

Territorial Acquisition

A taxonomy of tenure by humans and other species

Herbert Barry III

TERRITORIAL OWNERSHIP is an important contribution to life, liberty, and the pursuit of happiness. The word "property" instead of the phrase "the pursuit of happiness" was specified in the original draft of the American Declaration of Independence.

Many famous triumphs and tragedies concern the acquisition or loss of territory by individuals and groups. A

contemporary problem is monopolisation of the most valuable territories by a small minority of individuals and corporations.

A deeper knowledge of the historical processes of territorial acquisition contributes to our understanding of the behaviour of humans and other species. That understanding is needed, to help scientists and law-makers to identify the boundaries between legitimate social forms of behaviour and property rights, and the actions that properly belong in the domain of private life. A moral assessment of legitimacy benefits from insights into natural history. A classification of land accumulation is offered by Herbert Barry III, so that social scientists may resume an interest in the impact of land tenure

on people and their cultures. We need greater clarity of discourse on questions such as: What places and objects are included in territory? What are the characteristics of people who devote their lives to acquiring extensive or valuable territory? What are the effects of territorial monopolisation? How can the adverse effects be prevented?

Dr. HERBERT BARRY III
is Professor of
Pharmaceutical Sciences in
the University of
Pittsburgh, PA. His
doctorate in Psychology at
Yale University was
followed by research on
topics as diverse as
government policies,
personality development of
Presidents of the USA and
behavioural
psychopharmacology.

NATURAL RESOURCES are distinguished from products of human enterprise and labour. A geographical territory is a natural resource. It contains other types of natural resources, such as minerals, oil, water, vegetation, and wild animals. Buildings and other changes made by humans can add to the value of the territory but they are not natural resources.

The word "land" is often used to refer to territory. A body of water is a natural resource that is also territory. Many parcels of land are more valuable if they contain a river or lake. A beach adjacent to the ocean is often more valuable than inland territory. The ocean is a territory that can be divided into different locations in three dimensions. Countries that contain seacoast land claim ownership of the ocean several miles beyond the land. The remaining ocean surface is currently not owned and is accessible to everybody who can reach it. Valuable components of the oceans include fish that swim under the surface and the minerals and oil on or under the seabed.

A valuable territory is a particular wave frequency or wave length of the electronic spectrum for radio, television, or short wave broadcast. The internet has broadened the territorial importance of the electronic spectrum. Another valuable property for internet use is an address that is brief and meaningful, such as "money.com". This is not territory because it is a creation of human language rather than a natural resource.

SPECIES can be classified according to whether they are primarily territorial or social. Territorial behaviour by non-human species may contribute to our understanding of territorial behaviour by humans.¹

Territorial behaviour by non-human species

Territorial species establish an exclusive territory for a male, one or more sexual partners, and young offspring. Other members of the species are driven away if they intrude. Territorial species are most typically carnivorous mammals (including lions, tigers, and seals), birds, and fish. The territorial primates include gorillas and orangutans.

Social species cluster in groups. They are most typically herbivorous animals. The aggregations include troops of chimpanzees, herds of reindeer or buffalo, flocks of sheep or geese, packs of wolves, and schools of fish. The individuals often nestle together in a burrow or other shelter. A cluster of many individuals provides defence against predators.

The distinction between territorial and social species is not rigid. House mice, who have adapted to human habitations for many generations, show a mixture of social and territorial behaviour. Their social groups are composed of the parental generation, pre-pueral juveniles, and pups. Breeding males mark, patrol, and defend their territories and either exclude or dominate other males.²

All mobile creatures have the capability for both territorial and social behaviour. Some territorial species of birds and fish become social when they migrate in large groups. Even in this social situation, each individual establishes a small territory that separates it from the others. They do not nestle together. Although wolves are carnivorous, they hunt in packs rather than individually. Although rats are social, they establish separate nests for delivering and rearing the pups.

Competition between individuals is paradoxically more frequent and destructive in social species than in territorial species. Individuals of territorial species usually avoid an established territory. The occupant usually is successful in driving away members of his species. Individuals of social species compete for dominance in the group. The loser usually submits after a brief contest, but he is sometimes injured and occasionally killed. Males rather than females usually establish a territory or compete for dominance. Females can and do participate in both types of behaviour. For example, lactating female mice attack male and female opponents. The attacks are most frequent and intense shortly after giving birth. Dominant but not subordinate females effectively protect their litter.³ Females in social species participate in the dominance hierarchy although the group leader is usually a male.

Individual territoriality has been seen most clearly in many species of birds.⁴ The male defends a territory that surrounds his nest. The song by a male of a particular species constitutes a mechanism for claiming his territory, warning away other males of the same species.

