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The Future of Federal Land Use Purchase Projects in South Dakota

L. Grover

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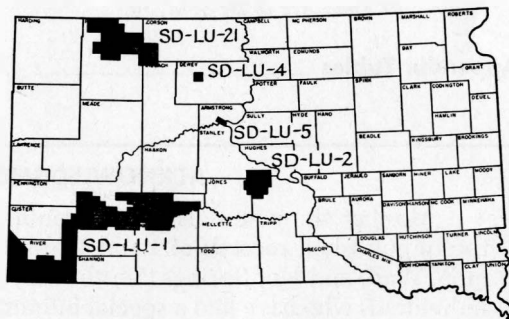
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THE FUTURE OF

federal land use purchase projects

IN SOUTH DAKOTA



AGRICULTURAL ECONOMICS DEPARTMENT
AGRICULTURAL EXPERIMENT STATION
SOUTH DAKOTA STATE COLLEGE, BROOKINGS

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THE FUTURE OF

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IN SOUTH DAKOTA

LOYD GLOVER¹

Background

Introduction. From 1933 to 1942 the federal government purchased 806,973 acres of land in South Dakota for the purpose of adjusting their agricultural use. These lands are administered under Title III of the Bankhead-Jones Farm Tenant Act and are popularly referred to as LU (Land Utilization) or Title III lands.

Since 1942 additional lands were acquired by the U. S. Department of Agriculture through exchanges and through transfers from other public agencies. As of January 1, 1957, there were 870,343 acres in South Dakota administered under Title III by the Department of Agriculture. These lands are being used by many reasonably satisfied small-scale ranchers. The advisability of the return of the LU lands to private ownership has been debated for a number of years, and South Dakota stockmen are understandably concerned about the resolution of this issue.

It is hoped a better public understanding of the original purchase

and of subsequent management policy for the LU lands will result from this publication. The purpose of this publication is to state as objectively as possible the issues regarding Title III lands and to present all the facts currently available which bear upon these issues. It is hoped that future proposals for disposition of these lands will be based on a better understanding of the conditions which brought about their purchase, and on an understanding of the problems of administering them in a way which will carry out the original purpose for their transfer to public ownership. This publication does not intend to be a brief for maintaining the status quo, but it does seek to point out interests and rights to be considered in any change of status for the LU lands.

To understand the federal land purchase program of 1933-42, one must have knowledge of the settlement of the Great Plains and the pattern of land ownership and land use which developed in that region.

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For that reason a brief review of the settlement of western South Dakota and the development of conditions leading to the federal purchase in that area will be presented.

Development of Agriculture in the Great Plains. Every new agricultural area has to go through a period of experimentation to determine the most profitable use for land being opened up for agriculture. Rainfall, temperature, soils, markets, prices, and costs of production all influence the choices of land use which will be made. South Dakota is young, agriculturally speaking, and many areas within its boundaries have never really developed a set pattern of land use. In fact, the pattern of land use for the entire Great Plains has been particularly vulnerable to changes in climate, prices, and technology.

This vulnerability of Great Plains agriculture is due to its being a transitional area between two major land uses—farming and grazing. There is no clear-cut dividing line between the two uses. On the eastern border of this region, crop farming is likely to give a higher return than grazing; on the western edge, grazing is likely the more profitable use. In between is a wide “marginal” area which may employ almost any combination of farming and grazing—the actual combination depending on soil, moisture, prices, costs, and technology.

In the first settlement of this marginal or transitional area, settlers pushed cultivation too far west, and disastrous crop failures resulted.

These crop failures, plus low prices and improved technology, led to much of this land being referred to in the 1930's as “submarginal land,” meaning that it was unprofitable for cultivation. The poverty, suffering, and distress which developed in these areas in the 1930's led to many emergency relief programs to remedy the situation.

Federal Purchase of Submarginal Lands. One of the programs adopted, which proposed to get at the roots of the problem by adjusting the use of this land, was the submarginal land purchase program of the federal government. The purchase of submarginal lands was first authorized under the National Industrial Recovery Act in 1933 and was extended by a number of subsequent acts. Most of the area purchased was in the Great Plains, although there were numerous small purchases throughout the remainder of the United States.

These purchases were made in areas where cultivation of the land had been unsuccessful due to climate or soil characteristics. The land purchased was put into uses more adapted to the soil and climate. These uses included grazing, forestry, recreation, and wildlife refuges.

Land Use Purchase Projects in South Dakota. In South Dakota land was purchased from 1934 to 1942, most purchases being west of the Missouri River. The single exception was a small purchase-area in Sully County. Five projects were outlined in South Dakota and were

given the designations of SD-LU 1, 2, 4, 5, and 21. The location of the South Dakota purchase projects are as follows (also see figure 1):

SD-LU 1: The Badlands - Fall River Project. Included in this project as of January 1, 1957, were 580,-896 acres of public land located in the counties of Pennington, Jackson, Custer, and Fall River. For purposes of local administration, this project is divided in two, with the Fall River-Custer area being administered from Hot Springs and the Pennington - Jackson area, which surrounds the Badlands, administered from Wall, South Dakota. This was the first land use purchase project in South Dakota and one of the first in the nation. There has since been considerable exchange of land between the LU projects and the Badlands National Monument.

SD-LU 2: South Central South Dakota Project. This project includes 115,819 acres of public land located in Lyman, Jones, and Stanley counties. It is administered

from Ft. Pierre. The selenium problem in the area was a factor in the establishment of this project.

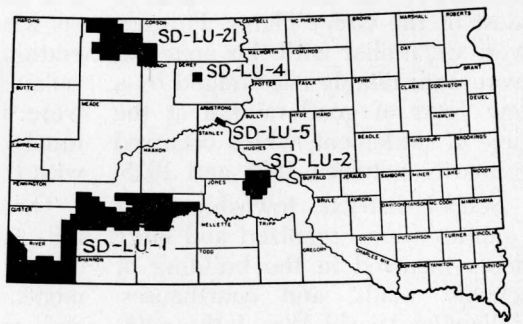
SD-LU 4: Little Moreau Project. This small project is located in Dewey County and contains only 3,304 acres. It is administered by the city of Timber Lake as a game and recreational area.

SD-LU 5: Ft. Sully Project. This was a small purchase area in a peninsula of land formed by a bend of the Missouri River in Sully County. Some of this land will be flooded by the Oahe Reservoir. It contains 14,-896 acres, some 11,500 of which will eventually be administered in connection with the Oahe Reservoir Project. At present this project is directly administered by the Black Hills National Forest.

SD-LU 21: The Perkins-Corson Project. Located in counties of the same name, this project contains 155,428 acres of government land. This was the last project organized in South Dakota and one of the last ones for the nation. It is administered from Lemmon, South Dakota.

Figure 1. Land Utilization projects in South Dakota (Title III Bankhead-Jones Farm Tenant Act, July 22, 1937). Source: Map of Land Utilization projects compiled by U. S. Forest Service, July 20, 1954.

- SD-LU-1 Badlands-Fall River
- SD-LU-2 South Central South Dakota
- SD-LU-4 Little Moreau
- SD-LU-5 Fort Sully
- SD-LU-21 Perkins-Corson



History of the LU Lands. The LU lands of South Dakota are some of the poorest areas in the state. Before the homesteader reached these areas, ranchers were using this land on a trespass basis. Areas located near water were grazed heavily, while many areas without water were not used at all. During that period, access to water was the key to control of the surrounding land. Because the rancher had no legal means of getting control of sufficient range land for efficient ranch operations, he had to concentrate on control of access and of water supplies.

