

Instrument of trade and preservation of wealth

backed by limited, easily verified substance (asset) of value

Need – So many world and local problems are enabled by fiat currency and hidden trade.

- Precious metals can only be verified with frequent audits and assays. Vast stores of precious metals are currently hidden or used in industry so it is difficult to determine abundance or scarcity accurately. Value of paper contracts is not transparent. The same can be said of other “baskets of wealth”.

Goal – Instrument of trade backed up with an easily verified and limited substance managed by local, decentralized and diverse organizations.

Possible solution – Land. Not including “improvements” such as buildings that deteriorate and lose value without constant maintenance or infusion of energy.

- Land on earth of value to humans is limited. It can not be created out of thin air.
- Land cannot be hidden. Value assessment reports are available online and can be challenged with points of fact. Value is frequently tested via purchasing and selling of nearby properties.

Managing organization – I will call it the “Land Trust” for now. It will be a legal entity that holds title to substantial amounts of acreage. The total acres are valued and divided into shares. User will be able to easily verify that no shares are created or traded that are not backed up by real property. If the Land Trust dissolves, all property is sold and the cash distributed to owners of the shares.

Transparency of Land Trust assets and trading of shares is important to prevent dishonest activity . A system that protects trader privacy and still provides transparency may be a challenge.

I’m avoiding calling it a Land Bank as the organization will NOT lend shares or cash like a traditional bank. Shares of the Land Trust will be traded just like stock in a company except shares will be available in different “denominations”. I suggest shares be traded as square kilometers, meters or centimeters rather than acres, square yards, etc. Shares would be used for barter or for long term storage of wealth. Share can only be added after additional land is acquired and assessed.

The managing organization’s only goal is to offer an inexpensive way for individuals to own something that has honest value which can easily be used to store wealth or facilitate trade.

The guiding principle of the Land Trust should be to maintain value and not to seek a profit. Administrative costs would be funded via very small transaction fees (less than standard debit card fees).

Points and options to consider:

- Individuals transferring title of their land in exchange for shares in the Land Trust would have the right or privilege to buy their land back at any time. An administrative fee for title transfer would be charged. If they do not have the cash, loans from some other individual or organization would have to be arranged.
- Value of crops, timber, animal stocks, unmined minerals or other similar substances of value should not be included in the assessment of land value for trading purposes. A plan for harvesting of valuable resources on Land Trust acreage needs more thought and discussion.

- Land Trust property could possibly be leased for purposes that do not reduce the value of the property. More thought will need to be given to ramifications of leasing including how the “profit” from leasing is used or distributed.
- Possible loss of value via natural or human induced harm to land would normally be a small percent of the total acreage held by a large Land Trust so total or overall wealth should not be significantly affected. For a small trust with land assets in one location, a natural disaster could decimate the trust. Perhaps membership in a consortium or confederation of trusts would provide insurance for small trust users.
- If any individual or organization’s actions reduce the value of land traded within the Land Trust, they would be liable for damages.
- Property held by the Land Trust must not be taxable in order to preserve its value. Sale of shares could be taxed. There are large amounts of land available in Alaska that are not taxed. I haven’t looked to see how many other States or Counties do not tax property.

Users of the Land Trust would inadvertently keep more wealth local until use becomes more widespread. Local governments may recognize this and instead of taxing property, they would acquire operating income from sales taxes or service fees from individuals living in a service area. The untaxed property would allow more land to be added to the Land Trust.

- Land shares could be traded using current debit card technology. What to do in the event of electronic system failure? Perhaps “IOUs” could be written and then credited once the system is up and running again. Maintaining records for longer term failure could be done by individuals carrying a ledger showing current balances. Someone falsifying their records would be permanently banned from participating or trading in the Land Trust. Retailers could offer lines of credit to customers until full system restoration. More thought and discussion is needed.
- There should be multiple Land Trust organizations with each having its own debit card trading system in order to help keep trading costs low due to competition and for diversity to protect against any one organization having too much control. I think cross trading between different Land Trusts should be an option.
- Individuals or organizations who transfer title of land to the Land Trust in exchange for shares could act as brokers to help landless individuals purchase smaller numbers of shares in the Land Trust. When a broker sold enough shares for cash, they could purchase more land and transfer title to the Land Trust and repeat the cycle.
- The beauty of using Land Trusts for barter and preservation of wealth is a Land Trust could start small and be managed locally. It would grow naturally as more people participate. Convincing people to start using the Trust may be a challenge. Somehow Bitcoin took off.
- Even though use of the words “bank” and “currency” have not been used, the Land Trust would provide some of the same services of those two institutions. U.S. Federal currency laws may be tricky to navigate. Upon widespread use of Land Trusts, central bankers will feel threatened and will most likely vigorously challenge Land Trusts.