Territorial behaviour is found in diverse other species, including crickets, antelope, and seals.⁵ Territorial behaviour has been observed and studied in species of fish that occupy nesting locations on the seabed, such as the stickleback.⁶ Territorial behaviour has been observed extensively in species of large mammals, such as gazelles⁷ and antelopes.⁸ Experimental studies of territorial behaviour have been done in species of small mammals, such as gerbils.⁹ Many species of mammals, including gerbils, claim their territory by depositing scent markers at the boundaries.

Experiments on laboratory mice and rats have shown a strong tendency for a group of residents to attack and drive away or kill an individual intruder.¹⁰ This is a conspicuous example of group aggression associated with territoriality. In a social species, the territory belongs to the group rather than to an individual.

A species closely related to humans is the chimpanzee. Territorial behaviour in these primates is based on the group rather than individual. The group defends its territory against intruders. Organised warfare sometimes occurs among different groups of chimpanzees.¹¹ These primates therefore share with humans a type of group aggression that is absent in most other species.

TERRITORIAL BEHAVIOUR has an adaptive function. A species is more likely to survive if individuals establish a territory for mating and rearing their young, and if groups of individuals defend their territory against intruders.

**Spatial
distribution
& habitat
conservation**

Territoriality has the adaptive function of spreading out the individuals or groups. It prevents overcrowding and also helps the species to occupy its entire habitable range. This accounts for the prevalence of territorial behaviour in a wide variety of species. This behaviour may be especially conspicuous in birds and fishes because their high degree of mobility increases the need to possess a nest and resting place that excludes other members of the species. An adaptive function of competition by individuals is that the dominant males, who are the most skillful and aggressive fighters, are the progenitors of the next generation.

HOMO SAPIENS is classified as a social rather than territorial species. Our closest biological relatives are the gregarious chimpanzees rather than the territorial gorillas and orangutans. Humans cluster in groups that include multiple families. In almost all of the wide variety of societies, the people are clustered in a village or other community. Exceptions, such as nomadic herders or seafarers, are due to special environmental pressures. The progress of civilization has developed increasing aggregations of people in close proximity. In some cities more than a million people are crowded into a small geographical area.

**Human
ownership
of territory**

Territories differ greatly in value. Variations in natural resources include access to fresh water, quality of the soil, proportion of level terrain, presence of trees or wild animals, and frequency of rainfall. A population of human residents also adds to the value of a territory.¹² The territory of a farm is more valuable if it is adjacent to other farms and close to cities rather than isolated. In the middle of a city, each plot of land becomes much more valuable as the population grows.

In common with other social species, individual humans compete for dominance. Most groups have a leader. Beginning in early childhood, people strive for power and status. People classify the status of others as superior, equivalent, or inferior. Status distinctions vary in prominence and complexity, but they are present in all human societies. Variations in status are associated with variations in territorial ownership. Some people own and occupy a house and an extensive territory surrounding it in a desirable geographical location. The territory owned by others is less extensive and in less desirable locations. Many people rent instead of own territory. Some people are homeless. They temporarily occupy a small space in a location that is owned by somebody else.

Humans have capabilities that differentiate them from other species. Territorial acquisition by other species is limited to the needs and capabilities of the individual or group. Individual humans have developed the capacity to own large amounts of territory, even if they do not occupy the territory. The human owner's territory may be in dispersed geographical locations. Absentee landlords do not occur in other species. The human owner of territory can permit occupation by another human as a gift or for payment of rent. In other species, the owner permits occupation only to his mate and offspring.

An analysis of human territorial behaviour should include descriptions of individuals who have acquired territory that is extraordinarily extensive or extraordinarily valuable. Knowledge about extreme territorial ownership contributes to our understanding of ordinary territorial behaviour by a much larger number of individuals. Adequate biographical information is usually available on the spectacularly successful acquirers of territory.

The United States of America is a suitable environment for identifying and classifying individuals who acquire extensive or valuable territory. The European settlers, beginning early in the 17th century, had a tradition of individual freedom and enterprise. These intruders rapidly spread westward in a continent that was occupied by small tribes of technologically primitive people. Individual freedom to own and accumulate territory was emphasised in the Declaration of Independence by the 13 colonies in 1776 and was protected by the federal government, established in 1789.

Territorial accumulators SOME EUROPEAN settlers in North America acquired extensive territories in the forests west of the Eastern seaboard. These owners foresaw that their territories would become very valuable when Indians were pacified or driven out and when numerous other European descendants were ready to buy or rent their territories. Table 1 lists ten major territorial accumulators. Most of them bought extensive amounts of western territory before or shortly after the United States of America was founded. The last two bought valuable properties in New York City in the second half of the 20th century. The purpose of the territorial accumulation was to profit by subsequent sale at a higher price rather than to develop it. The owners expected that a growing community would make their property more valuable. The territorial accumulators did not construct or improve buildings that would make their territory more useful and therefore more valuable.

