WHO OWNS THE LAND?

This is the first of an occasional series of articles by Tribune reporter R. C. Longworth on the ownership of land in America. It explores the economic and political problems that arise from the concentration of enormous land holdings in fewer and fewer hands. Examined, too, is the startling absence of hard information on the precise number of landowners and why the nation lacks a land-use policy.

By R. C. Longworth

WE AMERICANS go through life impelled on statistics. Governments count us, credit companies rate us, professors watch us, pollsters catalog our moods. Daily and hourly, we are sorted, punched, spindled, coded, and filed.

But there is a gap in this mass of data and it's a big one. No one knows who owns America. City governments keep a block-by-block, house-by-house record of urban property ownership.

But outside the cities, lie more than 2 billion acres of American countryside—farms and forests.

By contrast, there is a single 6,000-acre farm near Odebolt, Iowa—the biggest and most important farm in the area—that is owned by a Detroit trucking executive named William O. Bridge. Bridge has owned the farm for a decade but has never moved to Odebolt.

And this, according to critics of the current pattern of U.S. land ownership, is the whole point.

THE STURDY, INDEPENDENT family farmer—the Grant Wood figure plying a hard but good living from his own soil—is a dying breed, they say. Instead, a huge and growing part of America is owned by giant corporations, unfeeling conglomerates and absentee landlords.

The critics argue that Americans—who have demanded for years that underdeveloped nations institute land reform—could use some of it themselves, for lots of good reasons:

* The U.S. Agriculture Department says we will need another 93 million acres in production by 1985 to meet our food needs. Instead, productive acreage has been shrinking by 1 million acres per year, largely because farms are sold to speculators and turned into subdivisions.

* Corporation farming leads to reduced competition which leads to higher prices. Four companies now control 50 per cent of U.S. cereal output. Cereal prices doubled in the last five years.

* Small farmers are being driven out. There are half as many American farms now as in 1950. And the death of every six small farms means the closing of one small-town business. Tennessee, the energy giant, farms 1.3 million acres for a subsidiary, J.I. Case, Inc.—not from nearby small-town tractor dealers.

* A concentration of land ownership means a concentration of political power, both local and national. Two former secretaries of agriculture have been directors of the Ralston Purina corporation. Corporate farms and mining companies literally rule whole counties in California, Appalachia, and elsewhere, controlling local taxing bodies and the rates they set. A single firm, American Association, owns 90 per cent of the coal reserves and 75 per cent of the land in Claiborne County, Tenn., and pays only 5 per cent of the county's taxes.

* Tax laws—especially regarding capital gains and inheritances—are driving families out of agriculture and encouraging corporate or absentee farming by permitting farms to be used as tax losses. In 1960, more than two-thirds of the 65,000 wealthiest persons reporting farm income...
But outside the cities lie more than 2 billion acres of American countryside—farms and forests, parks and wilderness, rivers and roads—and no one really knows for sure who owns much of them.

Of the nation’s 2 billion acres, the federal government owns 762 million, nearly 40 per cent, most of it in the West. This includes not only parks and public areas but vast tracts of land rich in minerals and timber, most of it leased to big corporations.

That leaves some 1.4 billion acres in private hands. The evidence indicates that a startling amount of it is owned by the same relatively few corporations.

But no one—reformers fighting for the family farmer, state and federal officials trying to collect taxes, agriculture experts planning price supports and other aids—can point to precise statistics.

“Who owns this land?” populist land expert Peter Barnes has written. “What are the social, economic and environmental consequences of present ownership patterns?”

“Few questions are more important for the future of America’s land and people, yet there are no government reports, and almost no academic studies, that provide adequate answers.”

The issue is receiving fresh attention now because of the controversy over the suspected purchase of American farmland and other real estate by foreigners—not only Arabs but West Europeans, Japanese, and South Americans—seeking a stable haven for their money.

Congress is demanding studies to define how much of America is in foreign lands. Some congressmen want laws to limit buying. The Agriculture and Commerce departments and the General Accounting Office all are probing the issue. Several Midwestern states have passed laws requiring disclosure of land ownership, largely because of the foreign issue, and a bill before the Illinois legislature would ban any ownership at all by nonresident aliens.

The outcry over foreign ownership may be a red herring. Government surveys, admittedly incomplete, indicate that foreigners own less than half of 1 per cent of American farmland. The Federal Reserve Bank of Chicago said foreigners accounted for less than 1 per cent of recent farm sales in its Midwestern district.

Iowa’s land reporting law, one of the best, noted that 800 acres owned by nonresident aliens last year included 2,000 acres owned by the Metternich family of Germany.

In 1960, more than two-thirds of the 67,000 wealthiest persons reporting farm income claimed net farm losses.

Abandoned land ownership is rife. Eighty per cent of Maine is owned by absentee landlords. A pilot study by the Agriculture Department in Virginia’s Rappahannock County found that 50 per cent of the county’s landowners lived outside its boundaries and only 5 per cent of the owners were primarily farmers.

According to available statistics, the eight largest energy companies own 5.6 million acres [larger than the total size of West Germany] plus leases on untold energy reserves—mostly on federal lands leased to them by Washington. This concentration gives them a lock on the nation’s energy future—not only in oil but in coal and uranium, too.