But the homestead laws upset this precarious degree of control and the farmer was allowed to settle any unreserved portion of the public domain. Homestead laws required that a permanent residence be built and that a certain portion of the land be farmed. The first homesteads were 160 acres in size. Later, in 1909, 320 acres were allowed, and then, in 1916, but too late for most of this area, it became possible to homestead 640 acres under certain circumstances.

The result of the homestead laws was a much too dense settlement of most of the Great Plains. Farmers were unfamiliar with this area and were unjustifiably encouraged by a few years of good rainfall at the time of settlement, which occurred primarily between 1905 and 1915.

School districts, townships, and counties were organized and large debts incurred in the building of schools, roads, and courthouses. Following World War I the com-

bined effects of low prices, high taxes, and declining crop yields began to be felt. Property valuation declined, crops failed, population declined, and tax delinquency became prevalent. The situation deteriorated so gradually during the 1920's that it gained little attention. However, in the following decade prolonged drouth, depression, and technological developments combined to aggravate seriously the situation. As a result the whole nation became aware of the need for some remedial action.

Many farmers in western South Dakota found themselves stranded on uneconomical farms, heavily in debt, and with no reserve of capital or credit to expand their operations to economical proportions. Many tracts of land were abandoned; some were foreclosed by loan companies which later became bankrupt. The counties took some land by tax deed, and the state foreclosed on some which had been financed under the South Dakota Rural Credit Program. Land titles became confused through delinquent mortgages, absentee ownership, tax liens, and abandonment. The remaining settlers and ranchers who wished to expand their operations could gain control of only isolated tracts of land. Large areas were used, and abused, by the rancher who was first on the land with the most livestock.

The farm and ranch situation was reflected in a number of very serious problems for local governments. The debts of school districts and counties became larger and

Table 1. Tax Burden and Delinquency on the Badlands-Fall River Project Area at Time of Federal Purchase

County	Rural Real Estate Taxes, % Uncollectible	Percent of Land Subject to Tax Deed	Land Under Federal Option in 1934-35		Taxes on All
			% of 1930-32 Taxes Unpaid	Unpaid Taxes, Cents Per Acre	Rural Land, Cents Per Acre
Custer	---	---	---	33	15
Fall River	42 (1938)	29 (1938)	48	27	24
Jackson	52 (1935)	21 (1935)	56	80	19
Pennington	40 (1934)	---	51	43	19

Source: Unpublished reports from the project office.

more burdensome. Tax receipts declined, as did property valuations, while tax delinquency increased. County governments had no desire to become owners and managers of rural land. They tried desperately to keep the land on the tax rolls and frequently refused to take a tax deed to land unless they had a definite purchaser in sight. There was, of course, considerable public feeling against county foreclosure or tax deed action.

Table 1 presents data on tax burden and delinquency from selected counties where federal purchases were made. These indicate the critical nature of the whole fiscal problem. The last column of the table shows the range of taxes from 15 cents to 24 cents per acre. At the same time, land taken by tax deed was being leased by the counties for amounts ranging from 2½ cents to 7 cents per acre.

Another view of the situation can be gained by looking at the ownership pattern in a project area prior to purchase. Table 2 shows the acres owned by each class of owner in the Perkins-Corson Project area

just before purchase. The figures showing the quantity of county, state, and federal land and the proportion of nonresident owners are significant when we remember that only 20 to 25 years had elapsed since settlement of the area. Nearly 30 percent of the land area was in public ownership under federal, state, and county jurisdictions. Most of this land had reverted from private ownership through tax deeds and foreclosures (county and rural credit lands). Of the area still

Table 2. Ownership of Land Before Government Purchase, by Class of Owner, (Perkins-Corson Land Utilization Project, 1937)

Classification of Ownership	Acres	Percent
Public Domain	1,135	0.2
Federal Land Bank	10,167	2.1
Indian Land	9,952	2.0
State School Land	31,548	6.4
County	48,047	9.8
Rural Credit	56,762	11.5
Total Public Land ..	157,611	32.0
Private Nonresident ...	154,749	31.5
Private resident	167,122	34.0
Corporation	12,629	2.5
Total Private Land ..	334,500	68.0

in private ownership 70.8 percent was tax delinquent. Thus, there was considerable evidence that drastic adjustment measures were warranted in these areas. It appears that under one-half of the land was in units capable of carrying themselves financially.

In the meantime, overgrazing and soil erosion, especially wind erosion, were doing serious damage to the lands of the region. As a result of these conditions, there was strong demand for adjustment and control of land use in many areas of the Great Plains. The county commissioners of Pennington County expressed their approval of the government purchase program, aimed at this adjustment and control of use, in the following resolution:

WHEREAS, The Land Policy Section of the Program planning Division of the A.A.A. are desirous of purchasing Sub-Marginal land in Western South Dakota, and

WHEREAS, the county has acquired by tax deed the ownership of a great deal of Sub-Marginal land in Pennington County, South Dakota, which is of questionable value and which land is non-productive,

NOW, THEREFORE, BE IT RESOLVED that the Board of County Commissioners of Pennington County, South Dakota, will cooperate to the fullest extent of their ability and is permitted by law, with the Government in perfecting their program of purchasing land in Pennington County, South Dakota

Dated this 9th day of November, 1934

There were some exceptions to the general unanimity of public approval for the purchase program. In some areas the foreclosure of Rural Credits land by the state and tax deed action by the counties was carried out in anticipation of federal purchase. These actions are always unpopular and the federal purchase program was sometimes blamed for the foreclosures.

In addition, there were some individuals who opposed any form of public ownership of land or public interference in the economy. However, for most of the individuals involved, the seriousness of the situation justified some radical government action. Unquestionably there would have been equal criticism of the government had it chosen to do nothing.

The barren wind-eroding farm pictured below is typical of many purchased by the federal government in South Dakota from 1934 to 1942 in its submarginal land purchase program. These farm buildings have been removed and the cropland seeded to permanent grass.



Federal Purchase as a Means of Land Use Adjustment

The foregoing description of conditions on the so-called submarginal lands of the Great Plains is included for the purpose of placing the federal purchase projects in their proper perspective. It is unfair to judge the federal purchase of these lands with reference solely to today's conditions. The United States has generally followed a policy favoring private ownership of land and resources, except where the public interest clearly dictates otherwise. Lands reserved for public ownership include the national forests, national parks, dam and reservoir sites, and wildlife refuges. Most of the land in these categories was public land reserved against private ownership in the public interest. However, in some circumstances public purchase of private lands has also been deemed to be in the public interest, especially for increasing the national forests east of the Mississippi River.

Justification for Purchase. On what basis could federal purchase of the submarginal lands be justified? These purchases were not made because the land was valuable for a certain use, nor because it was multiple use land. Acquisition was made primarily because of private misuse of the land, resulting in rural poverty and inadequate farm units. The following situations appear to be ones under which our society would sanction public purchase and ownership of what we have been calling submar-

ginal land, or lands misused under private ownership.

1) Clearly if there is no profitable private use of land, even under the best known type of management, then a case could be made for public purchase. However, most of the submarginal lands did not fit this category, because they did have a profitable private use, such as grazing or forestry.