Robert R. Livingston amassed huge properties at a cheap price in colonial America. He progressively enlarged his holdings and became one of the richest men.

Table 1 Ten accumulators of extensive territories

| | Born | Died | Location of principal territorial assets |
|----------------------|------|------|--|
| Robert R. Livingston | 1654 | 1728 | Albany, New York |
| Benjamin Franklin | 1706 | 1790 | Western frontier |
| George Washington | 1732 | 1799 | Western frontier |
| Robert Morris | 1734 | 1806 | Western frontier |
| Patrick Henry | 1736 | 1799 | Western frontier |
| William Duer | 1747 | 1799 | Ohio |
| Aaron Burr | 1756 | 1836 | Western frontier |
| John C. Fremont | 1813 | 1890 | California |
| William Zeckendorf | 1900 | 1976 | New York City |
| Joseph P. Kennedy | 1888 | 1969 | New York City |

Three leaders of the American Revolution who bought large amounts of western frontier land were Benjamin Franklin, George Washington, and Patrick Henry.¹³ Their western land purchases were motivated by the expectation of future development rather than current use or income. At the time of their deaths, each of them owned western lands worth more than a hundred thousand dollars, which was a large fortune at the time. They bought shrewdly and prudently, unlike some later territorial accumulators and venturesome developers whose actions were to lead them to bankruptcy.

Robert Morris was a patriot who made his initial fortune as a merchant and helped to finance the American Revolution. He subsequently speculated heavily in western lands. When the land prices collapsed, he became bankrupt and was forced into debtor's prison.

William Duer and Aaron Burr were nomadic adventurers, attracted to risk and excitement. They lost their fortunes because of excessively grandiose, risky enterprises.

A famous territorial accumulator in California was John C. Fremont. His large tracts of land contained gold, and he organised grandiose companies to exploit these resources. He was the Republican candidate for president of the United States in 1856, but a few years later he was bankrupt. He said: "When I came to California I was worth nothing—but now I owe two million dollars".¹⁴

William Zeckendorf accumulated territory in New York City. He specialised in buying and selling expensive commercial properties in Manhattan, during and after World War II. He enjoyed making several large deals simultaneously. He became owner of valuable properties, but his debts greatly exceeded his assets. He was forced into bankruptcy. Shortly before bankruptcy, he commented to another real estate dealer, "How can they say I'm broke? I owe a *billion* dollars".¹⁵

Joseph P. Kennedy entered the real estate market in New York City after World War II. He had a large hoard of money and with the help of leveraging through mortgages he bought real estate in Manhattan. He selected undervalued properties. After ten years he sold out, having tripled his initial investment.¹⁶ In contrast to the sentiments of William Zeckendorf and most other territorial accumulators, Kennedy declared: "Only a fool holds out for top dollar".

Venturesome territorial developers TERRITORIAL DEVELOPERS construct or improve buildings to obtain rental income. In common with most territorial accumulators, venturesome territorial developers mortgage their properties and borrow money to finance maximal acquisition of territory. They are gamblers in addition to being investors. An important motive for their financially leveraged activity is the excitement that accompanies the risky behaviour. This pattern of behaviour characterises the thrill-seeking personality.¹⁷

Venturesome territorial developers are successful investors, at least initially. They buy large amounts of valuable territory in a growing city. They construct or improve buildings¹ to increase the rental income. They take advantage of the growing market prices and rents. The properties enrich their children or grandchildren.

Venturesome territorial developers attract special attention because they are conspicuous. Their attraction to gambling is usually accompanied by a flamboyant, egotistic personality. They crave public recognition of their achievements and wealth. Their territorial acquisition is recorded in biographies and histories. Information about them is included in a book about American land speculators¹⁸ and in a book about real estate speculators in New York City.¹⁹ They bought large amounts of land during a substantial portion of their lives.

The first six territorial developers listed in Table 2 are classified as venturesome. They enjoyed the power of owning large amounts of valuable property that they developed and rented. They mortgaged their properties and borrowed additional money to finance purchase of the maximal possible amount of property. The cycle of economic boom and bust sometimes caused the market value of their properties to sink below the purchase price during the preceding boom.

Establishment of the capital of the United States in Washington City was an obvious opportunity for real estate development. Samuel Blodget, Jr. and James Greenleaf were venturesome developers who concentrated their investments in properties in the capital. They overestimated the rate of growth of the city and became bankrupt.

