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The Price of Freedom: Restitution for a Failed Promise

Pecuniary and Non-Pecuniary Damages and Issues of Inter-temporal Calculations

Sibylle Scholz¹ Chrissi Jackson²

“We may have all come on different ships, but we are in the same boat now.” Martin Luther King Jr.

Descendants of African American slaves have never been compensated for one of the worst crimes against humanity. The lost wages suffered by slaves, and the asset value to slave holders have been estimated to be well over one trillion US dollars worth in today's money. To date, the failed promise of *40 acres and a mule* has not been examined adequately. This research studies this promise and estimates a value for damages that resulted from systemic discrimination in access to land and agricultural programs. The results show, that pecuniary and non-pecuniary damages are less than half a trillion US dollars. This amount should serve as the basis to address the asset gap between Blacks and Whites.

¹ Sibylle Scholz, PhD, Agricultural Economist, sibyllescholz@gmail.com. Dr Scholz is an environmental and agricultural economist. She currently consults as a forensic economist calculating pecuniary and non-pecuniary damages for individuals and agricultural operations.

² Chrissi Jackson is a writer, activist and the co-founder of the Truth Telling Project, imchrissij@gmail.com

Reparations to the descendants of African slaves in America have never been paid. Given that compensation for wrong doings and apologies are ongoing and occur many years after crimes were perpetrated on other groups, such as German Jews and American Japanese, it is time to examine anew what reasonable compensation should be paid to Afrodescendants.

Reparations, by definition, are amends for a wrong in the form of money. It is usually a political decision, rather than an economic one, but an economic analysis of the size of the damages is often used to guide reparation payments. In the case of reparations to Afrodescendants, the Ninth Circuit Court of Appeals³ held that reparations are a political claim, not a legal claim. To help frame this political claim, an estimate of the size and a partial package of reparations is presented here.

Estimating damages are primarily on proven monetary losses or pecuniary damages. For the case of slaves, this would be lost wages calculated reaching back 250 years. Richard America edited the book *The Wealth of Races*⁴, which contains estimates by several researchers on damages based on lost wages of slaves. Another approach is to use the sales price of a slave to estimate a business asset. Several researchers used this approach and, similar to the lost wages methodology, estimates are well over 1 trillion US dollars.

A third approach to calculating damages is to estimate the value of a lost promise: “*40 acres and a mule*.” Craemer⁵ and others applied this promise to the total number of slaves in the US in or around 1860 and these estimates are less than 1 trillion US dollars. This paper attempts to unpack the myth around 40-acres-and-a-mule to determine the value of this lost promise. As will be shown, results are quite similar to the whole-sale approach.

³ 70 F.3d 1103 (9th Cir. 1995)

⁴ America, R., *The Wealth of Races: the present value of benefits from past injustices*. Westport, CT: Greenwood Press. 1990

⁵ Craemer, T., *International Reparations for Slavery and the Slave Trade*, *Journal of Black Studies*, I-20, 2018

In addition to pecuniary damages, there are non-pecuniary, or hedonic damages, which are broadly speaking the loss of enjoyment of life, pain and suffering and the likes as detailed by Ward⁶ and discussed in three separate Symposiums held by the National Association of Forensic Economics⁷. This concept is used here as well.

Asset accumulation is an important part of moving up the socioeconomic ladder. Land and housing are the most important assets in that quest. If asset accumulation was denied, because promised land was not given, then there was a loss of enjoyment of life including the utility one gets from social mobility. These non-pecuniary damages are real for Afrodescendants and evidenced in the wealth gap as well as delayed home ownership.

In this paper, pecuniary damages are calculated on the lost promises of access to land after Abolition. and non-pecuniary damages are calculated on the resultant loss from the opportunity to accumulate assets and the attendant loss of enjoyment of a middle class life in America.

A brief overview of the history of slavery and details of laws and orders during Abolition is followed by a review of estimates of reparations calculated more recently. This is followed by a discussion on issues of inter-temporal damages calculations. A close examination of land values during the 150 year period after Abolition and laws passed and not passed that revolve around the 40-acres-and-a-mule is followed by an estimate of value of agricultural land that was either farmed or tilled as sharecroppers in 1910, the height of black farming in the South. The estimates derived in this manner are part of a larger package of reparations owed to Afrodescendants.