2) If private ownership constitutes a serious hazard to surrounding areas, then such lands are generally eligible for public acquisition. This would apply to certain mineral lands where operations were polluting streams or causing other serious erosion; and it also would apply to cut-over land that might constitute a fire hazard to surrounding forests.

3) If the profitable private use of land depends on rapid depletion of their productivity, then the public interest may be best served through government purchase and ownership.

4) these last two points (4 and 5) are the most debatable and also the ones most applicable to the submarginal purchase program. When land has been put to too intensive use, frequently the obstacles to restoring them to more extensive uses are insurmountable under private ownership. Population tends to become immobile, lacking the resources to locate elsewhere. Institutions become fixed on the basis of the relatively dense population.

Government organization, schools, roads, and public services do not lend themselves to gradual contraction with a reduction in population. When shifted to a less intensive use, such as from cropping to grazing, certain lands may not be productive enough in the new use to pay these high social costs, thus, preventing adjustment under private ownership. Resettlement of a portion of the population would be a factor in land use adjustment of this nature and would require public assistance and direction. Society generally must be forced, by economic or other forces, to make painful readjustments of this nature.

5) The land may have been abused under private ownership and require a lengthy period of rebuilding. It may be land which invites abuse through prospects of short-run gains by cropping, overgrazing, or overcutting of timber. Such land requires some rebuilding and controlled use when the rebuilding is completed. It also may require removal and resettlement of part of the population. Readjustment of use under these circumstances appeared to warrant federal purchase in the 1930's and was part of the justification for the LU projects in the Great Plains.

In addition to these points there were other factors which entered into the rationale of federal purchase of land for the LU projects. The poverty and distress in these areas called for immediate attention. Many of the families involved had been on relief for considerable periods of time. The Works Proj-

ects Administration was looking for ways to provide employment for these people. The land purchase program had the special virtue of channeling money to many of these people through payments for their land and through a considerable amount of employment which was provided in removal of buildings and fences from the project, building new fences, and developing water facilities and recreational areas.

Another feature of the LU projects sometimes pointed out in justifying their creation was their demonstrational value. By exhibiting proper land use to the surrounding farmers and ranchers it was hoped that these improved practices would spread much beyond the borders of the projects. The success of the program in this respect has never been measured.

Development of the Purchase Program. The original LU lands were purchased under authority given to the President under the National Industrial Recovery Act of 1933 and the Emergency Relief Act of 1935. The funds made available under these two acts expired June 30, 1939. Under these provisions, 9,091,570 acres of land were purchased in the United States at a cost of \$46,277,273. Title III of the Bankhead-Jones Farm Tenant Act (1937) extended the land purchase program, and stated clearly for the first time in a public statute, the purpose of this program of land purchase. It stated that the Secretary of Agriculture is:

... authorized and directed to develop a program of land conservation and

land utilization, including the retirement of lands which are submarginal or not primarily suitable for cultivation, in order thereby to correct maladjustments in land use, and thus assist in controlling erosion, reforestation, preserving natural resources, mitigating floods, preventing impairment of dams and reservoirs, conserving sub-surface moisture, protecting the watersheds of navigable streams, and protecting the public lands, health, safety and welfare.

Executive Order 7908, June 9, 1938, blanketed all previously acquired land under Title III of the Bankhead-Jones Act, thus giving it "Bankhead-Jones" status. No funds were requested for land purchase after 1942, but land transfers and exchanges continued after that date. As of January 2, 1954, the total land acquired by the U. S. Department of Agriculture through purchase, transfer, or exchange was 10,086,000 acres.

It was emphasized that public acquisition was not the end or goal, but one of several means toward an end, namely, more efficient use of the land. Public acquisition was to be used only where other means were inadequate alone. Actual purchases were made in areas where other conservation measures could be combined with public acquisition to bring about the desired adjustment in land use. The act limited purchase to "poor" land, which eliminated acquisition of lands temporarily being misused. While a large percentage of the acres purchased in the Great Plains were grasslands, these lands were usually included in units which had some cropland also. The entire farm or ranch unit was purchased

in each case, since the objective was to remove settlers and consolidate grazing land into more efficient operating units.

Choice of areas to be purchased began with what was called "definition of a 'problem' area." A special section within the Resettlement Administration, with corresponding sections in each of its 12 regional offices, was created. Land use specialists attached to the regional offices in cooperation with the agricultural experiment stations in each state, as well as with state planning boards, state conservation commissioners, and other agencies concerned with land, chose the most critical areas in each state.

Before final decisions on the development of the projects were made, the economic status of the occupants of the land, the conditions of the soil and native vegetation, including forest resources, and the need of the land for public purposes were considered. They explored the area's relationship to nearby towns and cities, to local public opinion, and to the attitude of various state official agencies. Special consideration was given to the possibility of relieving unemployment by the development of such a project, and to the cost of the land.

When a specific project was selected, it was placed under the immediate direction of a project manager. The work that was done on the project then depended on the problems of the region where the project was located. Although,

in terms of acres, most of the land in these projects was located in the Great Plains, there were many projects throughout the remainder of the country, and the problems were different in different areas. In most cases, however, there was first the job of removing the surplus operators and disposing of their buildings and fences. From there on the work depended upon the use which was to be established on the land. Many of the smaller projects outside the Great Plains were organized largely for purposes of demonstration. Some of the land was seeded to grass, dams and other erosion-control devices were placed, recreational areas were constructed, and selected areas were forested.

Original Disposition of the Purchased Land. Not all of the federally purchased land was administered in projects such as the five land use projects in South Dakota. Some purchases were for the National Parks system, the National Forests, Migratory Waterfowl Refuges, Indian reservations, and military installations. The Badlands National Monument and South Dakota Indian reservations acquired additional land during this purchase period from 1933 to 1942.

The purchase-areas which were

to be administered in land use projects at first were placed under the Resettlement Administration, which later became a part of the Farm Security Administration. From 1938 to 1953 they were administered by the Soil Conservation Service and in 1953 were transferred to the Forest Service, the present administrator.

Authorization to sell the lands to private owners has never been given except in Mississippi. Apparently it was intended that these purchased lands remain indefinitely in public ownership. There was some opinion that these lands, if allowed to return to private ownership, would again attract settlers who would attempt to crop large areas.

The purchases were in no way exhaustive. The Soil Conservation Service estimated in 1939 that there were 86,000,000 acres in problem areas in the United States that probably should be acquired, which means only about one-ninth of the eligible area was actually purchased. As a result many of the projects consisted of only a few thousand acres in an eroded or blighted area, with the main purpose of the project being to demonstrate proper land use to the surrounding area.

Administration of LU Projects in South Dakota

When the government undertook the establishment of land use adjustment projects, it was pioneering in a new phase of public land administration. Many of the problems faced on the LU lands had never been encountered on the other public lands. The government had previously purchased land for the National forests, for Army and Navy use, and for numerous special and miscellaneous uses. However, in none of these were there any wide-scale resettlement and rehabilitation problems involved. The problems were considerably different with the LU lands because of the different purpose for which they were acquired.

Nature of the Administrative Problem. The land acquired consisted of scattered tracts within a designated project area (see figure 2). Tracts which appeared to be satisfactory ranch headquarters were generally not purchased. The small farms, rough land, and certain key tracts for control of access and water appear to have made up most of the purchases. All sales were voluntary. In some cases, county and state land was purchased. The proportion of the land within the project area which was purchased differed in each case. It varied from 30 percent in the Perkins-Corson Project to 47 percent in the Central South Dakota Project.