Stephen F. Austin was a developer and leading politician in Texas. He tried unsuccessfully to amass great wealth by ambitious investments in

Table 2 Venturesome and prudent territorial developers

| | Born | Died | Location of land |
|-------------------------|------|------|-----------------------|
| <i>Venturesome</i> | | | |
| Samuel Blodget, Jr | 1757 | 1814 | Washington, D. C. |
| James Greenleaf | 1765 | 1843 | Washington, D. C. |
| Stephen F. Austin | 1793 | 1836 | Texas |
| "Harry" Meiggs | 1811 | 1877 | San Francisco, Calif. |
| Harry B. Helmsley | 1909 | 1997 | New York City |
| Donald Trump | 1946 | — | New York City |
| <i>Prudent</i> | | | |
| John Jacob Astor | 1763 | 1848 | New York City |
| Nicholas Longworth | 1782 | 1863 | Cincinnati, Ohio |
| James Lick | 1796 | 1876 | California |
| Marshall Field | 1834 | 1906 | Chicago, Illinois |
| Fred Trump | 1905 | 1999 | New York City |
| Julius Tishman | 1863 | 1935 | New York City |
| William Zeckendorf, Jr. | 1929 | — | New York City |

real estate in that territory.²⁰

Numerous venturesome developers were attracted by the California Gold Rush that began in 1849. One of them was "Harry" Meiggs. He was a New York merchant who came to San Francisco and bought tracts in the North Beach section of the city. He had a pleasing manner, a faculty for making friends, and became a member of City Council. He sold some of the lots at a profit but a disastrous plunge in the market price of the water front lots in 1854 left him bankrupt. He stole signed city treasury warrants from City Hall to use as collateral for loans. Before his fraudulent acts were discovered, he escaped on a schooner. His subsequent career demonstrates that some venturesome territorial developers can re-establish a constructive career. He sailed to Chile, where he became a successful building contractor. He became a virtual dictator of Peru and a successful railroad builder. Before he died, he repaid many of the people in San Francisco whom he had defrauded.²¹

A venturesome territorial developer in New York City in the 20th century was Harry Helmsley. He began as a manager of apartment buildings and subsequently became owner of some of the most expensive skyscrapers. His aspirations became increasingly grandiose. He lost much of his fortune in Manhattan real estate.

Donald Trump subsequently became another venturesome developer in New York City. He entered the business with the benefit of a portion of the fortune made by his father, Fred Trump. Donald acquired large hotels and other expensive properties, obtaining assets that exceeded his father's. The

rapid growth of his fortune was financed by maximal mortgaging and by large bank loans. His activity is expressed vividly by his heavy investments in gambling casinos in Atlantic City, New Jersey. He is obsessed with business deals and making money, and with power and prestige. He is a highly egotistic person with an unstable marital life. Some of his personal habits seem contrary to these characteristics. He does not smoke or drink alcoholic beverages, and he does not participate in the games at gambling casinos.²² His moderate personal qualities might account for the fact that he has accumulated a new, larger fortune after a close approach to bankruptcy.

The six venturesome developers acquired great fortunes followed by loss of all or most of their properties in an economic bust. They are only a small proportion of the venturesome developers. Many other territorial developers were equally shrewd and venturesome but encountered an economic bust at an earlier stage, before they became rich and famous.

Prudent territorial developers THE SEVEN PRUDENT developers listed in Table 2 were highly ambitious. They wanted to enrich themselves and their families by buying and developing large amounts of increasingly valuable land in a growing city. They had the intelligence to recognise this was a means of amassing great wealth. They were energetic, persistent, and patient. They bought undervalued urban land, which subsequently multiplied in market price. They bought and developed their properties gradually, without borrowing large amounts of money. They avoided the fads that induce other people to buy popular properties at high prices. They became very wealthy.

The prudent territorial developers were generally not likable people. They were individualistic, cautious, and callous. They exploited their power as purchasers and owners, without regard to the needs of the sellers, tenants, and neighbours. They had very few friendly social contacts. They donated very little of their money to charity or civic improvement. In accordance with a statement about acquisitive behaviour in general, their accumulation of territory was an attempt to hold the regard and consideration of others by an economic control over them rather than by the natural affection of fellowship.²³ Their benevolent social feelings were focused on wives and children. An important motivation was usually the effort to found a wealthy, powerful family. Their wills provided carefully for the maintenance of their fortune, usually leaving most of it to one capable son.

The most extreme example was John Jacob Astor. He benefited from the rapid development of New York into the largest city in the United States, but some of his characteristics accounted for him profiting much more than any other New York real estate dealer. He made his initial

fortune in the fur business. These profits financed his initial real estate purchases. He did not borrow money, so that his accumulation of wealth was not retarded by payment of interest. He obtained rental income from most of his properties and maximised this income by exploiting his tenants. For example, he owned the mortgages on many of his properties, and he mercilessly foreclosed when the tenant fell behind in the payments. He bribed city officials and state legislators to obtain ordinances and urban developments that benefited his properties.

