

*Keeping people in the dark is one strategy but at what cost?*

## CHAPTER 6

# OUR IGNORANCE IS WHOSE BLISS?

*A philosopher: Which is worse: ignorance or apathy?*

*A student: I don't know and I don't care.*

*The gentry: Whichever. Just don't change.*

### WHY BLIND?

**W**e Yanks were raised on TV, males especially on the cowboy identity and the use of guns in defense of one's spread. *Our understanding of commons gave way long ago*, as did our awareness of commonwealth. Now it's the individual who's entitled, not community, so move along little dogie, don't poke your nose into rent around here.

Many don't know and don't want to know and prefer others don't know the worth of Earth in America. But the stat would be interesting and useful. So why the attitude?

One of our blinders is ownership. While the American Dream began as having a house to live in forever, it no longer means settling down for long. Now "The Dream" is less about owning a home, but more about cashing in big-time.

That's so even though the profit comes from the location, not from the buildings. Houses depreciate. *What appreciates is never produced land*, due to the growing presence of society. That cash is something for nothing, a fact that counting it would highlight.

While many people dimmed their lights, on its own, land disappeared from view.

- In the Industrial Era, most families moved to the city from the country. About 99% of the population quit desiring land in order to farm (Ch 6). Since hardly anyone farms now, many modern metropolitans have forgotten how much land matters.
- In America, a majority own land and the home upon it (more precisely, owe a mortgage). Our homes block the view of half of real estate – the land.

- Most people are not landlords or lenders – only 2/3 of 1% lease out buildings. The *hoi polloi* are familiar with *paying* rent and mortgages but have no experience with *receiving* rent or mortgage interest payments.
- Most don't own the most expensive land – commercial land, especially downtowns – where locational values are gargantuan and rent really flows.

If anyone prefers keeping people in the dark about rent, they caught a demographic break.

### CURIOSITY CHILLS THE CHAT

Popular years ago were paintings that were two in one. One was the familiar two-dimensional image, the other was a hidden three-dimensional image that emerged only after looking at the flat one in a certain way. When the 3-D one emerged, viewers squealed. However, not everyone could let their vision adjust to register the 3-D.

"Oh look, there's a dinosaur!" Another would say, "Where? I don't see it." If you declared, "There, see the biplane?" the frustrated doubter could say, "You're trying to put me on." If you kept at it: "Wow, can't you see the angel?" the mad blind-spotted man might say, "Liar, there's nothing there!"

Our payments to landowners, being money for nothing, may be why economists discretely avert their eyes; what's unearned becomes invisible. From their POV, why should others make a big deal about something that's not important? If others do acknowledge rent's role, and if that irritates mainstream economists, then those annoyed could damage the reputation of colleagues who can detect rent.

Avoiding hard questions reinforces normalcy bias – How things are is how they *should* be. After decades of not researching property, absentee ownership, or rents congealing into fortunes, etc, now economists only write about non-prying topics like household debt, trade, derivatives, etc. Such safe phenomena don't explain the inner workings of economies.

By omitting the factor of land from their analyses and conclusions, economists tacitly assert that all spendings motivate equally. However, while our spending for things that other humans provide grows the pie, our expenditure for land or resources is how some hog the pie. Not distinguishing these two spending types, economists miss how economies work, why they sometimes don't, and what to do it about. And by not seeing rent, of course most never measure it.

## ECONOMISTS DON'T HAVE IT EASY

**M**uch more than other social studies, what economists examine is inherently political. To do economics thoroughly, practitioners must explain or ignore:

- some people are doing the work, but others care capturing the wealth;
- some people are paying taxes, but others are getting subsidies;
- some are paying tuition, others are endowing universities.

Most economists don't pry into the potentially controversial, like measuring rent; it could put their job in jeopardy. Most play it safe – sort of like some medical researchers skirting alternatives to pills and scalpels. They know their place.

Putting caution before curiosity, better let those sleeping dogs lie.

## WHAT WE DON'T KNOW DOES HURT US

**T**he powerful prefer widespread ignorance:

- Some politicians censor research into stem cells.
- The first thing some revolutionary governments do is shut down the universities.
- Like specialists everywhere, academics act out the priesthood syndrome. They, and nobody else, can define the breadth and depth of economics.

The body of knowledge is held back.

When rent is overlooked, also is: who gets it, how they get it, whether they deserve it, what they do with it, who gets left out, and who creates it – potentially, lots of inconvenient truths for everyone from homeowners and absentee owners to lenders and speculators.

As goes academia, so goes bureaucracy. Call the government's info line. *Nada*. Why bother, since they receive no requests from academics? Hence the statistical blackout. Never counting society's spending for locations keeps that stream of socially-generated value out of the spotlight. Out of sight, out of mind.

By keeping everyone in the dark, economists hide viable solutions to serious problems. Spending for Earth tells us about both the business cycle and the economy's surplus. Meanwhile, people needlessly do without crucial information.

While it only takes self-interest to overlook the need to know the worth of Earth in America, it takes social-interest to calculate it. That pret-

ty much leaves the quest for controversial knowledge up to an iconoclast.  
As usual.