Thus, the government came into possession of scattered tracts of land that had previously been in

private ownership. Most of this land had improvements and had a portion of its acreage plowed for crops. It consisted mainly of small tracts of poor land. The shaded area in the map of the Perkins-Corson Project (figure 2) shows the character of the purchases in that project. In other projects the purchases were even more widely scattered. Because the purchased land was mixed in with private land, each was more or less dependent on the other for the most efficient use.

Resettlement of Families and Social Adjustments. After acquisition, the first problem faced by the government was that of resettlement of those whose homes were purchased. Since all the sales were voluntary, the resettlement problem was largely avoided. Had families been evicted by forced sales, then resettlement would have been more unquestionably the government's responsibility. As it was, only the worst hardship cases were given resettlement aid. Many others were given employment on the project removing buildings and fences and building dams and recreation areas. Table 3 shows that 481 of a total of 1,190 operating units were removed by purchase in the South Dakota projects. This represented approximately a 40 percent reduction in farm families in the project areas.

With removal of so many families from these communities, there were naturally some social repercussions. Most affected were the school dis-

tracts, a number of which closed as a result of the purchase. Grouping tracts into community or group pastures in conjunction with the purchase made it possible to abandon many miles of roads.

The closing of schools, and abandonment of roads brought some savings to local government. Table 3 includes data on the number of schools closed and miles of road abandoned.

Mention has been made of the removal of buildings and fences from the purchased land. One rea-

son for this action was to remove the hazard of squatting and the likelihood of the same small farms again attracting settlers. Other adjustments were the building of new fences around the consolidated pastures, building water facilities and fire guards, and reseeding cropland to grass. The number of these developments completed by 1943 is shown in table 3. Further work has been accomplished since that time, but primarily by the grazing association, as federal funds for those purposes decreased.

Table 3. Adjustments Made and Major Developments Completed, South Dakota Land Use Purchase Projects, August 1943

Project	Number Operating Units				Number Schools Closed	Miles Road Maintenance Discontinued	Major Developments Completed*			
	When Project Started	Removed by Purchase		Removed Other Reasons			Now	Acres Seeded	Dams & Dug-outs Constructed	Miles Fence Built
Badlands-Fall River, Hot Springs	360	142	9	209	14	58	8,369	93	116	
Badlands-Fall River, Wall	313	146	17	150	12	77	16,586	106	160	
S. Cent. S. Dak., Ft. Pierre	123	48	7	68	9	20	9,230	43	194	
Perkins-Corson, Lemmon	375	126	36	213	13		19,109	33	210	
Ft. Sully, Ft. Pierre	13	13			1			4	5	
Little Moreau, Timber Lake	6	6						2	11	
Total	1,190	481	69	640	49	155†	53,294	281	696	

Source: Unpublished data, S. D.-LU 1 Office, Wall, South Dakota.

*Work reported here is as of December 31, 1942. Additional developments have been completed since then. Other development work included repair of wells, construction of fireguards, taking down buildings, removing old fence, etc.

†This figure does not include maintenance discontinued on the Perkins-Corson Project; however, it is known that a considerable mileage of township roads has been abandoned in that project.

Establishment of Controlled Use Through Grazing Districts.² Establishment of controlled use of the newly acquired land, without minute supervision of each tract, was the major administrative problem. To work out a lease for each separate tract would have been a job of considerable magnitude, and would have placed upon the government the responsibility of deciding which operator was to get which tract. In addition, the supervision of the land and enforcement of the stocking agreement would have increased the administrative burden.

It is understandable, then, that an effort would be made to deal with a group instead of individuals in leasing the land for private use. Cooperative grazing associations or districts, a form of group tenure for the control of grazing land, were adopted from the beginning as a partner in the administration of the LU lands. There are still some isolated purchases handled by direct leases to individuals, but most of the land is administered through cooperative grazing associations. In some cases in other Great Plains States, the local organization used is the soil conservation district in place of a cooperative grazing association.

Example: Perkins-Corson Land Use Project. The procedure followed in the administration of the LU lands can be illustrated by reference to the Perkins-Corson Project. This project was in the process of organization during 1939 and 1940. The first annual report available for the project is for 1941.

The Grand River Grazing District was organized in 1940 to lease and administer the "community pastures," established with blocks of government-acquired land in Perkins County. The area in Corson County was not at that time within a grazing district and was being leased directly to individual operators.

The government leases, in nearly all cases, contained certain restrictions for use of the land. The primary restriction was that the land be used only for grazing and that the grazing be limited to a specified number of animal units and for a specified number of summer and fall months. The government retained a project manager to supervise the over-all administration of the project, assist in the development of improvements on the land, and determine the condition of the range for making recommendations regarding its use. The grazing district maintained the improvements, checked for trespass, granted grazing permits, and generally supervised the summer grazing on the government-owned land.

The 1941 report of the project indicated that the community pasture had worked out successfully the first year but that certain management and administrative problems had arisen. Since these problems are rather typical for LU projects, a consideration of them follows.

²Grazing districts are a means, provided by state law, whereby ranchers can rent, lease, own, or control land as a group rather than as individuals. They are used primarily in connection with the leasing of government grazing lands.

Isolated Tracts of Private Land.

Perhaps the major problem, at that time, resulted from the isolated tracts of land still privately owned and located within the community pastures. The report stated:

The purchase of 2 additional tracts of 80 and 320 acres each will be necessary for important development work. Further land purchases should be made to protect the land use adjustments carried out to date. Two tracts of private land, 320 acres each, should be included in this purchase. One tract has a set of buildings with a small acreage of cultivated land. The other tract includes 160 acres of cultivated land. Both tracts are in the pasture and will attract "squatters."

County Land. The county lands remaining in the project area were also of considerable concern to the grazing district and the project conservationist. The county - owned lands included three blocks of approximately 1,000 acres each, including 480 cultivated acres.

The policy of the county was to sell land whenever possible, and the tracts held within the project were large enough to attract buyers, though not large enough to be self sufficing. Hence, the project conservationist recommended that these tracts also be purchased. There were several other county-owned tracts of approximately 160 acres each and totaling 9,600 acres scattered throughout the pastures; but these were not large enough to attract buyers, and it was believed they could be handled by the district.

The danger which prompted the concern regarding these lands was that they might be purchased by

someone not interested in cooperating with the grazing district. The purchaser might expect to crop the land, or to graze so many head of livestock that trespass on the government land would be inevitable. Because none of the blocks were ample for self-sufficing units, it was considered imperative that they remain under the control of the district for proper utilization.

Control of Non-Federal Land.

Government purchase ceased after 1942, and the isolated tracts of county and private lands remained a problem. In the early years, the grazing district encouraged its members to buy up these isolated tracts of land, and several of them did purchase a few tracts.

Members who did this were given free grazing permits based upon the carrying capacity of the land they purchased. In recent years, the district itself has purchased land which it decided was essential to proper management of the district-controlled lands. The purchases were almost exclusively of county tax-deed land. The relationship of these private purchases to the government land in four townships of the Perkins-Corson Project is shown in figure 3.

The lands administered by the Grand River Cooperative Grazing District in 1954 are classified according to owners in table 4.

The last two classifications are land within the community pastures for which the private owners or leasees receive free grazing permits.