Astor bought land uptown in what became the most populated and highly priced locations. He often sold overvalued land downtown in order to buy larger amounts of cheaper land uptown. He was extraordinarily attentive and purposeful in his business. His social contacts were rather meagre because he was obsessed with real estate and making money. He donated very little to charity or civic improvements. His fortune at the time of his death was by far the largest in America.²⁴

Cincinnati was a very small community when Nicholas Longworth moved there as a young man. He was a lawyer, but purchase of land in the city was his principal activity. He bought prudently, without excessive debt. At his death he was reputed to be the richest real estate owner in the United States with the possible exception of William B. Astor, son of John Jacob Astor.²⁵

The California gold rush in 1849 coincided with a land boom in San Francisco. A major profiteer was James Lick, who arrived in 1847 from Peru with considerable capital to invest. He was described as "unlovable, eccentric, solitary, selfish and avaricious". He bought enormous amounts of real estate at low prices, waiting until distressed owners were forced to sell. His investments included large tracts of land outside the city. His fortune was acquired through real estate transactions.²⁶

In Chicago, Marshall Field initially made a fortune as owner of a large retail store. In his later years, he invested the profits from his store in real estate in the city and became a major property owner. He avoided debt, both in his merchandising and real estate businesses. He showed extraordinary memory, knowledge, and attentiveness in his business dealings. He has been described as courteous, emotionally withdrawn, and obsessed with making money.²⁷

Fred Trump, in contrast to his venturesome son, Donald, bought and rented residential houses, concentrating on lower priced properties in Brooklyn, Queens, and other boroughs outside Manhattan. He avoided excessive mortgages or borrowing in his steady expansion of rental properties. The income minimised the effects of economic downturns.²⁸

Recent territorial developers have exploited the rapid growth of New York City. These include Julius Tishman.²⁹ In contrast to William Zeckendorf, listed in Table 1, his son, William Zeckendorf, Jr., is a prudent

territorial developer. He owns many commercial and residential properties. He is a cautious investor who usually buys properties with partners rather than by himself, and steadily increases his holdings.

Mass acquisition of land MOST TERRITORIAL accumulation and development is limited to a much smaller scale than the extreme territorial purchases by individuals listed in Tables 1 and 2. These smaller purchases have greater effects on the economy because they are much more numerous. Ten thousand transactions, each of \$100,000, aggregate a billion dollars. This amount is 10 times more than a single transaction of \$100 million. The territorial developers and accumulators who operate on a small scale have more influence than the few extreme individuals, even though biographies and histories do not describe the multitude of small scale individual transactions.

Small territorial accumulation includes buying a house that is surrounded by more land than is needed or buying a summer home that contains a large area of unused land. Often these purchases are in a rural area, where the territory is inexpensive. The territorial accumulator may want the extra space for aesthetic reasons or to protect the property from being overcrowded. One of the motives is the desire to become rich if the location becomes more urbanised and valuable. The same motive applies to farmers who buy larger amounts of territory than they cultivate. These farmers expect the extra territory to increase in value. Territorial accumulation detracts from the amount of available land in desirable locations, especially in the big cities. The detrimental effect is more severe because it is not offset by the beneficial effect of development.

Small territorial development occurs when an individual builds a house on a vacant lot. A lesser degree of development is to extend or refurbish an existing house. Most of the small developers borrow money, obtaining a mortgage to finance the development. The amount of borrowing is small for the national economy, but it is a large debt burden for the individual. The aggregate results in a large amount of mortgage debt in the national economy.

Development increases the economic activity and value of the neighbourhood. It therefore contributes to national prosperity. It also makes the remaining available land scarce and expensive. This social problem tends to become progressively more severe because the territorial developers progressively buy more land. When they sell at a profit, they usually go on to buy a larger amount of property.

A popular technique is to own property that is rented as residences or businesses. The rental income enables purchase of more property. Many landlords hope to become wealthy in this way. Their exploitative attitude accounts for the bad reputation of landlords. Some territorial accumulators

buy cheap property in cities and allow the buildings to deteriorate, thus becoming urban slumlords.

The majority of venturesome territorial developers operate on a small scale, not because of caution but because they are not able to obtain enough financing for grandiose aims. Most of them are not real estate specialists, but they accumulate real estate in addition to their vocations. They buy a home or farm or business that is more expensive than they can realistically afford. Their property is mortgaged to the full extent of their market value. A large portion of their income is consumed by interest payments on the mortgage, bank loans, and credit cards. They are vulnerable to a decrease in the market price of their property and in business activity. Since economic depressions occur periodically, many of these territorial accumulators suffer foreclosure of their property or bankruptcy of their business.