Historical Background

⁶ Ward, J., Time Valuation as an Alternative of Lost Enjoyment of Life in Determining Wrongful Death Damages, *Journal of Forensic Economics* 20(2), 2007, pp. 155-169

⁷ Marks, P. Ireland, T., Hedonic Damages – One More time: A Symposium, *Journal of forensic Economics*, 20(2), 2007, pp 103-112

A common argument against reparations for American slavery is that it was legal then. But at the Nuremberg trials, where Nazis were brought to justice, the US prosecutor Robert H. Jackson said that common law recognizes rules of conduct and this is sufficient to establish guilt and judgments of wrong doings.⁸ In the case of slavery, Europe tacitly permitted slavery in the colonies, but slavery was prohibited in Europe and Africa, and for Natives in the Americas. It was widely recognized that chattel slavery and permanent slavery was morally wrong and this is sufficient to establish guilt and judgments of wrong-doings in the United States.

In 1807, the British and US governments made Transatlantic slavery illegal, but not slavery itself.⁹ The Abolition Act of 1833 made slavery illegal throughout the British Empire. After 1850, transatlantic slavery slowed rather suddenly when Brazil made it illegal, and the British committed ten percent of their Navy to suppress it.¹⁰ It was not until 1927, when the League of Nations through the International Convention to Suppress the Slave Trade and Slavery declared Transatlantic slavery illegal.¹¹ In the United States slavery ended with the Confiscation Acts and Emancipation Proclamation in 1863 and the 13th Amendment made slavery illegal in 1865. For reference, the Civil War started in 1861 and ended in 1865 and many slaves fought in it.

The first known settlement paid to a slave in the US was to Belinda Royall, who received 30 pounds for 3 years in 1778 or the equivalent of \$21,334 in 2016. Subsequently, in 1785, Belinda presented a petition to the Massachusetts General Court which approved an annual pension of fifteen pounds and twelve shillings to be paid from her former slave holder's estate, but apparently only one payment was made. Rounding this up to 16 pounds, this amounts to \$3,316 in 2016 US dollars.¹²

⁸ See: Craemer, Comparative History of Holocaust- and Transatlantic Slavery Reparations, Conference of Global Perspectives: Regimes of Redress and Reparations, Transitional Justice, and the Rule of Law, New Orleans, March 16-17, 2018

⁹ <http://slavevoyages.org/assessment/essays#>

¹⁰ <http://slavevoyages.org/assessment/essays#>

¹¹ https://en.wikipedia.org/wiki/1926_Slavery_Convention

¹² <http://www.royallhouse.org/slavery/belinda-sutton-and-her-petitions/>

John Pleasants, a Quaker, stated in his will that his heirs should free over 500 slaves when they turn 30 years of age. At the time of his death, in 1771, testamentary manumission provisions were illegal in Virginia. Subsequently, his son Robert lobbied the Virginia legislators to allow manumissions and it became legal in 1782. He then gave 78 former slaves over 350 acres of land.¹³ This is roughly 40 acres of land per person. Value of agricultural land in Virginia distinguishes between cropland and pastureland. In 2016, the values were \$180,680 and \$159,200 respectively, for 40 acres. For land and buildings on farms the value is \$175,000 for 40 acres.^{14 15}

There are other cases, but these two suffice to show the scale of settlements before Abolition. Already early on, a farm of 40 acres was the size appropriate for family farming, given the technology at that time. Out of the 500 slaves on the Pleasants farm, 78 received land, indicating that a family unit was comprised of five or six members, and this was necessary to manage 40 acres.

After Abolition, Special Field Order No. 15 of the US Army in 1865 confiscated 400,000 acres of land along the Atlantic coast of Florida, Georgia and South Carolina and approximately 18,000 freedmen were settled there. They were each given 40 acres but on a temporary basis. They were to receive a mule, left over from the war. This coined the expression “40 acres and a mule.” At the end of Reconstruction in 1877 most of that land was given back to the original White owners. This is the failed promise.

The failed promise was exacerbated by the unfulfilled decree of the 1866 Southern Homestead Act which allowed former slaves to acquire land. There were 3.5 million slaves in the 1860

¹³ https://en.wikipedia.org/wiki/Robert_Pleasants

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https://www.richmond.com/business/value-of-farmland-increases-in-virginia/article_23d79934-33d7-11e4-aa5c-001a4bcf6878.html

¹⁵ https://www.bls.gov/data/inflation_calculator.htm

census. By 1910 there were 10 million Afrodescendants and of those, 218 thousand owned or partially owned their farms, while 670 thousand were tenants and sharecroppers. Agriculture peaked between 1900 and 1920 but Black participation in that boom was marginal and difficult.