One of the reasons for turning administration of the Title III lands

Table 4. Lands Administered by Grand River Cooperative Grazing District Classified According to Owners

	Acres
Title III lands (government purchased)	153,953
Public domain	959
District owned	9,858
School land leased by district	960
Privately owned and leased by district	1,240
Total non-federal land owned and leased by the district	12,058
Local operators' privately owned	11,853
School land leased by local operators	2,640
Total	181,463

Source: Unpublished records of the Perkins-Corson Project.

over to a grazing association was that it constituted a means of extending the land use control beyond the boundaries of purchased land. The grazing association was expected to acquire, usually by lease, considerable land in addition to the Title III lands. Section D-5 of the lease agreement drawn up by the Soil Conservation Service and the Grand River Cooperative Grazing District in December, 1950, reads as follows:

The District will make efforts to obtain control of other lands within the boundaries of the project which are essential to the establishment and maintenance of a sound land use program in the District. Such lands will be administered by the District under the *same rules, policies, and procedures* as the Title III lands, insofar as applicable. (*Italics supplied.*)

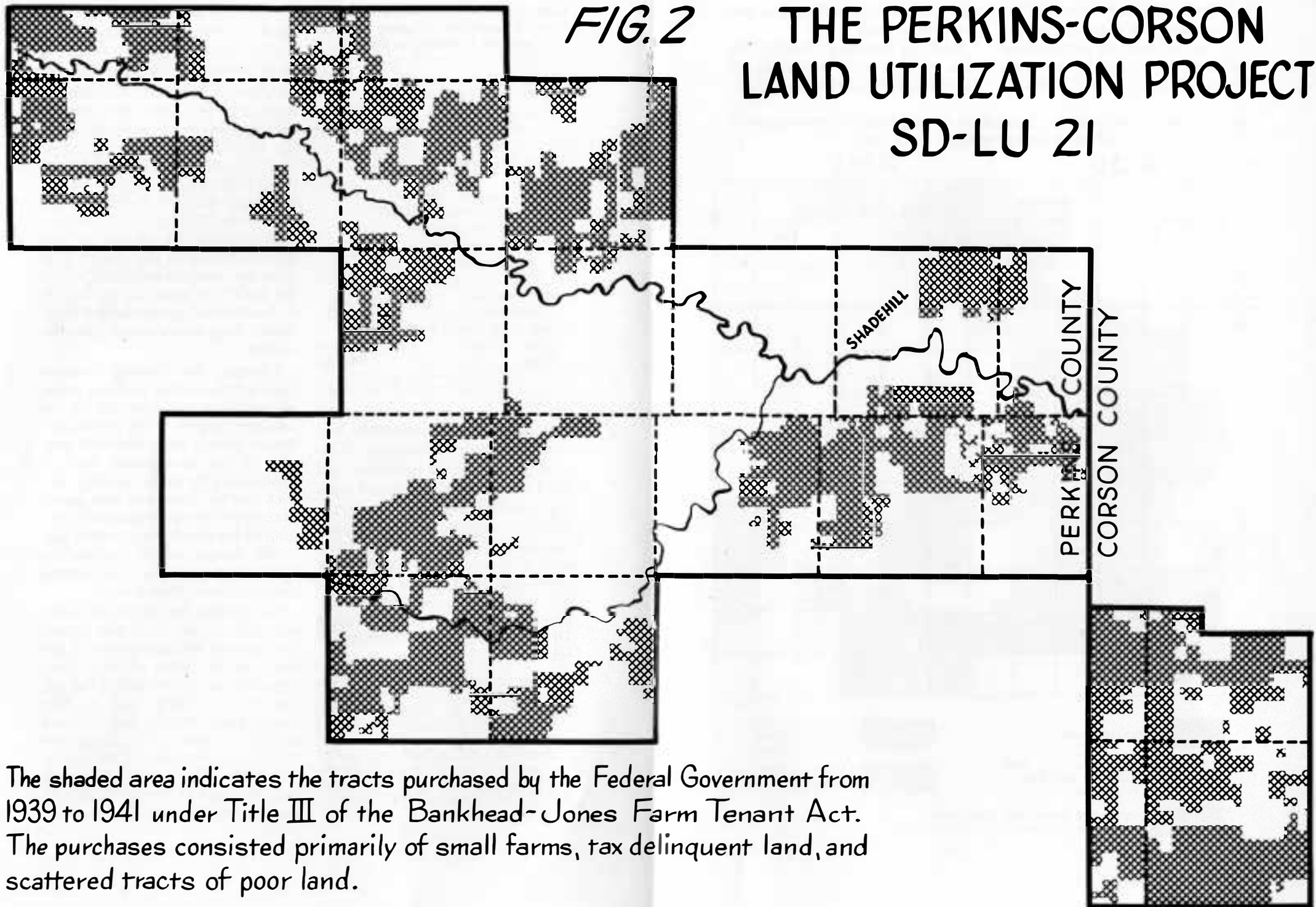
In several projects in other states much county, state, and railroad land, as well as other private lands, were leased by the association in addition to the Title III lands. In each case, the agreement with the grazing association stipulated that the federal government control of land use and grazing would extend to all lands administered by the association. In the Perkins-Corson Project the Title III lands constitute approximately 85 percent of the land controlled by the district. This gives the district a stability it would not have if it were relying largely on leased land—particularly if it included large tracts leased from the county.

Charges for Leasing Government Land. Another problem in the management and operation of the land use projects is the determination of leasing rates. About 80 percent of the government land is leased directly to the grazing district, and the district in turn grants grazing permits to its members. The grazing fee which the members pay is the income which enables the district to pay the government charge for use of the land.

The grazing fees of the Soil Conservation Service and the Forest Service vary with the quality of the land and the price of beef. They generally have been below the going rate in Perkins County. The Grand River District has followed a policy of setting its grazing fees as near as possible to the going rate in the community. This means that the grazing district is able to accumulate a profit from its opera-

