

*Hear that call? To know the worth of Earth in America? Don't everybody speak at once*

## CHAPTER 8

### THE CALL OF THE RILED

*My students say I never listen to them. At least I think that's what they said.*

– Prof. Anonymous

#### WHO CALLS OUT?

**S**ome Earthlings, actually, would welcome knowing a measure for the worth of Earth in America.

- To a curious economist – a “geonomist” – the measure is a piece in the puzzle of doing economics properly.
- To a practical businessman, it’s a harbinger; some investors suspect our spending for land drives the business cycle (Ch 28).
- Environmentalists already impute a *replacement cost* for the environment (bizarre, I know, right? see Chapter 18); they’d like to compare that to a concrete figure.
- Supporters of government are always on the alert for a new, better and bigger tax base. They’d like to know how much socially-generated value may be available. And ...
- To a fanciful geek, it’s a key to conjuring a solution to the inequality problem.

Are you a bureaucrat? Or do you know one? Our species needs the government, an agency, somebody to release the total for the value of land and resources. Maybe you are or know a renegade economist to extrapolate that figure from existing figures?

Once before, fans of economics called for a new stat. Presently GDP measures quantity of growth, not quality of growth (Ch 38). E.g., treating cancer and curing cancer are indistinguishable. Dissatisfied, critics proposed new indicators of wellness and to inform policy. None weighted the current strongest stream within the GDP – rent. They were successful in winning some press but not change. Perhaps a tally for social surplus could satisfy both Old Guard GDP watchers and vanguard livability watchers

## WHO HAS SOUNDPROOF EARWAX?

**Y**ou own the land, you own its rent, right? Or maybe not. Still, we grow up thinking of the worth of Earth in America as part of private property, despite society generating the value of location. Want to correct that widespread misunderstanding? Given human instinct, broaching land ownership is like touching the third rail of economics. Rather than call for an answer, proprietarians, if they call for anything, it's for silence on this issue.

Heeding their call are the professional statisticians. Those who could, but don't calculate – or don't release – the combined size of all rents, is a pretty long list:

- professional society of appraisers, of assessors, and of bankers (since they're mortgage lenders);
- government agencies who collect the tax on property, both local and state, and apply the legislated exemptions to the property tax;
- agencies commissioned with supplying lawmakers with statistics, both local and state legislatures.

At the federal breadth (not “level,” that's too hierarchical for any democracy), the ...

- National Bureau of Economic Research (NBER),
- Census Bureau,
- Departments of Labor, Commerce, Treasury, and Housing and Urban Development (HUD),
- Bureau of Land Management (BLM),
- Federal Communications Commission (FCC),
- Government Accountability Office (GAO),
- Office of Management and Budget (OMB),
- Federal Reserve (not really part of the government but intimately linked to its corridors of power), and ...
- the CIA or NSA. Seriously. The CIA website will tell you how bad the Gini quotient (concentration of ownership) is in the US. What? Spies don't keep stats like that top secret?

All the above alphabet soup – that's a lot of bureaucratic firepower. To not be able to come up with the total of society's spending for land and resources each year – or every day! – is pretty impressive. It must be the single biggest act of bureaucratic neglect since the *US lost some*

*weapons-grade nuclear material or lost \$6-\$20 billion in cash during the Bush-Cheney invasion of Iraq and just looked the other way.*

Public servants are charged with keeping track of public assets. When public researchers don't, and instead advance a distorted worldview, don't you have to draw the line? And when that line is crossed, speak up?

I guess not. Most economists and statisticians sit this one out. They measure wages, profits, unemployment, inflation, stock prices, bond yields, household budgets, the uncountable "consumer confidence" – a myriad of items awash in numbers. But not a total for spending that doesn't reward anyone's effort.

Were they to tackle anything further "out there," they might jeopardize their own mainstream interests. And "out there," if anywhere, is where conventional people place the quest to know Earth's worth. Yet potentially, it's our commonwealth.

### WHO'LL TAKE THIS WATCH?

Who could supply us an answer? Assessors compile raw data. Government statisticians access the figures. Economists are proficient at number-crunching. For all three professions, determining society's rent – spending for parcels, fields, and forests plus undersea oil and airwaves – should be a cakewalk. If nobody's measuring the size of pure rent, we can at least measure the size of the problem of trying to calculate rent.

Some do estimate housing value. But that combines house, home, and hearth with location, location, location. They rather unscientifically gloss over the fact that land, unlike labor and capital, is no one's creation while buildings are.

Want to try to pry out an answer? Be sure to put the question – "How much do we spend for natural resources?" – to specialized folk in their technical jargon. Even then, communicating the notion of all rents for natural assets, it's difficult. It reminds one of the old comedy routine of *Who's On First?* by Abbot and Costello.

Abbot: "*How much is rent!*"

Costello: "*How much is rent?*"

Abbot: "*Yes, it sure is.*"