Venturesome territorial developers suffer a chronic shortage of cash. They conform to fads, they buy overvalued property, joining many others in bidding up the prices of currently popular properties. There are many examples of buying sprees that ruined large numbers of investors. These include the Dutch Tulip Bubble 1634, the French-English Mississippi Bubble of 1720, and the South Sea Bubble of 1720. The cheap lands in the western frontier of the USA attracted much territorial accumulation in the late 18th and early 19th centuries.³⁰ The gold rush in California, 1849, induced much accumulation of land in the area in addition to prospecting for the precious metal. A more recent speculative orgy was the Florida land boom in 1924-1926.³¹ Subsequent to World War II, there was speculative investment in lands in Texas and other states that contained oil wells.

Many people are deterred from territorial accumulation because their initial attempt is unprofitable. One of these was Henry George (1839-1897). He saved a small amount of money while working as a printer in Sacramento, California. In 1863, shortly after the birth of his first child, he invested all of his savings in shares of mining properties. Instead of generating profits, the companies demanded recurrent assessments from the owners. Within a year, Henry George not only lost his entire investment, he was deeply in debt.³² This financial disaster may have helped to direct him to his subsequent distinguished career as an economist, writer, and lecturer.

TERRITORY is a limited natural resource. For each species, the environment determines the most desirable location. Multiple individuals compete for a sufficient amount of the most desirable territory. Only one individual or family can occupy and control that territory. Others must accept subservience or occupation of an inferior territory.

**Results of
territorial
monopoly**

In most species of animals, a small number of individuals compete for each location. The winner occupies and controls a limited amount of territory. Territoriality contributes to dispersion of the individuals and thereby to survival of the species. The most aggressive and vigorous individuals, who occupy the desirable territories, are the principal biological progenitors of the next generation. Territoriality therefore is beneficial for the survival and biological fitness of the species. Many of the defeated competitors find alternative territories. The species thrives even if some individuals do not control a territory and do not breed.

Human beings have a unique capacity for individual choice and also for aggregation into large communities. In the USA, the free market economy is a traditional and successful institution. Privately owned territory is one of the commodities in the free market. An individual or corporation can own large amounts of territory. Ownership may include geographically dispersed territories. The most desirable and expensive territories are in cities with large populations concentrated in a small area. Many people compete for a limited amount of the best territories.

The descriptions of extreme territorial accumulators, venturesome territorial developers, and prudent territorial developers show that they greatly exceed the norm in property ownership. The outcome of the free market in an environment of millions of people is that a small number of wealthy individuals and corporations own a large proportion of the most valuable territories in large cities. Territorial monopolisation is probably even more extreme in undeveloped forests and prairies. A few owners control vast expanses. Their descendants will become wealthy if their properties become central areas of new cities or if precious minerals are discovered.

Territorial monopolisation is partial rather than absolute. Many individuals own small plots of residential land. Some of the properties are usually for sale, even in the central commercial district of the largest cities. The partial territorial monopolisation nevertheless is an ominous negation of the free market. The most desirable urban territories are not for sale or can be purchased only at an extravagantly high price. The most extensive undeveloped territories have owners who keep them for future appreciation. Many individuals own no property, and some are chronically homeless.

Territorial ownership in other species of animals is established and defended by an individual or small group. The occupation lasts only as long as the owner is able to ward off intruders. Territorial ownership in most human societies is controlled by the community rather than by the individual. The ownership is more stable but it depends on social laws and customs rather than on individual abilities and needs. The various human societies include different laws and customs for territorial ownership.

In the USA, municipal, state, and federal governments establish and protect the rights of owners. Taxation policies also favour owners of undeveloped land. Municipalities and other local governments tax real estate, defined as the total value of undeveloped land and of the buildings on the land. State and federal governments generally do not tax real estate. Their revenues are obtained from income taxes, sales taxes, and taxes on capital gains and inheritance.

The USA offers a favourable environment for monopolisation. Individuals and corporations are free to buy and own territories. The governments obtain only a small portion of their revenues from the value of territory. The environment for territorial monopolisation is similarly favourable in the parliamentary democracies of Europe.

An eloquent statement on territorial monopoly was by Winston S. Churchill when he was one of the leaders of the Liberal Party in Britain in 1909. "It is quite true that land monopoly is not the only monopoly that exists, but it is by far the greatest of monopolies. It is a perpetual monopoly, and it is the mother of all other forms of monopoly ... Land, which is a necessity of human existence, which is the original source of all wealth, which is strictly limited in extent, which is fixed in geographical position ... differs from all other forms of property in these primary and fundamental conditions."³³

If the population of a city grows and commerce flourishes, the plots of land become more expensive to buy. Tenants are required to pay higher rent. The purchase prices and rents increase further when urban facilities are constructed nearby, such as subway stations, highways, department stores, and amusement parks. The purchase prices are augmented by the speculative value of the property. The buyers therefore pay for the expected future increase in the value of the territory.