FIG. 2

THE PERKINS-CORSON
LAND UTILIZATION PROJECT
SD-LU 21



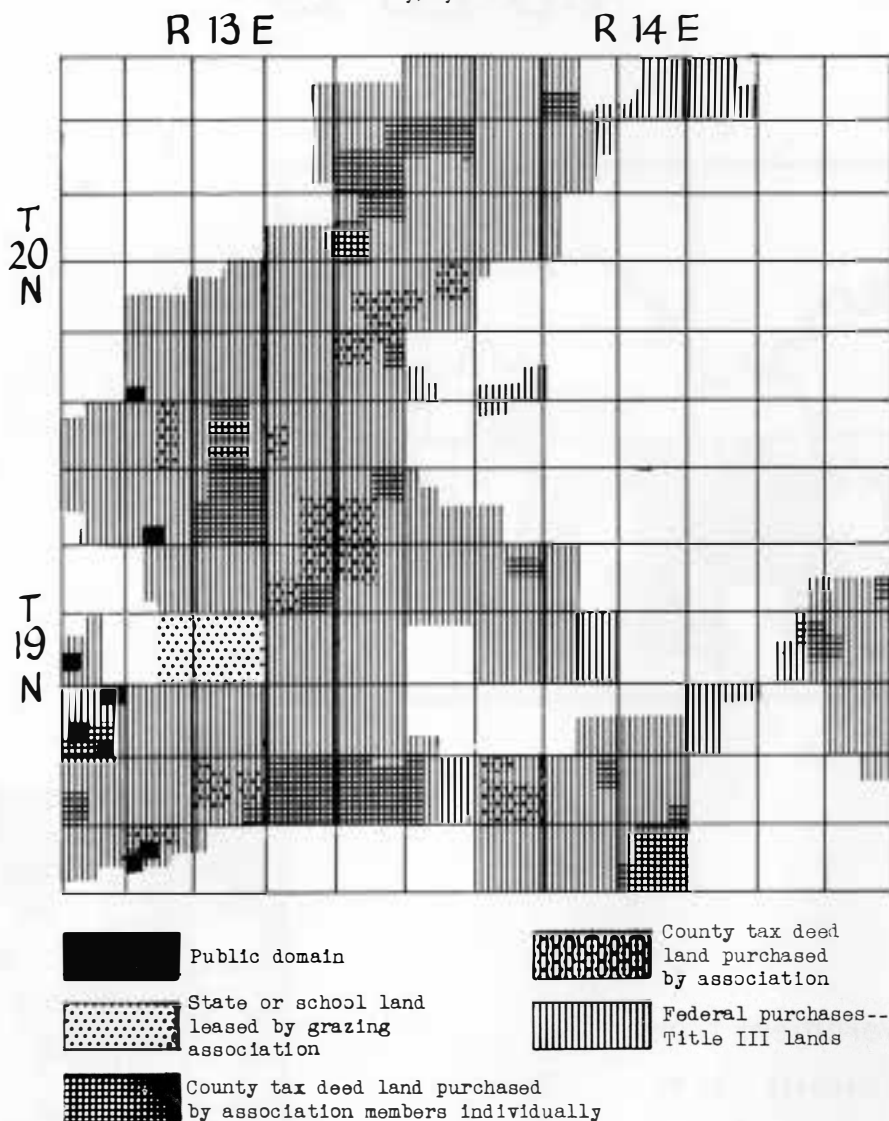
The shaded area indicates the tracts purchased by the Federal Government from 1939 to 1941 under Title III of the Bankhead-Jones Farm Tenant Act. The purchases consisted primarily of small farms, tax delinquent land, and scattered tracts of poor land.

tions. In fact, in past years, the district has been able to purchase 9,858 acres of land from its accumulated profits. No other South Dakota grazing district has followed a similar

policy concerning grazing fees and purchase of land.

Basis for Granting Grazing Permits. Government ownership of grazing land always creates a prob-

Figure 3. Land controlled by the Grand River Grazing District in four townships of Perkins County, by classes of owners.



lem of choosing who is to receive a lease or grazing permit. The story of how this problem has been solved in the West is a book in itself. In the LU projects the grazing associations were required to use the criteria, now almost standard in the West, of commensurate property, dependency, and prior use. These three criteria generally follow the principle that certain operators have better claims to the use of the government land than others.

Commensurate property refers to the feed base and facilities for wintering of livestock. Someone without adequate commensurate property has no valid claim for use of the government land.

Dependency, as the term implies, refers to dependence on additional pasture for maintaining the operator's livestock herd. An applicant for a grazing permit must show that he is dependent on summer grazing from the LU pastures in order to maintain his present scale of operations.

Prior use indicates a historical claim based on previous use of the land. If a rancher were using land which was later purchased by the government, then he would have a claim for grazing privileges on that land based on prior use.

Each grazing district member, before he is issued a grazing permit, must apply for a preference. The preference granted, if any, depends on the strength of the applicant's claim. The best claims are given a Class A or an adjusted Class A preference. Poorer claims get a Class B preference or none at all.

Much of the criticism of the LU projects has come from those who do not understand the nature of the claims which permittees have on the government grazing lands. The system of preferences enables the grazing district to issue grazing permits to those with the best claim first, and, as more grazing is available, to those with progressively poorer claims. In practice, the original classification has become of less importance than the total animal units for which a preference was obtained. That is, once an initial claim on the use of Title III land has been established, the total preference in animal units is the main consideration for granting grazing permits.

Special Problems. Originally the improvements on the government land, such as reseeding cropland to grass, developing dugouts and other water sources, building fences, and establishing fire guards, were paid for by the government. But the appropriations for these purposes soon dwindled and the district had to undertake many of the improvements on its own. Many miles of fence, numerous dugouts and dams, and many miles of fire guards have been constructed.

For a short time following the Korean War, the Perkins-Corson Project was threatened by a proposal to give, or sell at a nominal rate, the LU lands to veterans. Interviews with a few participants in this incident revealed that there was general misunderstanding of the project and of what might be involved in disposing of the lands.

The scheme attracted considerable attention but was dropped when misunderstandings were cleared up.

In the use of community pastures, there is always the problem of breeds and selection of bulls. This problem has apparently been worked out satisfactorily in the Perkins-Corson Project. The grazing district requires that all bulls placed in the summer pasture be inspected and approved. This practice has led to the development of a uniformly high quality source of feeder cattle which is beginning to attract new buyers.

Differences in Practices Among the Projects. There are some important respects in which the other LU projects differed from the Perkins-Corson Project. To understand these variations, a brief look at the South Dakota cooperative grazing district law will be helpful.

Chapter 40:18 of the South Dakota Code provides for the organization of semi-public corporations called Cooperative Grazing Districts. These corporations operate within a designated area, as is indicated in the first section of the chapter.

Cooperative grazing corporations authorized: Cooperative grazing districts; defined. A cooperative corporation organized for the purpose of aiding in the conservation of natural forage resources within a designated area to be jointly used by its members and for aiding in the restoration and improvement of lands which may be acquired by lease or purchase from a political subdivision or from others, shall be known in this chapter as a "cooperative grazing district." "Cooperative grazing district" includes the land area within which the district operates.

Grazing associations such as these authorized in South Dakota are called, in more technical terms, "group tenure" arrangements. That is, they are a means for a group of ranchers to rent, lease, own, or control land as a group, rather than as individuals. The association then, in turn, grants its members permits to use the association-controlled land. Grazing associations of this type have been an important means of bringing considerable public land in the West under orderly and controlled use. The administrative policy of grazing districts differs among the South Dakota projects, as is indicated in the following three sections.

Independent Actions of Grazing Districts. Most of the districts in South Dakota have been organized by users of Title III lands. Their leases, negotiated with the federal agency in charge of these lands, have specified in considerable detail how the lands controlled by the association are to be administered and used. In this way, the federal government has had some control over these associations in regard to issuance of grazing preferences, stocking rates, and improvements on the land.

With the project manager being a federal employee, there has been some on-the-spot inspection and supervision of the activities of the grazing districts. However, in spite of this degree of federal control, grazing associations have been suspected of monopolistic and unfair tactics in the granting of preferences and permits for the use of

federal land. Either state or federal responsibility should be assumed for assuring fair and nonpreferential treatment of all potential users of land controlled by grazing districts. There is no provision in the enabling act for either state or federal supervision.

Establishment of Grazing Fees.

Establishment of the grazing fee charged its members is left entirely to the grazing district, and as a result it differs widely among the districts. As stated previously, the Grand River Cooperative Grazing District has followed a practice of charging the going rate in the community, even though it is considerably higher than the rate charged the district by the government agencies. This policy does not prevent possible subsidy to the users of government lands but it does tend to hide the subsidy, if it exists, and thus prevents some outside criticism.

