The reason for the retention of such extensive areas by the government are: conservation of water, fish and wildlife; grazing districts; and revenue from mineral and oil leases.

The public domain was acquired by cession, purchase and annexation. The disposition has been by sale, grants of homesteads and exchange. In the early years of the 20th century conservation of natural resources became popular and influenced the retention and uses of the remaining public domain.

The government is now engaged in the following uses of federal lands: conservation of forests (reforestation where timbered), fish and wildlife; preserving natural beauty (national parks); and leasing for timber, grazing, discovery and exploitation of mineral and oil resources.

This book fully describes the aims and implementation of federal control

of public lands and describes the make-up, functions and operation of the Interior, Agriculture, and Defense Departments as pertaining to public lands administered by each. The operations of the Bureau of Land Management, Forest Service, Office of Indian Affairs, National Park Service, Bureau of Reclamation, Soil Conservation Service, and Fish and Wildlife Service, are adequately described.

The point is emphasized that while the government seeks revenue from the users of public lands, it does not aim to maximize revenue but considers the economic and geographical situation of the users. For example, it will lease grazing land only to those who have private grazing land in the area and can care for the animals grazed on public lands in the seasons when such grazing is limited. Leases are provided to timber users who have private timber stands in the area and have provided access roads to move timber.

The authors estimate that such leases, made on considerations other than maximized revenue, yield 50 to 75 per cent of the amounts paid by lessees for similar leases on private lands. They recognize that federal ownership entails political considerations when they state, "establishment of prices for products from federal land is in part an economic process, and in part a political one. In the sense that it is economic, considerations of maximum price and maximum receipts are dominant in the same way that they would be for private landowners. In the sense that it is political, the prices are fixed, in whole or in part, by governmental and primarily by political processes; and the objective is not maximum price but something else—usually assistance to certain types of federal land users. The word 'political' has for many a derogatory connotation, but it is a fact that prices fixed in this

way may be far more in the public interest than those determined by strictly economic processes."

Political pressures are often exerted by livestock associations, farmer and rancher associations, congressmen, and others who seek to benefit particular groups by obtaining a minimum imposition of lease-rent.

But the authors realize that lowering lease-rent would give particular groups an unwarranted competitive advantage. They also recognize that such advantage would benefit the owners of private lands. "More probably, the full advantage of lower grazing fees on federal land is capitalized into the private land used in conjunction therewith so that only the original owner of the land is benefited." They sense that proximity to federal lands and the obtaining of leases to use public lands a competitive advantage, is reflected by adjacent owners, giving such owners in the rental value of the private lands, and increases the market value of such lands.

Those who advocate land value taxation and the abolition of taxation on the products of labor will find here an illustration to support their view.

A good part of the revenue derived from private users of federal land by law is returned to the states and counties for roads, reclamation and irrigation development. The authors deem federal ownership and management of federal land big business. They anticipate that by 1980 the gross revenues will be nearly \$900 million and the expenditures of management will be about half that sum. We may well agree, considering that in addition to federal lands there are other public bodies, states, counties, municipalities and autonomous authorities such as Tennessee Valley Authority, Port of New York Authority and many others, who administer large areas of land and whose revenues and expenditures are big business.

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O'ER THE RAMPARTS WE WATCH

"A Challenge to Georgists" by Robert LeFevre in the Summer issue of a quarterly journal devoted to individualist thought, published by Rampart College of Larkspur, Colorado, was of interest to our readers. The Georgist proposal of land value taxation was criticized as being socialistic — an inconsistency, the author believed, since Georgists otherwise seemed to be good libertarians.

The Fall issue of Rampart Journal contains Robert Clancy's reply, invited by the editor, entitled "A Challenge to Libertarians." Land value taxation is no socialistic inconsistency, he affirmed, but rather the means by which a free society can be attained.

These two articles are being reprinted in pamphlet form. For information write to The Henry George News, 50 East 69th Street, New York, N. Y. 10021.

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