Ecologically, present policies often are disastrous. Absentee mining companies have stripped away whole landscapes. Short-sighted corporate farms have poisoned land with too many insecticides and chemicals.

Railroads were given 131 million acres—an area almost as big as California—in federal land grants in the 19th Century. The purpose was to encourage them to build lines west to open the nation up to settlement. The rules required the railroads to sell the land cheap to settlers. They were ordered to forfeit lands not used for railway building and forbidden to use the lands for mineral prospecting.

Despite this, the railways still hold an estimated 29 million acres—estimates of the exact amount vary widely—mostly behind the energy and timber companies as land moguls. The St. Louis & San Francisco Railway, for instance, owns surface or mineral rights to 14 million acres in Arizona and New Mexico, although it runs no trains there.

Santa Fe Industries, parent of the Atchison, Topeka & Santa Fe Railway, owns huge reserves of coal, uranium, oil, and timber in the West. According to company president John J. Schmidt, “We’re going to squeeze as much blood as we can from the turnip.”

“Ownership and control of the land has become more and more concentrated,” says Joseph Fugere of Rural America, a Washington-based group that turned up only 7,000 acres owned by nonresident aliens.
Sometimes these groups force action. National Land For People, Inc., representing small farmers in the Westlands Water District in California, filed a suit that resulted in a Carter-administration order that, if implemented, will return more than a half million acres of federally irrigated farmland to family farmers.

Among the corporations, an increasing number of landowners seek to sell their land. A Wyoming man took a mining firm to court in 1979 to try to stop a proposed strip mine. The company counterclaimed for $14 million and the man, outgunned, dropped his case.

THE SOLUTION lies in a national survey of land ownership by the federal government, with laws to guarantee cooperation among landholders. A National Conference on Rural America called for a "National Land Inventory" that would reveal ownership and also supply technical data on land use and potential.

"This is a matter of concern to all of us," Peter Barnes says. "It's a matter of environmental concern, a recognition of urban overpopulation, and the result of a multiplicity of holdings and a lot of people being ripped off."

But the first step has yet to be taken.

"Land is probably the most important resource we have," says Richard H. Lehman, a legislator from a California farming district, "and we do not have the necessary tools to find out who owns it."}

"This nation cannot have an urban policy without a land policy."

BUT BEFORE it can have a land policy, it needs firm land data.

"For example, if we want to know how a farm subsidy really affects a community, we need to know about the structure of land ownership," says Glen Wetherell of the Reppahamnock County survey.

Even in California, where most of the state's most vigorous public-interest research organizations operate, land information is hard to come by.

"No statewide compilation of who owns California's land," says Robert C. Feinman, writing in a Ralph Nader-sponsored report.

The California Public Utilities Commission keeps no formal records of land ownership by utilities, Feinman says. "Banks, savings and loan associations, and insurance companies have formed holding companies which enable them to enter into direct land speculation, ownership, and development in spite of laws designed to prohibit such activities on the part of corporate financial interests. The state departments designed to regulate these activities do not have adequate ownership information to deal with this problem."

Available statistics show that California's top 25 landowners—buying Southern Pacific Co., Tenneco, Standard Oil, and Delco—as well as 50% of the state's land. Actual holdings may be even greater.

THE SECURITIES and Exchange Commission requires corporations to report holdings of subsidiaries that bring in 10 cents or more of their gross income. But anything less than this is considered insignificant and escapes reporting rules.

Some of these subsidiaries can be agriculturally significant. Kaiser grows avocados, Dow Chemical raises lettuce. And RCA is a turkey farmer.

None of this information is necessarily secret, but neither is it generally known to the public. Most of it comes in bits and pieces from the work of Nader-type activists pouring over SEC records, assessing rolls, and legal documents.

Eastern land is one of dozens of groups around the nation trying to work a problem. Between them, they have come up with many of the statistics cited above.

But all are hampered by the same problem: lack of information. Rather, a lack of a broad, nationwide data base that could spur concerted action. The figures cited above are taken from 1979 studies. But they are not enough to form the basis of a new policy.

The U.S. Department of Agriculture has a recent survey that is now conceded to be incomplete and unreliable. The department is currently doing another national study. In every county in the nation, the size of their holdings, how they use the land, and other questions.

"But it's a voluntary survey," says J. Lewis, one of the experts at work on it. "It is not a legal way to force people to give information. I'm not very optimistic about our survey, tracking information on nonresident ownership or corporate ownership. It's not a way to get information on how the property is used."

Twelve states require regular reports on ownership, but they also lack the manpower to generate a comprehensive or to force reluctant corporations to cooperate. In Nebraska, spot checks indicated one-third of land holders failed to comply with state reporting laws.

"In Illinois, there is no law saying you have to disclose ownership," says Fred Luebke, director of the state department of agriculture. "You don't even have to record a deed. So it's up to the buyer to look out for himself, to find out who owns the land."

Land problems affect more people than farmers. A University of Alabama study has shown that one-fourth of that state's land is owned by major corporations, a number forcing thousands of small farmers onto the market for land and into overcrowded cities.

"This land problem is the root of our problem," says Washington lawyer Charles E. M. Rees, a former director of the American Liberty Union. "All this is displaced, the same thing crowds into the cities."

"Every liberal I know worries about housing, without thinking that this urban problem comes from..."