

This document is a preliminary probing of the vital subject it treats, that will indicate areas for further intensive analysis.

The first factor to be mentioned is that ownership of land is a basis for civic and economic power, and for acquisition of additional property, as well as a resource for making family income. Were church property acquired by suitable legal entities of black rural people, it could be utilized as an equity value -- perhaps -- in financing the acquisition of additional land as well as the improvement and operation of the first units of land received. We feel that this should be borne in mind throughout the development of a truly competent land program.

The private banking guide is that you can borrow an amount of money equal to 50% of the unencumbered value of property you already own. The guide in public and non-profit financing fields offers much higher borrowing capability. Sound judgment must, of course, also be used. We mention this at the outset because a problem exists these days in the fact that the productive value of farm land is often substantially below the price that must be paid to buy it.

This factor becomes a bad obstacle. Often, when a poor

farmer wishes to purchase a piece of land using Federal financing, the Federal agency can lend only the maximum production value, rather than the full amount needed for purchase. The difference -- or equity -- would have to be provided by the poor farmer, and he has no such money.

It is conceivable that some part of the church property, or of its value, might be utilized to provide equities for poor farmers to use in financing the purchase of other lands, or for other essential financing purposes in a significant land program.

We shall now move to a consideration of a legal pattern that could be employed.

#### Land Purchase & Leasing Associations:

A great deal of good thought has been given, over the recent decades, to kinds of land owning and transfer institutions that could be used for the benefit of the community and of its less advantaged people. One such institution, that has recognized merit, has been called a land purchase and leasing association. It is, in essence, a co-operative for the purpose of handling socially beneficial transactions in land.

For background, it must be remembered that the sound transfer of land is very important in any community. Much land is bought and sold annually. There has been no socially motivated

agency in most American communities to take advantage of this by moving ownership and rights to use land to people who desperately need it.

If a land purchase and leasing association is created, it may purchase land as it comes on the market and transfer or lease it in an orderly fashion to people who need it. It may also utilize property it owns as equity for borrowing money to purchase other land or for other beneficial purposes.

A bill narrowly missed being passed by Congress about eight years ago that would have authorized such associations in the U.S., capitalized their initial operations, and provided for covering their annual losses that were accrued from socially beneficial transactions -- such as selling land for its real value although it cost more, so the farmer would not be saddled with an impossible debt.

It is suggested, for present purposes of considering a church land program, that a local land purchase and leasing association might be created in each community where any substantial amount of church land could be transferred for the use of deprived black people, and that the initial ownership should then be vested in such associations.

An overall regional land purchase and leasing association would be created to handle the broader aspects of such a program; to establish basic policies and procedures; and to

provide the essential technical and professional services to the local associations.

The whole development would be regarded as one of growth and expansion in re-vesting ownership and possession of southern lands in poor black people, and other lands and resources than those of churches would be included in the purview. A base structure would be developed that could receive and utilize other resources from many sectors. The aim would be to use the church resources as "seed" items in mounting a truly significant land program, making each dollar of value get ten more.

The local associations would handle the aspects of land improvements, clearing, water developments, home and civic building, farm management assistance, procurements of essential public services and credits, etc. -- always being backed up by the regional association.

It should be emphasized that good leases are often better for the family than an acquisition until the family is fully prepared to handle the responsibilities of ownership. Leases with options to buy, during an improvement interval, may be useful.