The grazing districts associated with the other LU projects charge the government rate plus an amount necessary to cover the expenses of the district including cost of repairs and maintenance of improvements. Two grazing districts in the Wall area charge 5 cents over the government charge. In 1955, the government fee was 38 cents per animal-unit-month (A.U.M.), thus making the fee of the members 43 cents. The Cane Creek District, in addition to its 5-cent fee for administration, levies 10 cents per A.U.M. for water development. The third district adds 2 to 3 cents each year to the government fee.

In the Fall River area, the grazing fee set by the districts varies even within a district. It depends on how much of the development and care of pasture and livestock is done by the district and how much is left to the individual rancher. In the Cottonwood District where there is only one group pasture and only four members in it, the grazing fee for 1955 was 40 cents per A.U.M., just 2 cents above the federal charge. However, a special assessment was made on the four users of the group pasture for such things as fencing and development work.

Different Attitudes Toward Group Pastures.

The significance of these different fees lies mainly in their effect on the users of group pastures. In some areas, the ranchers are reasonably well satisfied with the group pastures; but in other areas group pastures are considered about the worst feature of the LU projects. Some small ranchers state that their labor and costs are increased when grazing cattle in common with other herds. The cattle may be many miles away from the ranch headquarters, making the provision of salt and other supplies and supervision more costly and time consuming. The rancher's own care in selecting a bull may be of no value to his herd if another operator puts a poor bull in the pasture.

On the other hand, if the grazing district, through an addition to its grazing fee, furnishes all the salt and supplies and pays for all fencing and developmental work, the

small rancher may have his costs and labor decreased through use of the group pasture. Also, if a bull-approval committee is reasonably careful in performing its duties, the over-all quality of the herds may be improved, thus attracting new buyers to the area. Several users of the group pastures in the Grand River District expressed belief that new

buyers had been attracted to that area by the uniform quality of feeders coming out of their pasture.

In the Wall segment of SD-LU 1, it is reported that the smaller group pastures work reasonably well, but the larger ones tend to become unwieldy as the number of permittees increases.

Evaluation of Projects

The Land Utilization projects were established to adjust land use; but, as has been pointed out, this implies more than just shifting land from cultivation to grazing. It involves resettlement, adjustment in size of units, land control, community stability and income, shifting of improvements, and control of future use.

Evaluation of these projects would require some judgments over which there is considerable disagreement. For instance, what value can be placed on community stability or independence of individual operations? Rather than attempt to say whether these projects are good or bad, a success or failure, the considerations involved will be described and the reader allowed to judge and weigh them according to his own sense of values. However, where the projects clearly meet or violate generally accepted public values, this will be indicated.

Effect of the Purchase Program on Local Tax Receipts. Local and state governments can not tax federal land. Therefore, purchase of

land by the federal government takes land off the local tax roll. This can cause hardship on a school district or county where a substantial portion of its tax base is taken away, if there is not a proportionate cut in the services required. In order to alleviate this situation, the federal government is required by law to pay 25 percent of its income from these lands to the local governments in lieu of taxes.

There are a number of ways of looking at this 25 percent payment. Unquestionably it is more than was being received from this land before purchase, as a major portion of it was tax delinquent. In addition, the federal purchase caused all back taxes to be paid on the purchased land. The immediate effect of the purchase then was a considerable boost in tax payments to the local governments.

There is a real question whether the payment in lieu of taxes has continued to constitute a fair share of the tax burden being carried by the LU lands. Taxes on private property are assessed according to community need, not according to

personal income from the property. Hence, the federal payment based on income from the land may represent more or less than is being paid in taxes by comparable private land in the community.

In 1954, two different quarter-sections of unimproved private land in the Badlands Project area had tax assessments of \$11.98 and \$12.16. The project manager stated that the government payments in lieu of taxes for these tracts would range between \$5 and \$7. Thus, in these isolated cases, it appears that the government payment was approximately half of the taxes on private land. This ratio, however, will vary from year to year and from region to region, depending on the level of property valuation and of the needs of the school districts, the township government, and the county government. The difficulty in making a reliable comparison between private tax assessment and the government payment lies in finding comparable tracts of land as to productivity and improvements.

There are some other considerations to be made. The support of a project manager and provision of rural fire-fighting equipment by the federal government is a contribution to the community. These contributions could be considered as augmenting the federal payment in lieu of taxes. Federal land is unimproved and requires little in the way of local government services.

If it were decided that the users of the government land should make a larger tax contribution to

make up for a deficiency in the federal payment, there are three ways in which it could be accomplished. First, the value of the grazing preference could be attached to the value of the ranch headquarters by the local assessor. Second, the government could increase its grazing fee. Third, the percent returned by the federal government, now 25 percent, could be increased. Before any of these choices are adopted, considerable study of the present inequity, if any, plus the consequences of any change, should be completed.

Most of the counties in the area where purchases were made were heavily in debt at that time. Thus, the question could be raised whether the proportion of this debt assignable to Title III land prior to its purchase was being shifted to the remaining private land. Data for the Badlands-Fall River project show that the delinquent taxes paid from funds received in sale of the land to the federal government were considerably in excess of the amount of the debt which could be assigned to the valuation of the land purchased. That is, the accrued taxes on the purchased land were in excess of the portion of the county debt which could be assigned to this same land. According to appendix table 1, this was true of every county except Fall River.

There were undoubtedly some local cases where the debt burden was shifted to the remaining operators after government purchases. A few school districts attempted to establish school facilities complete-

ly out of line with ability of the resources in the district to support them. For instance, in 1939, school district No. 68 in Pennington County had an assessed valuation of \$12,195 and a debt of \$6,821. This was a debt of \$559.33 per \$1,000 of assessed valuation.

Effect on Size and Stability of Ranch Units. A second area of evaluation is the effect of the purchase program on size and stability of ranch units and flexibility of the leasing system in adjusting to technological and economic change. Did the purchase succeed in bringing all the land under the desired kind of controlled use?

As a general rule, the users of LU lands have small ranch units. Without the LU lands for summer pasture, many of them would not have sufficient resources to continue operations. During the developmental period of these projects, there were differing opinions as to the size of unit necessary to yield an acceptable standard of living. The Farm Security Administration generally set a lower minimum than others. Under the Soil Conservation Service a goal of 125 animal units or equivalent in other incomes per operator was frequently mentioned. In 1954 and 1955 the average size of operator for the South Dakota LU projects was still somewhat below this goal.

Crude estimates of the average animal units per operator using the grazing district's summer pasture can be obtained by dividing the total permits (in animal units) by the number of operators. For the

Grand River district in 1953 the average permit for 150 operators was 77.8 animal units (A.U.). For the Central South Dakota district, the average was 146.7, but for the entire Fall River purchase area it was only 67 A.U. per operator. In 1955 the average in the Badlands purchase area was from 102 to 113 A.U. per operator for the three grazing districts.

These figures do not include livestock pastured outside of the districts or on the home ranch, and are not, therefore, good measures of the size of operating units. However, data collected from nine ranchers in the Perkins-Corson Project in 1954 give further evidence that the LU lands are used primarily by small scale ranchers. This information is given in table 5.

The desire to preserve and protect the small operator was prominent in the minds of those who established the land use projects, and to some extent has continued to influence the administration of them. When the projects were organized, there were too many operators, but for many of the surplus operators there was no place to go. Therefore, it seemed wise to evict no more operators than was absolutely necessary. In some areas where the land was suited for intensive cultivation, the Farm Security Administration had settlement projects where they were trying to settle more people on the land instead of fewer.