THE EFFECTS of territorial monopolisation on society are especially destructive in the swings of the business cycles from boom to bust. The territorial accumulators bid against each other for the most desired properties, such as in the centre of large cities. The purchase prices and rents are driven to extravagantly high peaks. The excessive values of the desirable territories result in periodic collapses of economic activities. These interruptions of commercial growth have successively been called panics, depressions, and recessions. Harrison has demonstrated a cycle of 18 years between economic contractions.³⁴ The cycles of boom and bust are aggravated by the tendency for territorial accumulators and developers to act in unison. Recovery is retarded because commerce is disrupted and most potential participants are impoverished or discouraged. The distress is aggravated and prolonged because

**Impact of
booms and
busts**

wealthy owners of the most valuable territory can wait patiently for the next economic boom.

Territorial acquisition is an adaptive behaviour by individual humans and other animals. Territorial monopolisation by a small proportion of individuals and corporations is not due to defective human nature. It is a consequence of social conditions that encourage acquisition of extensive and expensive territory. Churchill included this observation in the speech quoted above: "I do not think that the man who makes money by unearned increment of the land is morally worse than anyone else who gathers his profit in this hard age under the law, and according to common usage. It is not the individual I attack; it is the system"³⁵

Prevention of territorial monopoly THE FREE MARKET results in a high degree of territorial monopolisation. A small proportion of wealthy individuals and corporations own the majority of the most valuable urban and the majority of the most extensive rural territories. Various social policies can prevent undesirable monopolisation. Some of the policies, however, have severely detrimental effects.

The history of human civilisation includes many examples of an absolute ruler who owns and allocates all the territory in his domain. Plato advocated government by a benevolent despot, called a philosopher king. Examples of despots, although not philosopher kings, are the pharaohs of ancient Egypt, the kings of ancient Babylon and Assyria, and the ancient Roman emperors. In the medieval era of Europe, the ruler owned all the territory. He allocated portions to his vassals and pledged to protect their properties, in return for their pledge to contribute to his protective military forces.

Acceptance of an absolute ruler constitutes complete territorial monopolisation by one individual. This is worse than partial territorial monopolisation by a group of wealthy owners. The benevolent despot may be an attractive ideal but is outside the scope of normal human behaviour. An absolute ruler abolishes the benefits of the free market and of individual freedom.

Prevention of territorial monopolisation is one of the goals of socialism and Communism. Collective ownership of territories can be a mechanism for equal sharing of resources and products. A severe drawback is that the collective sharing is administered by political leaders. They provide more for themselves than for the rest of the population. Even if the leaders are benevolent and generous, society loses the advantages of the free market and individual freedom.

A doctrine of Communism is "From each according to his abilities, to each according to his needs". The state is expected to wither away when rich, greedy capitalists are eliminated. Instead, collective ownership suppresses the incentive for productive work. Needs surpass the products

of abilities. The state becomes highly coercive for the benefit of a small group of rulers.

A SEEMINGLY modest proposal by Henry George preserves the free market and individual freedom. Territorial monopolisation is prevented by taxing the rental value of unimproved land while abolishing the tax on buildings and other products of human enterprise and labour. Territories become more available and cheaper for purchase by users when higher taxes on territorial values prevent owners from holding underdeveloped land for future appreciation. When government services, greater productivity, and new residents increase the rental value of the property, the revenues finance the government instead of enriching the owners of the territories.

**A policy to
combine free
markets with
freedom**

For the owner of a building, the profit is redirected rather than diminished by the higher tax on the territory. The increased government revenue enables the tax on the value of buildings to be reduced or abolished. Production and prosperity are stimulated by removing the inhibiting effect of other taxes on products of enterprise and labour. The owner therefore profits from increased income from the building.

Some people question why the simple, feasible proposals by Henry George have not been generally adopted. Democratic elections of government officials enable the voters to demand better policies. I have attributed public acceptance of the present flawed policies to a combination of vanity, fear, and habit.³⁶

- Vanity causes the owner of a house to hope for great wealth due to increasing value of the location. Most owners occupy a small plot of land in an inexpensive residential community. Great wealth is accumulated by the few owners of extensive or valuable territory.
- Fear causes the owner to worry that the property might not generate enough income to pay the property tax. The owner therefore opposes adequately high tax rates on the property. A high tax rate on income is preferred and prevalent.
- Habit causes people to accept the traditional taxation policies. There is no opportunity to learn that a shift of taxes from products of human enterprise and labour to the value of unimproved territory stimulates productivity, makes useful territories available to more people at lower prices, increases general prosperity, and counteracts the cycles of economic boom and bust.

