



Twice Stolen Land

by Fred Foldvary,
Berkeley, CA

Most Americans are aware that much of the land in the United States was taken from the Indians through force and fraud. But folks then have a picture in mind of that land being settled by sturdy pioneers who homesteaded land by cultivating it. The popular image seem to be that even though the land was unjustly stolen from the Indians, at least it was properly handed over to small farmers who made good use of it. If that's the image, we need to go over some history that has been kept out of the school books.

The federal government had possession of the lands beyond the original 13 colonies. This was called the "public domain." Most of it was not homesteaded by farmers for their own use, but was granted in large tracts to politically-connected speculators to hold and rent out while the value increased. In fact, as noted by the historian Charles Beard, the U.S. Constitution itself was promoted by speculators who wanted a strong central government to clear out the Indians and use the federal government to grant them huge estates

of land. The land grabbing started even before the U.S. Constitution was adopted, as the land in Kentucky, which was at first part of Virginia, was handed over to absentee speculators in the 1780s. Large land holdings there and later on in Alabama and Mississippi (where the Yazoo land companies took the land by fraud) enabled slavery to become extended and entrenched.

Land speculators formed companies that bid for large grants from the state and federal governments, with some bribery on the side. Much of the land that was gotten under the Homestead Act was obtained by speculators by fraud, such as with false statements or by putting cabins on wheels. War Veterans during the 1800s were paid in part with warrants for land, and most of these were sold to land speculators for 25 cents per acre, and the speculators then resold the land to pioneer settlers for \$2 per acre. This sordid history is related by Henry George in his 1871 book, "Our Land and Land Policy", and also by Benjamin Hibbard in "A History of the Public Land Sales".

The most notorious land grants were to the railroads. The railroad companies were

at first given one square mile of land per mile of rail line, which was doubled in 1864 to two square miles and in some cases to four square miles. The rail companies were also granted the privilege of cutting timber on federal land.

In California, much of the fraud took place on Mexican land grants, which were recognized by the U.S. government. The borders of these lands were not well defined, and the Mexican holders were unfamiliar

continued on page 12

Pro-Enterprise Property Tax Endorsed

Michael O'Mara, Baltimore, MD, one of the guiding forces behind the effort to get a plank



in the Libertarian Party platform* for a shift in the property tax onto land values, reports that the libertarian Heartland Institute, Palatine, IL, has recently endorsed land taxes. (* See July-August 1996 GroundSwell, "Progress Made at Libertarian Conference")

Reports O'Mara, "The Heartland Institute joins a long line of libertarians

who have endorsed shifting toward land taxes: e.g., Thomas Jefferson, Milton Friedman, Cato Institute's William Niskanen, Public Choice economist Anthony Downs, John Stuart Mill, Franz Oppenheimer, Albert Jay Nock, and Frank Chodorov."

Heartland Institute has also drafted model legislation for shifting taxes off of buildings and onto land, says O'Mara, thanking Joshua Vincent of Columbia, MD, for getting a copy of the proposal, summarized below:

Pro-Enterprise Property Tax Act

"The common one-rate property tax system

continued on page 9