Twice Stolen Land

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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 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 Missouri 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
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with U.S. law. They were taken advantage of by speculators, and most of these lands passed on to other owners. In many cases, the land was taken by fraud, such as with forged papers and bogus grants, backed by the local sheriff and U.S. troops.

Then there was the Swamp Lands Act of 1850. Wetlands sold for $1 per acre, and the dollar could be spent for reclamation, making the land free. Half of the land sold as swamp land was dry land sold to speculators with friends in Washington. In one case, since the law required that the swamp be navigable by boat, the buyer put a boat on a wagon and had a team of horses pull it across!

Land was also disposed of by the Desert Land Act of 1877. The lands were to be sold to those who provided irrigation. Some tycoons grabbed the land using false statements before the law was published, and then dislodged pioneers who had settled the land under the older laws. The Timber and Stone Act of 1878 and the General Mining Law of 1872 were more giveaways of valuable natural resources, which continue to this day. Another huge privilege given away has been the electro-magnetic spectrum, the natural resource of TV and radio waves. All these land grants have helped create massive inequalities of wealth in the United States. Also, since the land could have been rented out to users instead, Americans have been burdened with taxes on their labor and products rather than using the public domain for public revenue.

We can see that most of the land in the U.S. was stolen twice, first from the American Indians, and secondly from the American people as owners of the public domain.

We can't give most of the land back to the Indians, other than compensating them for their losses, since it would be disruptive to change land titles, but we can put the benefits of the land back into the public domain by making its rent common property. A gradual increase in the collection of the market land rent would be accompanied by the reduction of taxes on production. We can't reverse the fraud and take back the stolen loot, but we can always implement economic justice, just as the U.S. finally freed the slaves.

Just because we have gone in the wrong direction in the past does not mean that we must keep wandering down the path of fraud, theft, and injustice. Maybe if more folks become aware of how the land of the free was twice-stolen, they will start thinking about who properly should own the land that was once our common domain.

Editor's note: Dr. Foldvary is an Economics Professor at JFK University. The above is a summary of a paper presented Nov. 21, 1997 by Dr. Foldvary to the Southern Economic Association in Atlanta. The summary also appeared Nov. 16 as Foldvary's weekly editorial on the website magazine edited by Hanno Beck: http://www.progress.org.