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## BOUNTY: CELEBRATE KNOWING RENT WITH A POWWOW

By Jeffery J. Smith / 21 April, 2019

For anyone with an inkling of interest in economic topics, us having reached our goal calls for a toast. Now we know the worth of Earth in America (Ch 37). From official statistics, we squeezed a total for the bounty of the economy now, and how much it could be soon (Ch 41). Plus, putting our figure in a timeline paves the way to knowing the phase of the economy. Party time, eh?

We also saw how redirecting the flow of our spending for assets never created by labor and capital resolves major issues, both economic and ethical. Sharing the socially generated value of land could resolve competing claims over ownership. That'd give those afflicted by today's gentrification and yesterday's colonization reason to celebrate.

Conflicts between newcomers and old-stayers are so ingrained as to seem intractable. Yet the same could have been said about widespread male dominance over females and longer ago about slavery. Today around the world, both behaviors are in retreat.

If a community does share its land value, then as new people move in, competing for housing, pushing up location value, they'd fatten each person's share, a residential dividend. People already settled there would have extra income to pay the newly raised land dues or land tax. Or, residents may take the money and run, to a neighborhood in the region where land dues (or taxes) are lower. At that location, their "rent" dividend would stretch much further.

Unaware of this economic solution, many residents argue instead for a political attempt (rent control, tax cap, etc) that usually turns out to be a non-solution.

That approach is anti-market, while pro-market is the bias of many fellow Americans. One jurisdiction, however, eschewed command and instead tapped demand; Aspen CO recovers a slice of local “rent” (the annual value of the region’s natural assets) to help families afford desirable housing.

### **Catch up to Indians**

Longer-term residents who’re anti-newcomer or anti-gentrification argue that tenure gives them rights and privileges that go with a title. Perhaps unknowingly, they provide a sound argument—“first come, forever crowned”—for original inhabitants, too. Whoever reached a place first are the rightful owners, entitled to stay forever.

When one says “my land”, one can refer to one’s own land. Or to the land of their region. Using the latter meaning, those whose ancestors were displaced by colonizers want that land returned. Imagine descendants of Indians getting back Manhattan. Or Arabs getting back Palestine. Or Aborigines getting back Australia. Hard to imagine,

Furthermore, for some individuals, getting a parcel of land would be less useful than receiving a monetary equivalent, a share of “rent”. Hence many descendants of indigenous, both in [America](#) and Australia, ask descendants of European settlers to pay a rent as reparations for historical and ongoing displacement. We’ve shown there certainly is enough rental surplus for that purpose.

Critics raise several arguments against so-called reparations. What about mixed races? Partial payments? Whose math? And are natives going to pay reparations to even older nations whom *they’d* displaced? And are sons guilty of the sins of

their fathers? Nobody alive now was alive then. Finally, the right to land is universal, so people have the right to join others anywhere on Earth.

In America, some native tribes have sued in court to have old treaties honored. Others demand back royalties and interest. To know how much compensation owed, they need to know today's value of their lost land. During the pre-trial deposition, the attorneys would declare their competing estimates of the worth of that corner of the earth. While government does not keep a current total of all rent at its fingertips, a plaintiff with standing might be able to get government to dig down and 'fess up. During a trial, a federal judge might order bureaucracy to measure natural America's worth.

Some Indians have actually collected. In 1996, Elouise Cobell, a Native American businesswoman from Montana, sued the federal government for underpaying royalties for more than 100 years. She won. In 2009, Congress and the president approved a [settlement—\\$3.4 billion for land that was held in trust by the government and not ever until then reimbursed in full.](#)

Treaties aside, that's a drop in the bucket compared to what royalties would be for all native homeland. Try trillions. Think New York. Silicon Valley. Texas oil fields.

### **Manhattan For Beads**

Manhattan is one purchase of land by settlers familiar to every schoolchild. But the facts surrounding the takeover may invalidate it.

Four centuries ago, Dutch settlers paid some Indians a pocketful of beads for Manhattan. However, the tribe who dealt with the Dutch, the Canarsee, actually lived in Brooklyn and probably were happy to accept hi-tech art for an island that belonged to others. Further, they did not sell the land. They couldn't.