Throughout the 20th Century, Black ownership of farms declined for lack of access to credit and issues with land titles, but also because of a surplus of farmed goods and a declining land value throughout the early part of the 20th century. In the 1960s and 70s, Civil Rights leaders James Forman and Bob Browne called for a land bank in the South and this led to the creation of the Emergency Land Fund. A survey conducted by the Fund found that the loss of land was primarily due to unclear heir property policy and that property was lost in loans as well as a lack of access to loans.

In 2010, President Barack Obama authorized the payment of 1.25 billion US dollars from the U.S. Department of Agriculture (USDA) to African American farmers through the settlement of the Pigford v Glickman case.¹⁶ The Pigford case is a 1999 class action discrimination suit that showed that the USDA was biased when making loans or farm assistance available at the county level between the years 1983 and 1997. African American farmers were either denied or had to wait longer for loan approvals. In agriculture especially, timely availability of credit is imperative to run a farm successfully. Receiving credit for seeds is meaningless if the time for planting has already passed. About 2,000 farmers were in that first claim and two options were offered: Track A provided a settlement of \$50,000 and relief from loans and tax liabilities. By showing evidence of greater damage, farmers could apply for Track B claims for larger amounts. But there were numerous problems implementing the payments, and only 31% of Track A and 169 eligible Track B claimants. Eventually there were a total of 15,645 farmers who received \$1 billion US dollars in cash, debt relief and other credits under Track A. An additional 17,000 farmers, received \$1.2 billion US dollars in 2010 under what is referred to as Pigford II. These

¹⁶ The Pigford Cases: USDA Settlement of Discrimination Suits by Black Farmers, Congressional Research Service 7-5700, RS20430, May 29, 2013

two settlements are the largest settlements to date to African American farmers, but they are specifically for discrimination of access to farm credits and only cover the period between 1983 and 1997.

Georgetown University in Washington, DC has been in the news recently, because it came to light that 272 slaves were sold in order to finance the University in 1838.¹⁷ There, the actual descendants of those slaves are asking for reparations. The sum paid for these was \$115,000, equivalent to about \$3.3 million in 2016 US dollars.¹⁸ The average cost of those slaves was 423 US dollars, or about 12,000 US dollars in 2016. The case is ongoing.

In summary, it is commonly recognized that slavery was morally wrong and only tacitly accepted in the Colonies and only for certain people. Over the centuries, various attempts to pay damages to Afrodescendants were made and, as in the Pigford case, some farmers and non-farmers were compensated for the discrimination in access to farm credits.

Calculations of reparations by various researchers for the United States

Several economists have looked at what the total value of slavery to the economy was before Abolition. On the one hand, slavery was unpaid labor. On the other hand, slaves were like capital that had a value in the market. In addition to that, researchers looked at the value of the promise to have access to land after Abolition.

Larry Neal (a former Professor of mine at U of Illinois, Champaign Urbana) looked at wages between 1620 and 1840 and compounded these at 3 per cent. His estimates for lost wages during that period are 1.4 trillion in 2016 US dollars.¹⁹ It shows how much white farmers benefited from

¹⁷ <https://slaveryarchive.georgetown.edu/items/show/9>

¹⁸ Report of THE WORKING GROUP ON SLAVERY, MEMORY AND RECONCILIATION to THE PRESIDENT OF GEORGETOWN UNIVERSITY, Washington, DC Summer 2016, p. 15

¹⁹ Neal, Larry. A Calculation and comparison of the Current Benefits of Slavery and an Analysis of Who Benefits. In Richard F. America, ed., *The Wealth of Races: The Present Value of Benefits from Past Injustice*. Westport,

slavery. Vedder estimated a similar number, 5 to 10 trillion US dollars as an accumulated gain in wealth for white Southerners.²⁰

Worstell, in Forbes Magazine, used the market value of an enslaved person, and then calculated a total wealth of having slaves, as an asset, at a compounded 1 per cent to be about 1.75 trillion US dollars, or about 40 thousand US dollars to each Afrodescendant today.²¹ But slaves had different prices depending on their skill levels as either artisans or domestics, or if they were known runaways or had physical impairments. Women commanded a higher price than men for obvious reasons.