In spite of the incentives for territorial acquisition, some doctrines encourage alternative goals. In ancient China, personal scholarship and creativity were highly valued. The most ambitious and talented young men of the community became scholars or artists. In Europe in the 16th century, the rise of Protestantism encouraged the economic system of

capitalism. The preferred form of enterprise was commerce or business rather than acquiring territory. The enterprising spirit led to exploration of the new world, and increased commerce between countries rather than territorial acquisition by individuals. The Protestant Christian ideology, especially Calvinist, encouraged achievement in the form of business enterprise and community service rather than accumulation of wealth.³⁷

Even partial applications of Henry George's proposals can have constructive effects. In Amsterdam in the 17th century, territory was highly valuable along the canals in the central part of the city. Taxation of houses was on the basis of the amount of canal frontage. Houses therefore were extremely narrow, several stories high, and projected a long distance in back away from the canal. The result was that a larger number of families could live in the most desirable locations. The taxation policy maximised city revenues by the greater density of population and by the value of the location, contributing to the wealth of the city instead of enriching the individual families.

More than a dozen cities in Pennsylvania have a lower tax rate on buildings than on land. The higher rate on land restrains excessive territorial acquisition by making it more expensive to keep the territory for a sufficiently long time to obtain the capital appreciation. The lower tax rate on buildings encourages improvements and developments. This helps to shift people's orientation from buying more territory to the constructive, socially beneficial behaviour of improving the property they own.

**Territorial
behaviour
by human
groups**

HUMANS display territorial behaviour both individually and collectively. Territory is occupied and defended by groups of people, such as tribes and nations. Human groups are very conscious of their collective territory. Tribes and nations generally have well defined boundaries. Many of them become territorial developers if the adjacent territory is unoccupied or is occupied by weaker groups. An example is the conquest and development of North America by European settlers.

Group territoriality is often more prominent than individual territoriality. Human habitations generally consist of clusters of families in close proximity. Humans compete for dominance in the group but exhibit a high degree of group affiliation and loyalty, indicated by a citizen's patriotic feelings toward his country. Benjamin Franklin and George Washington, listed in Table 1, are examples of individual territorial acquisition subordinated to group territoriality. Both of these colonial leaders contributed more to the group territoriality of the USA than to their individual territorial acquisitions.

Contemporary large nations have formed from aggregations of smaller groups. Some groups voluntarily combined into larger groups. A tribe is a

combination of multiple families. A nation is a combination of multiple tribes. The USA originated from the combination of 13 independent colonies. Territorial expansion subsequently added 37 more states. Another nation, the United Kingdom, formed from the combination of England, Wales, Scotland, and Northern Ireland.

Some large nations and empires constituted territorial accumulation, formed by wars of conquest. The immediate victims of these combinations constitute the smaller groups, which have been conquered or subordinated into a larger group. Additional victims are all the members of the larger groups. The large group becomes authoritarian and brittle. The history of great empires includes many examples of extreme brutality, such as by the rulers of Babylon, Assyria, Rome, the Aztecs, and the Incas. Society becomes structured into a small number of wealthy rulers and a multitude of impoverished, deprived subjects. All of these empires collapsed.

Alexander the Great was a highly successful territorial developer. After his conquest of the entire Persian Empire, he founded many cities. He also encouraged his soldiers to marry Persian women and settle in their communities. Many of his developments still endure, such as the Egyptian city Alexandria, although he died at the early age of 33 years while continuing to strive to expand his empire.

Napoleon Bonaparte, in the early 19th century, conquered most of Europe and established new kingdoms, some ruled by his brothers. He spread various economic and technological reforms throughout continental Europe, such as the metric system and the French legal system. In common with individual venturesome territorial developers, Napoleon's ambition was excessively grandiose. A combination of national armies finally overwhelmed him. Many of the effects of his conquests endure. For example, the metric system, originated in the French Revolution, became prevalent throughout continental Europe.

Prevention of territorial monopolisation by individuals and corporations may help to prevent territorial monopolisation by nations. Territorial ownership by a large proportion of the individual members of the group is a deterrent against territorial accumulation. A wide distribution of territorial ownership increases respect for territorial rights of other individuals, including citizens of neighbouring countries. The leaders of a country reflect the characteristics of the individuals. Influences that restrain individual territorial accumulation also restrain group territorial accumulation by the political leaders.

An additional restraint on group territorial accumulation is the increasing communication and cooperation among nations. The United Nations provides a forum for negotiating disputes and also for organising collective action against aggressors. The effectiveness of the UN is greater than its military power.

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