Hunter/gatherers conceived property differently. Law professor G. Edward White saw the Indians *“not relinquishing the island, but simply welcoming the Dutch as additional occupants.”* Massasoit, leader of the Wampanoag when the Pilgrims arrived at Plymouth in 1620, said, *“What is this you call property? It can not be the earth, for the land is our mother, nourishing all her children, beasts, birds, fish, and all men.”*

The Dutch should’ve known better. As good Christians, they were prohibited from buying land. In their Bible, their God said, *“Thou shalt not own the land forever, for the land is Mine, you are My tenants.”* (Leviticus 25:23) Wise Solomon claimed that, *“The profit of the earth belongs to all.”* (Ecclesiastes 5:9). Further, the New Testament quotes Jesus saying, *“The meek shall inherit the earth.”* (Matthew 5:5) On the meekness scale, those accepting trinkets surely rank higher than those proffering trinkets.

Since the Indians did not sell Manhattan but merely “leased” it, and ours is a litigious society, imagine descendants of the original inhabitants trying to collect many trillions due. They’d need an authoritative source to cite, whether government or business or academic. Already three researchers have estimated the selling price of Manhattan. At \$1.4 trillion, the rate of return since the Dutch settlement in 1626, nearly four centuries ago, would be 6.4%. Since land price is a cumulative projection of land rent, the actual value might be \$700 billion annually.

Whatever the tribes demand, when all residents of the region receive a rent dividend, aborigines would receive a quasi compensation. It’d amount to a greater financial gain for most native descendants than for colonial descendants. Most Indians live in rural areas, most descendants of colonists live in cities. In the countryside, the cost of living is low; in cities, it’s high. The dividend—the same

size for everyone—would go much further in rural communities than in urban neighborhoods.

### **Counting Celebrates a New Worldview**

If society shares Earth by sharing her worth, that can be an ideal way to resolve competing claims to the same location. The legitimate owners (on the basis of being first), receiving a share of regional values, might drop demands for returning lost values. Then people could enjoy and celebrate both prosperity and peace in their time.

The Indian cause, if including a rent grand total, could shift the paradigm. The distributions of rent to residents in Alaska, Aspen, and Singapore exist because people see those values as windfalls—Alaska’s oil, Aspen’s site value, and Singapore’s budget surplus. What would it take for any region to see their worth as a windfall?

Counting it. Show its immensity. Generate the contradiction of an embarrassment of riches. Most citizens don’t know how huge the surplus is. Learning that fact, they’d be overawed, too. And feel that the current way surplus gets hogged is way out of bounds. And see that the size of rent is great enough that sharing—that compensating of others for displacing them and being compensated for being displaced—is feasible.

Naturally, one identifies with and feels proud of their community and region. Its natural value—long ago seen as a common heritage— would be something to brag about; comparisons would be made. The swelling emotion could lead to sharing, the essence of community.

The root term in “community” is “mun”, meaning share (“com” means with). It’s the act of sharing that helps create one’s identity with others. To share common

wealth would not be to redistribute it but to *predistribute* it, before an elite or state has a chance to misspend it. Every monthly check would be reason for natives, urban dwellers, and everybody to celebrate.

When might we quit hoarding? Old paradigms would not be old if easy to replace. Yet they do change. [Kuhn explains that new generations](#) have not yet closed their minds to new ideas; some become early adopters. Today's young—not just those burdened by student debt—care about inequality, injustice in the rewards dished out by the economy.

Carers do not constitute a majority, but it only takes a critical mass. When the stars align, a movement reaches that threshold. Then counting what's actually ours-becomes a *cause celebre*.

*This article is Part 42 of a series highlighting the forthcoming book, "Bounty Hunter: a gadfly's quest to know the worth of Earth," by Jeffery J. Smith. To date, the experts have not risen to meet the challenge. Indeed, some have even stood in the way. Yet the payoff for knowing this datum is huge.*