Williamson calculated an average price for slaves of between 300 US dollars in 1804 and 800 US dollars in 1860.²² He then calculated a labor income value of owning a slave, of about 140,000 US dollars in 2016 US dollars. Williamson uses the inflation rate calculator at a website called measuringworth.com.²³ Here the average annual inflation rate is 2.2 per cent for the period between 1860 and 2016. Theoretically, using the value of a slave is more appropriate for calculating reparations than lost wages. This approach uses slaves as an asset. But after Abolition this asset disappeared. Piketty developed a graph reproduced below as Figure 11, which illustrates the changing nature of wealth.²⁴

CT: Greenwood Press, 1990

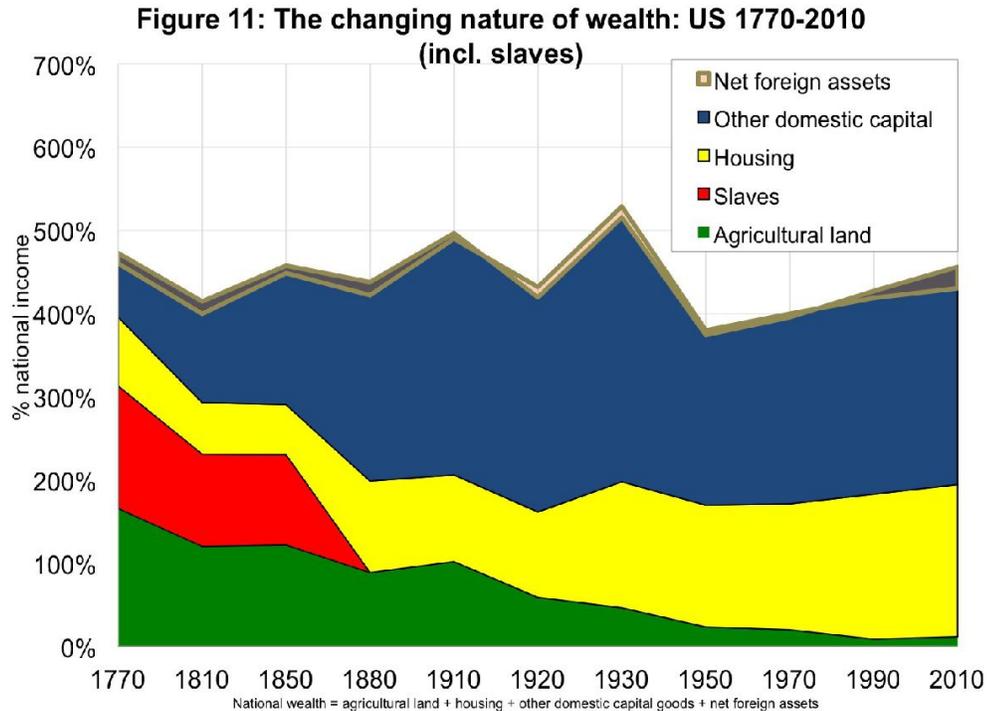
²⁰ Vedder, R. Gallaway, L, Klingaman, D, Black Exploitation and White Benefits: the Civil War Income Revolution in Richard F. America, ed., *The Wealth of Races: The Present Value of Benefits from Past Injustice*. Westport, CT: Greenwood Press, 1990

²¹ Worstell, Tim, *If There Should Be Reparations for American Slavery The Amount Should Be Around About Nothing*,
<https://www.forbes.com/sites/timworstell/2014/05/25/if-there-should-be-reparations-for-american-slavery-the-a-mount-should-be-around-about-nothing/#6d6bc3337ff0>

²² Williamson, S. H., Cain, L.P. *Measuring Slavery in 2016 Dollars* <https://www.measuringworth.com/slavery.php>

²³ <https://www.measuringworth.com/calculators/inflation/result.php>

²⁴ Bill Nordhaus, *Capital and Moral Inheritance*, squarelyrooted.com, reproduced from Piketty and Zucman



Another researcher, Craemer²⁵, used the Field Order No. 15 and the Reparations Bill that was passed in the U.S. House of Representatives in 1866. Both decrees speak of 40 acres to each freedman. He then attached an average price of \$3,020 per acre in 2015, and multiplied this by 3,953,760 slaves from the 1860 census. This yielded a number of 486 billion US dollars. As will be shown later, prices per acre vary hugely from State to State, so this might be overstated. Furthermore, Field Order No. 15 states that “three respectable Negroes, heads of families shall have a plot of not more than forty acres of tillable ground.”²⁶ In other words, the intention of Field Order No. 15 was not to give 40 acres to each slave, but rather to a portion of such individuals that would be able to conduct agricultural production on 40 acres. Also, Reparations Bill H.R. 29 which was introduced by Senator Thaddeus Stevens states that “each male who is the head of a family or each widow who is the head of a family...” shall receive 40 acres.²⁷ In

²⁵ Craemer, T., International Reparations for slavery and the Slave Trace, Journal of Black Studies I-20, 2018

²⁶ https://en.m.wikipedia.org/wiki/Special_Field_Orders_No_15

²⁷ <http://www.nathanielturner.com/reparationsbill1867.htm>

other words, the promise was not 40 acres for all slaves, but rather land for a family unit of perhaps four or five, which would be necessary to successfully till 40 acres.²⁸

This brief summary shows how wide-ranging calculations are. Using wages or the price of slaves yields high estimates, while applying value of forgone agricultural land yields much lower estimates. None of these estimates should be taken as a single number for the size of reparations, but rather as part of a larger package of elements that should go into estimates of reparations.

