

Outside the BOX: Two birds, one stone and the Homestead

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My grandmothers nearly always couched their sage advice in the form of stories. When it came to problem-solving strategies, it was almost certain that the image of two birds and a single stone were going to be brought into the discussion. Perhaps it was their experiences during the

Great Depression or just plain wisdom born of common sense, but they believed that if you were going to go to all the time and trouble to tackle something big, you should try to maximize your effort and achieve favorable outcomes in several areas at once.

The birds

Ask any young person seeking to enter into production agriculture or any business that requires access to real estate about the constraints they face, and at the top of the list will be the price and availability of land and infrastructure. Pose the same question to business owners who want to expand their enterprises and their likely response about the forces constraining them will be focused on uncertainty related to government deficit spending coupled with weak domestic and global economies that cannot find firm footing.

The underlying cause of the hesitation to assume the risk of expansion can be tied to a growing disconnect between the effectiveness of the private and public sectors. Consider the state of our Union — unrestrained spending has led to a growing debt load without growing the capacity to service it, our investment portfolio is weighted too heavily with equities, and instead of creating wealth and opportunity, enthusiasm of potential and current business owners is at low ebb. However, a quick look at the balance sheet clearly shows that our enterprise — the United States of America — is land rich and cash poor.

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Thus there are two birds: Poor access to land and infrastructure for the next generation and an economy dead in the water largely because of massive government debt. Fortunately there is also a stone: privatization.

Update the Homestead Act

According to a Jan. 11, 2014, article in *The Economist*, government-owned hard assets such as land, buildings and natural resources across the 34 nations of the Organization for Economic Cooperation and Development totals \$35 trillion in value. The federal government in the United States alone owns more than one million buildings, has holdings equal to about 20% of the nation's total land mass, and energy reserves that, if developed, would free American citizens from dependence on foreign oil.

At the same time, agricultural land values have nearly doubled in the past decade, thus creating a significant barrier to entry for young people who desire to make a living from farming and ranching.

I have long pondered that it makes sense for the federal government to sell

Act of 2014

assets to reduce, if not eliminate, the debt burden; improve credit worthiness; and reduce operational and maintenance costs. Done correctly, privatizing government assets would not only make manageable the national debt, but could serve as a springboard of economic opportunity for the next generation of entrepreneurs.

Despite all the complications and emotions that rethinking our position will bring, now is the time for a discussion about privatization to come to the forefront. Our children and grandchildren cannot prosper under current conditions, and we owe the next generation better than we are delivering today.

Clearly this will not be an easy process; it will require the establishment of boundaries created through thoughtful rule-making. No doubt there are federal assets that should not be part of the bargain — strategic defense infrastructure, the National Parks, etc. At the same time, ownership should be limited to citizens of the United States with deed restrictions enforced through perpetuity designed to protect our sovereignty. The transition from public to private ownership would also open the door for young people to gain access to critical infrastructure capacity. Not since the Homestead Act have we had the opportunity to empower so effectively a generation of innovators and entrepreneurs, and the long-term benefits are nothing short of phenomenal.

We will not all like all of the new owners. However, with the correct mix — private individuals, family businesses, nonprofits and publicly traded entities — then a state of balance will emerge. As a society we have learned a great deal about our obligation to effectively blend short- and long-term needs, and the next generation of land and natural resource managers has a deeply held commitment to the principles of stewardship that will allow them to leave the world better than they found it. Recreation, conservation, habitat enhancement, and out-of-the-box thinking would blend with conventional uses to create a more vibrant economy.

The solution is before us and the opportunity to strengthen communities, invigorate the economy and create sustainable productive landscapes while rescuing the solvency of our government should provide the resolve required to make good on the American dream.

The Economist article can be found at www.economist.com/news/leaders/21593453-governments-should-launch-new-wave-privatisations-time-centred-property-9.



Editor's Note: Tom Field is a rancher from Parlin, Colo., and the director of the Engler Agribusiness Entrepreneurship Program at the University of Nebraska.

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