

Exclusively Individual Territory

by LAWRENCE W. RATHBUN

ROBERT ARDREY, in his fascinatingly readable book, *The Territorial Imperative*, "A Personal Inquiry into the Animal Origins of Property and Nations," makes an irrefutable case for the biological and instinctive need of the individual male animal of nearly every species for exclusive territory.

The world has seen more than enough evidence of exclusive territory for nations with their clear-cut or fought-over boundaries, expansion, conquest and colonization. But nations, with rare exceptions, have not thoroughly recognized the individual's basic need for exclusive territory as of first importance in national policy. The general need has been used to support aggression, conquest and revolution.

In this country we have rather fortuitously a high proportion of home ownership. We also smugly recognize the urgent need for land reform in other countries—throughout South America, Africa and in Vietnam. As citizens of the most highly productive country in the world, we are not clear in our own minds, however, about the basic method, taxation of land values, which was used to facilitate the satisfaction of the "territorial imperative," because we think of it merely as a means of raising revenue. The collection of taxes other than on land is generally so inefficient that many countries simply cannot raise the revenue they need for public services.

Our policy of help to these countries might be more constructive if it were contingent on their using methods of taxation leading to reformation of the land ownership pattern, along with more equitable tax assessments and assured collection. Instead we compromise with half-hearted gestures of tem-

porary expendable aid and with armaments which so often fall into the wrong hands. The communist revolutionary activity meanwhile promises "land for the people, later to be state controlled."

We no longer remember how closely individual ownership of land was woven into the conception of democracy; nor do we vividly recall how the vast stretches of land available for settlement beckoned to the more imaginative souls of the old world for more than two centuries. Land ownership endows the possessor with a sense of responsibility, not only to his possessions but also to the society and its government which assures his privilege of possession. One can but conclude that widespread land ownership is the foundation on which to build a self-governing society. Once established it is nevertheless imperative that the foundation be preserved if democracy is to survive vigorously. The citizens must discover and insist on measures to facilitate opportunities for the oncoming generations to acquire and hold title to land for their own use under a free market system. Large ownerships, unless for sound economic reasons in the social sense, are, or should be, a danger signal.

The present tendency in this country is for land prices to skyrocket. In fact land prices are reaching such heights that many of the state and federal government programs for highways, parks and urban renewal are jeopardized. At the same time the present real property owners find the local tax, especially on their homes and improvements, highly burdensome. Strangely enough, the anomaly of "confiscatory" taxes on real property accompanied by ever increasing land prices seems to arouse no sur-

prise, let alone demand for inquiry. How is it that large land holders appear to enjoy much prosperity while the homeowners of the country are crying out for relief? Are we preserving the foundations of democracy or are we paving the way for some form of statism or socialism?

Henry George indicated a simple formula which he held would go a long way toward preserving both freedom and justice; it is based on the obvious needs of men in an economic environment. His method was to collect as nearly as possible all of the ground rent for the privilege of title to, and exclusive use of, land. Because he indicated that all governmental services could be met from such rentals, it became known as "the single tax." His purpose was to preserve between individuals within the governmental unit, equal economic opportunity for use of the natural resources. He wanted the states to do what private owners habitually do, charge annually the market value of the privilege of using land.

Such action reduces the capitalized value or selling price of land to the vanishing point. It also reduces the burden of land ownership to one payment of rent and eliminates the triple burden of interest on the land cost, tax on the land, and tax on the improvements created thereon. The elimination of capitalized cost also equalizes the opportunities between the older and younger generations. If the older generation wishes to be secure under the present Social Security system it should make doubly sure the younger generation is given every in-

centive and opportunity to work productively.

Let us look at our present situation. The several states are actual landlords, creators and guarantors of title to exclusive use on payment of annual rentals, customarily called taxes. The federal government permits deduction of all local property taxes for purposes of the federal income tax. Many individuals claim those deductions and any proposal to do away with them meets with a public outcry. But the advantage of this exclusion is a tremendous inducement for those with large incomes to turn to land as investment for speculative purposes, because of the very real subsidy for the carrying charges.

The deduction for persons in the 20 percent bracket means that the federal government absorbs 20 percent of his relatively small tax. Corporations and individuals in the higher brackets gladly find that Uncle Sam absorbs two to four times that percentage on much larger sums.

Without exception the states have created tax laws which favor extensive land holdings, while they penalize houses, improvements, incomes, sales and everything but land. The economic response is rapidly increasing land prices with an attendant vast increase in indebtedness and a ghastly need for constant inflation if the whole structure is not to come tumbling down.

If it did come tumbling down could a relatively democratic form of government survive? If we continue in the inflationary course what will our economy of the future be?

The new HGS extension at Calgary, Alberta now publishes a Newsletter. It reflects a spontaneously organized economic science and social philosophy society, whose board of directors includes: Jean and James Ramsay, Donald and Wilbur Freeland, Isadore Gliener, Frank Weslowski and Urquhart Adams. Many of the enthusiastic new members enjoyed a jolly picnic on June 17th at the home of Mr. and Mrs. Beckedorf. Mr. Ramsay, the director, has appeared on TV locally as a panelist on a program which was later rebroadcast on several eastern stations.