Issues of estimating inter-temporal damages

Calculating damages that have a long time horizon of more than several decades can pose problems when the chosen discount rate ultimately fails. For instance, pension funds need to invest in a mix of safe and more risky vehicles in order to have the correct amount of payouts available many years into the future. Structured settlements face similar problems. Likewise, investments into climate change and the estimated rate of return is a choice between too much and not enough, and thus perhaps crowding out other investments or incurring larger costs later on.

Adams et.al. describes a case where tracts of land were condemned and the challenges of appraising the value of these parcels and adjacent land.²⁹ The challenges are particularly great if that land was somehow productive, either through agriculture or some other business.

In general, there is a relationship between risk and rate of return such that greater risk demands a greater discount rate. Agriculture is an inherently risky endeavor. If the harvest is poor, credit

²⁸ There is a common misconception that such lands were to be given free. This is not the case. These decrees merely allowed freedmen to purchase land under similar conditions as white settlers.

²⁹ Adams, A.F., John D. Jackson, and J. Philip Cook, Capital Market Theory and Real Estate Valuation: A Case Study in Choosing an Appropriate Discount Rate, *Journal of Forensic Economics* 14(2), 2001, pp. 119-133

payments are difficult to make. If the harvest is more than usual, prices drop and the benefit of a large harvest are depressed. If credit is not given in a timely manner, planting cannot happen in a timely manner and production is compromised. This happens to all Black farmers even today. Farming was particularly hazardous for Blacks because of lynchings and the burning down of farms, which resulted in thousands of acres of farm losses. This practice was called “whitecapping.” Also, we know from anecdotal evidence that Black farmers were cautious to not be “too successful” for fear of having their farms taken away.³⁰ The prevalence of this behavior makes comparing Black and White productivity of farms difficult and problematic.

Brent Gloy³¹ showed that rates of return for farming can vary greatly. In 1973 it was 28 per cent, but on average, over the period of between 1960 and 2016 it was 7 per cent. The standard deviation he calculated was 6.4 per cent, demonstrating the riskiness of the business. The rate of returns from capital gains are even more volatile.

Land values were obtained from NASS USDA documents which list actual values for various years dating back to 1850.³² A combination of a surplus of food and the Depression caused land values to drop in the 1920s and 30s. By the 1970s, land values recovered and have since appreciated tremendously. The red line in Graph 1 shows this trend. The green lines show estimates for one, two and 3 per cent discount rates. The blue line shows the results using an online inflation calculator.³³

