**Was Manhattan Really Bought for $24?**

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One of the most persistent myths in American history is that European explorers really got one over on the Native Americans by purchasing the entire island of Manhattan—where property has averaged $1000+ per square foot over the last few years—for a measly $24 worth of beads and trinkets. It seems like the ultimate bargain, but the truth of the story is more complicated and murkier than that.

In the Dutch National Archives is the only known primary reference to the Manhattan sale: a letter written by Dutch merchant Pieter Schage on November 5, 1626, to directors of the West India Company, which was instrumental in the exploration and settlement of “New Netherland.” In the letter, he writes,

“*They have purchased the Island of Manhattes from the*

*savages for the value of 60 guilders.”*

There is a surviving deed for Manhattan and Long Island, but this was made well after this initial Manhattan purchase, when the Dutch had already living on the island for several decades.

ADJUSTED FOR INFLATION

Nineteenth century historians converted those 60 guilders to U.S. dollars and got what was then $24. That same figure has been repeated for almost two centuries since, frozen in time and untouched by changes to the value of currency—but those guilders don’t stand at $24 today. According to this [converter](http://www.iisg.nl/hpw/calculate.php) from the International Institute of Social History at the [Royal Netherlands Academy of Arts and Sciences](http://www.knaw.nl/), 60 guilders in 1626 was equivalent to 734.77 euros in 2011. The exchange rate to the US dollar varies, but a conversion as I’m writing this gets us $951.08 USD, which puts us more in the ballpark.

While $951.08 is less of a steal than $24, there are still some other confounding factors to the deal. For one thing, Schagen’s letter does not mention who actually made the deal with the Dutch or the tribe on whose behalf it was sold, and the deed for the land has been lost. Without confirmation from a primary source, historians are left to infer who the island was purchased from, and can’t seem to agree. A few accounts say that the Dutch got the wool pulled over their eyes, and bought the land from a group of natives that lived on Long Island and were only traveling through Manhattan. Coming upon the European rubes, they traded away land they had no claim to and continued on home with the Dutch loot.

Goods Are Good

Another detail that Schagen leaves out of his letter is what the Dutch actually used to make the purchase. He says only that they traded “for the value of 60 guilders,” but doesn’t specify if that was actual Dutch coins, native currency, food, or other goods. It certainly doesn’t mention any beads.

The purchase of Staten Island a few decades later has more surviving documentation, including the [deed](http://books.google.com/books?id=mgUMAAAAYAAJ&pg=PA393&lpg=PA393&dq=%2522indian+deed+for++staten+island%2522&source=bl&ots=axUtNbdJGM&sig=y_btrUGdz_zjC0UU56w0i_8x9Sk&hl=en&sa=X&ei=nfhhULDKBof40gH4u4HYAQ&ved=0CCYQ6AEwAQ%23v=onepage&q=%2522indian%2520deed%2520for%2520%2520staten%2520island%2522&f=false), which says the Dutch traded “10 boxes of shirts, 10 ells of red cloth, 30 pounds of powder, 30 pairs of socks, 2 pieces of duffel, some awls, 10 muskets, 30 kettles, 25 adzes, 10 bars of lead, 50 axes and some knives.” If the Manhattan trade was made with similar goods, the Native Americans got less shafted than legend implies, and received 60 guilders worth of useful equipment and what was high-end technology at the time.

Also missing with the deed or any additional documentation of the sale are records of any intangibles that might have been traded with the 60 guilders worth of whatever it was. Early Dutch settlements in the area were established to participate in fur trade with the natives, and whichever tribe made the Manhattan deal likely could have counted on the Dutch as trade partners and potential allies in the future, making the deal that much sweeter.

Sale or Rental?

One last thing to consider—which further complicates the story of the Manhattan deal—is the ideological difference between the Europeans and the Native Americans regarding the sale of land. The sale may seem particularly lopsided, even aside from the small price tag, because of the popular conception that the Native Americans didn’t think of the land as property or something that could be traded, and had no idea what they were getting into.

But that's not accurate.

“European settlers and early Americans misunderstood tribal economies and property rights," says Robert J. Miller, a specialist in American Indian law at the Lewis & Clark Law School, [in the Oregon Law Review](http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1154231).

"Even today, there seems to be an almost universal misunderstanding that the American Indian culture had and still have no appreciation or understanding of private property ownership and private, free market, capitalist economic activities. This mistaken idea could not be further from the truth.”

In reality, Miller says, American Indians were continuously involved in free market trade situations before and after European contact and, while most of the land that Indians lived on was considered tribal land owned by the tribe or by all the tribe’s members in common, almost all the tribes recognized various forms of permanent or semi-permanent private rights to land. Individual tribe members could, and did, acquire and exercise use rights over specific pieces of land (tribal and not), homes, and valuable plants like berry patches and fruit and nut trees, both through inheritable rights and by buying and selling.

In [Law in American History: Volume 1](http://books.google.com/books/about/Law_in_American_History_Volume_1_From_th.html?id=fDsHKydL67kC), law professor G. Edward White interprets the Manhattan “sale” from the Indians' point of view as:

“not relinquishing the island, but simply welcoming the Dutch as additional occupants.”

He thinks they “allowed the Dutch to exercise what they thought of as hunting or use rights on the island” and assumed continuing rights of their own, in which case the deal seems much better for the Indians than legend would have us believe.

QUESTIONS:

1. What is the only source we have to substantiate that this transaction actually took place?

2. According to 2011 calculations, how much money would the purchase represent today?

3. What story suggests the DUTCH may have actually been the ones who were ripped off?

4.  What does "for the value of 60 guilders" mean and why is there controversy over this statement?

5. What do historians suggest about the Indians and their beliefs in "private" ownership of land?

6. What other controversy surrounds whether the land was actually "sold" or "rented?"