

WHO SHALL OWN THE LAND?

Pope Leo contends, that, among all types of productive property, the land is most basic and most appropriately the object of private ownership. (Op. cit. par. 7-8.)

In the United States there has been a tradition of ownership and operation of farms by families. This tradition was made possible largely by the availability of free or cheap land to any family who would till it.

Today, much of our land is falling into the hands of non-farmers. Low farm income, inflated land values and interest rates and high taxes are among the causes of this trend.

STEPS TOWARD WIDESPREAD OWNERSHIP

1. Governments and private organizations should help young farm couples purchase land and equipment, particularly that of retiring farmers. Care should be taken, however, to assure units of sufficient productivity to enable a family to support itself. Improved farm income is necessary in order that more families can buy and retain ownership of land. Helping farmers improve their bargaining power is one of the most effective steps toward improved farm income.

2. Governments and private organizations should assist bona fide credit unions and cooperatives which give members shares in their stock and return profits to members through patronage dividends. Such cooperative organizations enable members to improve their economic resources, expand their ownership and gain valuable experience in economic affairs.

3. Federal Government guarantee programs should be launched to facilitate the flow of credit to low-income people to enable them to purchase newly issued equity securities (preferably in the companies with which they work) where the proceeds are thereupon invested in new, highly productive physical capital. Such new capital investments nearly always pay for themselves within a few years. They are inherently financeable. Hence, it is possible for a family to borrow money to purchase stock and to pay for it out of the wealth it produces, and thereafter enjoy a new source of income which it produces. The Governments' role would be to guarantee the loan as the U.S. Government now does in FHA home loans.

4. Encourage stock sharing agreements between management and labor, particularly deferred compensation plans.

5. Modify property and corporation profit taxes with a view to encouraging ownership by persons with limited financial resources.

We make these recommendations in very general terms, presuming that those who are seriously concerned will fill in details after study and debate. Doubtless, other proposals will result from such a study.

OWNERSHIP IN DEVELOPING COUNTRIES

The recommendations given above apply primarily to more developed countries such as the United States. However, similar issues are confronting the people of developing countries. They are being asked to sacrifice consumer goods in order that their nations' productive capacities can be increased. Unless the capital thus accumulated is shared by rank and file citizens, their future will be as bleak as their present.

In some developing countries there is a tradition of tribal ownership of property. This tradition can be harmonized with the norms for acceptable systems of ownership listed above. However, safeguards must be provided to prevent small oligarchies from depriving individuals and families of adequate income and a genuine voice in their economic affairs. Failure to do so may open the door to socialism or communism in these countries.

OWNERSHIP IN COMMUNIST COUNTRIES

It is noteworthy that, at the time when capitalist countries are re-examining their patterns of private ownership, many communist countries are modifying their patterns of public ownership. For example, in Eastern Europe today, the most efficient farms are the private plots of individual farmers and the democratically controlled cooperatives, not the large communes or the state farms. As ownership patterns in capitalist and communist countries become more similar, one of the causes of international strife is lessened.