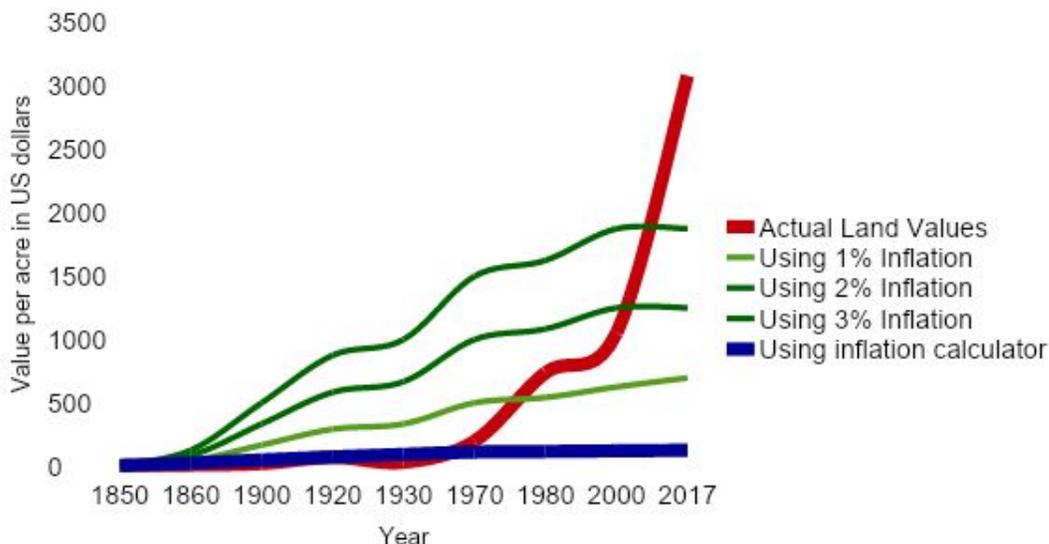
³⁰ Winbush, R.A. Should America Pay

³¹ <https://ageconomists.com/2016/09/19/rates-return-u-s-agriculture/>

³² https://www.nass.usda.gov/Publications/Trends_in_U.S._Agriculture/Land_Values/index.php

³³ <https://westegg.com/inflation/infl.cgi>

Graph 1: Actual land values and values using theoretical inflations rates



In summary, discount rates over long periods of time projected into the future need to take into account many risk factors that are germane to the industry and asset under consideration. In the case of agricultural land, capital gains are highly volatile and influenced by weather, farm subsidies and farm credits as well as market support programs, including international trade.

The Data

The failed promise to receive land after Abolition and the amount of land that was given back to White farmers and stolen through lynchings is the central theme of this paper and serves to estimate damages. Data for the period between 1863 and 1900 is spotty and often sources contradict each other. While census data shows an increase in farms in the latter part of the 19th century, it does not distinguish between Black and White farmers until 1900.³⁴ The census data from 1910 shows a peak in the amount of land owned by Black farmers,³⁵ and the census of 1920

³⁴ <https://www.census.gov/library/publications/1902/dec/vol-05-agriculture.html>

³⁵ Agricultural Census 1910, Volume 5, Chapter IV, p 14

shows a peak in the number of Black farmers.³⁶ Because the interest here is amount of total land, the census data from 1910 is used for estimates.

The period in the early 20th century represents the best case scenario for Black farmers as it was. After this period, many migrated to the North and agriculture in general suffered from many problems. Land values and number of farms from that period form the basis of estimates for damages.

a. Land Values

Historically, land values have been higher in the South than the average, except for Texas which is mainly cattle ranches. Table 1 shows the agricultural land value and the level of appreciation in the Southern States. In 1850 an acre ranged from \$1.44 in Texas, to \$15.20 in Louisiana. In 1910, prices ranged from \$79.20 in Texas to \$836 in Louisiana. In 2017 the range is from \$2,090 in Texas to \$4,450 in North Carolina. Both Texas and North Carolina had the highest land appreciation, of over 8 per cent, between 1850 and 2017. The lowest land appreciation was in Louisiana with 1.18 per cent. In general, for the Southern States, land appreciation is much larger than inflation rates. When using an average value of land for the Southern States in 1860 of \$10, and applying actual inflation rates for the entire period, the compounded value estimated is \$298 per acre. This is less than a tenth of the actual average value of \$3,262 per acre. The average land value for the entire US was \$3,080 and for cropland it was \$4,090. There are large regional differences across the United States, as shown in Graph 2.³⁷

³⁶ <https://www.census.gov/library/publications/1922/dec/vol-06-agriculture.html>

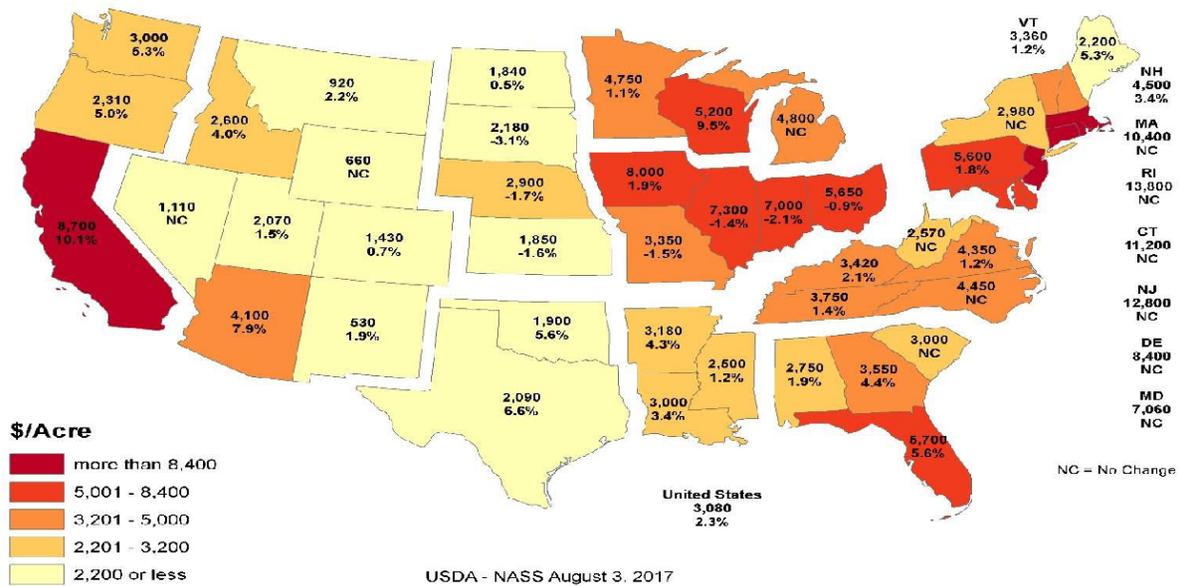
³⁷ USDA Landvalues, Summary 2017

Table 1: Land Values for Southern States 1850 to 2017 and Average Appreciation

	1850	1910*	2017	Percent
Alabama	\$5.30	\$291.50	\$2,750	3.10%
Arkansas	\$5.88	\$323.40	\$3,180	3.23%
Georgia	\$4.20	\$231.00	\$3,550	5.06%
Louisiana	\$15.20	\$836.00	\$3,000	1.18%
Mississippi	\$5.22	\$287.10	\$2,500	2.86%
North Carolina	\$3.23	\$177.65	\$4,450	8.24%
South Carolina	\$5.08	\$279.40	\$3,000	3.53%
Tennessee	\$5.50	\$302.50	\$3,750	4.08%
Texas	\$1.44	\$79.20	\$2,090	8.68%
Virginia	\$8.27	\$454.85	\$4,350	3.14%
Average		\$326.26	\$3,262	

2017 Farm Real Estate Value by State

Dollars per Acre and Percent Change from 2016



appreciated significantly more than estimates derived using inflation rates over this period. Since the 1970s, agricultural land values increased three and four fold due to increased productivity and export subsidies for all kinds of agricultural products. Other subsidies, such as favorable credit, made farming less risky and a coordinated effort to store food and distribute the surplus to Africa and other areas with food shortages through the Agricultural Trade Development and Assistance Act, PL 480, meant farming in more marginal lands became profitable.

b. Landownership

The Southern Homestead Act of 1866 failed the desire of Abolitionists to make available land on favorable terms to Freedmen. There were numerous problems, including land seizure and breakup of plantations, and general relationships between White and Black farmers, to name just a few.

Nonetheless, this transition went along as well as it could while Federal troops oversaw this plan. But in 1877 troops retreated and these arrangements disintegrated.³⁸ Census data does not separate White and Black farmers until 1900 but W.E.B. Du Bois estimated that Black farmers owned 3 million acres in 1875 and 8 million in 1890. The peak year, from census data, shows 12 million acres in 1910 fully owned by 175,290 and partially owned by 43,177 non-white farmers. Roughly this is 60 acres per farm.³⁹ Because of the rising prices in cotton, many farmers did very well initially, but as Jim Crow laws set in, farm operating contracts became more difficult and this, together with a general collapse of all farming led, to widespread abandonment of Black owned farms. Today, there are 45,000 Black owned farms.⁴⁰

In the early 20th Century there was the so called Great Migration, when about 6 million Afrodescendants left the South. In 1863, over 90% lived in the South and this held true until

³⁸ Black Farmers in America, 1865 – 2000, USDA RBS Research Report 194

³⁹ Black Farmers in America, 1865 – 2000, USDA RBS Research Report 194

⁴⁰ 2017 Census of Agriculture, farm Producers, ACH17-2/April2019

about 1900. The majority of the population in South Carolina and Mississippi were African Americans, and were more than 40 per cent in Georgia, Alabama, Louisiana and Texas, and this changed drastically with migration to the North.⁴¹

The 1910 agricultural census shows that there were over 3 million farms in the South farming 354 million acres.⁴² This is down by 7 million acres from the 1900 census, and today, the South farms 270 million acres. Maps of this census show that almost all farms in the South were less than 80 acres, except for areas around Savannah.

The census of 1910 does not distinguish between sharecroppers and tenants, and lists 670,000 Black tenant farmers and 1,200 Black farm managers cultivating 27 million acres.⁴³ This amounts to 40 acres per farm. Sharecropping existed well into the 1950s. Sharecroppers represent the potential of how much land Black farmers would have been able to cultivate if they had access to land. While Black owned farms were lost due to unclear titles and discrimination of access to farm credits, sharecroppers experienced over 100 years of total denial of potential asset accumulation. In all fairness, this is true for White sharecroppers as well.

In summary, in 1910, there were a total of 890,000 Afrodescendants cultivating a total of 39 million acres. The total population of Afrodescendants was 10 million. After 1910 there was a steady decline of Afrodescendant farmers and many moved to the North during the Great Migration in the ensuing decades.

Estimating Damages using Agricultural Land

The calculations are based on data from 1910, when agriculture was the main economic activity

⁴¹ Taeuber, Karl E.; Taeuber, Alma F. (1966), "The Negro Population in the United States", in Davis, John P., *The American Negro Reference Book*, Prentice Hall

⁴² Agricultural Census 1910, Volume 5, Chapter II, p 30

⁴³ Agricultural Census 1910, Volume 5, Chapter IV, p 14

and when the majority of the population in the South was Black and rural. Using acreage cultivated by Black sharecroppers and applying a 2017 average value of Southern Agricultural land of 3,200 US dollars, the total value is 86 billion US dollars. This dollar value represents pecuniary damages suffered by those sharecroppers and are agricultural assets that were denied to the Black community.

In addition there are pecuniary damages suffered by Black farmers who owned and partially owned farms, but lost their farms due to discriminatory access to farm credits and other more awful acts such as lynchings. The only time that Black farmers were compensated for lynching was in 1994, when Florida paid 2.1 million US dollars to the survivors and descendants of the 1923 Rosewood massacre.⁴⁴ Other damages have not been paid and specific calculations for this group has not been conducted at this point, as that would require a much more detailed examination of data. This data is at the county and State level and so far only anecdotal information exists that can be found in Winbush.⁴⁵

Non-pecuniary damages are tailored to the pecuniary damages calculated above. In this case, non-pecuniary damages represent the persistent suffering from racial discrimination. Lack of asset accumulation early on prevented many Afrodescendants from moving up the socioeconomic ladder and that part of enjoyment of life that derives from being middle class has been denied. Thirty three per cent of African Americans have zero wealth, compare to 15 per cent of White families.⁴⁶ In other words, a larger proportion of Afrodescendants have no assets. Non-pecuniary damages relate to this wealth differential.

In 1910, there were 10 million Afrodescendants and 670 thousand sharecroppers. This is 6.7 per cent. The 2010 census recorded 43 million self-identified African Americans and the 2014

⁴⁴ Winbush, R.A. Should America Pay? Slavery and the Raging Debate on Reparations, 2003, p. 69

⁴⁵ Winbush, R.A. Should America Pay? Slavery and the Raging Debate on Reparations, 2003

⁴⁶ Collins, C. et al. Dreams Deferred How Enriching the 1% Widens the Racial Wealth Divide, Institute for Policy Studies

estimates by the Census Bureau is 47 million. Later projections are not available yet. Using the 2010 census and 6.7 per cent, yields 2.9 million, and 3.2 million for the 2014 projections. Estimating non-pecuniary damages from these numbers yields 367 and 403 billion US dollars.

The total damages are estimated between 453 and 489 billion US dollars in lost asset accumulation opportunities suffered by Afrodescendants. These estimates represent a portion of reparations that should be discussed in a different forum.

Discussion

This paper examined damages suffered by Afrodescendants due to lack of land ownership that was promised after Abolition. Instead, a system of sharecropping, which is akin to the European feudal system was introduced having long term effects on asset accumulation in the African American community. Other researchers have estimated damages in terms of lost wages and in terms of valuing slaves as an asset derived from the sales price of a slave. Various discount rates have been used to bring these values into today US dollars.

In this particular examination, the actual land value today is used instead of a discount rate, because it can be shown that discount rates do not accurately follow land values and that these varied widely over the 150 year period after Abolition. The systemic discrimination against access to land in the first place, and the lack of access to farm support programs, later on resulted in lower than expected asset accumulation by Afrodescendants and that is still felt today.

A reparation scheme for Afrodescendants could address the asset gap between Blacks and Whites by supporting programs that specifically allow asset accumulation. Simple cash payouts, such as those to American Japanese would mainly benefit Whites and would do nothing to move more African Americans into the middle class. Additionally, an investment of half a trillion US

dollars into the US economy would have positive effects for the country at large and should be welcomed by all.

This paper does not address who and how reparations should be paid. This is for policy makers to decide.