There is some concern, at present, that there continues to be too many units, too small for efficient opera-

Table 5. Scale of Enterprise for Nine Ranchers Using Government Pasture, Perkins-Corson Land Use Purchase Project, 1954

Acres Owned	Acres Leased Privately	Head of Cows
1,000	—	55
640	—	60
500	—	50
7,530	840	350
880	600	100
720	400	90
1,600	—	150
800	—	70
2,530	160	175

tion, depending on the LU lands. Since outside opportunities are more plentiful now, it is questionable whether efforts to preserve the small operator are not actually a disservice to him because they are preventing him from leaving an uneconomical unit for a better opportunity elsewhere. However, insofar as the LU projects are providing the small operator with a means of controlling adequate pasture for efficient operations and a satisfactory income, they are accomplishing their purpose.

Care and Management of the LU Lands. There has been very little adverse criticism of the range management on the LU projects. Controlled grazing, development of water supplies, and proper placement of salt have generally prevented overgrazing and yet allowed fullest use consistent with good conservation practices. To some ranchers it has appeared that grass was going to waste in the government pastures, but this reserve has supplied good grazing in the dry years

when other pastures have been very short of grass. The managers of the projects are generally range management specialists and they have performed valuable educational services in their communities by educating ranchers and businessmen concerning good range management practices.

Subsidy to Users. Are users of the LU lands indirectly subsidized by low-cost grazing they obtain? The fact that the federal grazing fee on the LU lands is generally less than the going rate in the community does not give the entire answer. The grazing districts and individual ranchers perform some services which would be the responsibility of the landlord in a private lease. They recently have borne all the cost of water development and fence upkeep on the LU lands. The actual grazing fee for users of government land would include dues to the grazing district, special assessments made for improvements, and the value of contributed services which are not normally required when putting cattle in privately-owned pastures. It should not include, however, accumulated equity in the grazing association, such as would be the case in the Grand River district where the fee charged has been the going rate in the community and a surplus has arisen.

If a grazing preference on government land becomes attached, legally or otherwise, to a particular ranch headquarters, the value of that headquarters will be increased by the value of the preference. A

preference has greater or lesser value depending upon the grazing fee as related to livestock prices and the condition of the range. Hence, a relatively low government grazing fee may result in a higher value for the commensurate property.

On the other hand, a grazing preference on LU lands is not a legal right that attaches to adjacent tracts of land. A rancher who has a preference is fairly assured of being granted a grazing permit each year for substantially the same number of livestock, but he in no sense has a legal right to continued grazing year after year, nor will the purchaser of his land necessarily acquire the right to graze the LU lands. The grazing associations may sign 5-year or 10-year leases for Title III lands, but the federal government retains the right to determine the stocking rate, and it also reserves the right to sell the land, thus terminating the lease.

These factors cause uncertainties in the rancher's operations which hamper his ability to obtain credit and to plan his future operations. It is hoped that federal policy concerning the LU lands can become clarified and stabilized in order to eliminate some of the uncertainties which hampered the users of LU lands in the past 5 years.

Comparison With Surrounding Private Lands. Can one look at the area surrounding the LU projects

and fairly conclude that conditions on this surrounding land would today prevail on the LU lands had they not been purchased? Such conclusions are dangerous unless one remembers certain things.

1) The areas, purchased and private, must be comparable if we are to draw conclusions regarding the justification for purchase. The LU purchases were generally the poorest land in the area.

2) There were economic losses on the private land as it went through the transition of tax delinquency, abandonment, uncontrolled use, county tax foreclosure, and resale at low price to larger operators. LU project areas may have been more quickly developed and put under controlled and productive use than were the private lands. Private owners who sold to the LU projects were, perhaps, more adequately compensated for their land than those who lost their land through foreclosure or tax delinquency.

A comparison of LU lands with the surrounding area will be highly affected by the values one places on such things as private ownership of land, maintaining small operators, community stability, and controlled use of the land. One cannot just compare the two areas as they are today; he must also compare the routes each area took to arrive at its present situation and the social costs these routes involved.

What To Do With LU Lands

All indications are that those who planned the Land Use Purchase Program expected the purchased land to remain in federal ownership. These lands were subject to abuse in private ownership and, therefore, it was thought to be in the public interest that their future use be controlled through public ownership and management. However, all congressional actions are subject to review by later congresses, and in recent years Congress has had a number of bills introduced which would have made some disposition of the LU lands.

In addition, the Department of Agriculture, beginning in 1953, reviewed all its holdings of public land to determine whether any of it might be returned to private ownership. As a result of these discussions of the future of LU lands, the grazing districts found their position in regard to use of these lands very insecure. The uncertainty which resulted was of particular concern to the small operator whose use of the public lands was absolutely essential to his livelihood. It appeared entirely possible that he would suddenly find himself with only a small ranch headquarters and no summer pasture. The small operator was generally convinced that he could not compete with the large operator should the land be put up for sale. Also, due to his insecure position, the small operator found himself cut off from sources of long-term credit.

Lands similar to the Title III

lands are in private ownership in other areas of South Dakota and surrounding states. It would be possible to place the LU lands in privately owned units of satisfactory size and quality, but the difficulties in making this disposition are considerable.

Possible Dispositions of the LU Lands. Although the federal policy concerning the LU lands has recently been somewhat clarified and stabilized, a review of the various possible dispositions which could be made of these lands is needed.

1) The first and most likely one for the three largest South Dakota projects is that their status will remain unchanged. The reason why this currently appears to be the most likely disposition will be explained in the discussion of the other possibilities.

2) The projects could be turned over to the states. However, unless there is great pressure for this, as in the case of the tidelands, the Federal Congress has generally been very reluctant to give lands to the states. The states have not, as a rule, been the best of land managers. State ownership has usually been advocated by private interests who want to get control of the land. Title III lands could be offered for sale to the states at a price not less than the original purchase price under existing policy.

3) The LU lands could be turned over to the Bureau of Land Management in the Department of Interior to be administered as a part

of the public domain. In South Dakota this appears to be a remote possibility because this bureau has considerably less land in this state than the Department of Agriculture. The Forest Service of the Department of Agriculture has considerable land in and around the Black Hills while the Bureau of Land Management's land is widely scattered and is administered from Miles City, Montana. The forest service, then, seems to be the logical agency to keep the lands, if they are to remain in federal ownership.

4) The lands could be returned to private ownership. This action would require an act of Congress, as the government has never been given the authority to sell these lands. Should all interests get together on the proper method of sale, this might be a possibility. However, it does not appear that there will develop any unified pressure in this direction. Many users of the LU lands today are opposed to sale of the lands because they fear they will not be able to acquire their fair share of the land if it is sold.

5) The LU lands could be transferred to other agencies, such as the Fish and Wildlife Service or the Armed Services. This is a possibility only for small portions of the land. It seems unlikely that the three major South Dakota projects would be so transferred.

It is hoped the past uncertainty concerning the LU lands will not be allowed to recur. The Department of Agriculture policy should be further clarified and stabilized with regard to Title III lands.

Recommendations Applicable if Lands Are Retained in Public Ownership. If these lands are retained under their present form of administration, a few changes need to be considered:

1) The present formula for government payments in lieu of taxes should be revised to bring these payments more in line with payments of comparable private land.

2) Because the grazing preferences on LU lands in effect become attached to the commensurate property of the users, any change in the grazing fee will change the value of this property. Hence, the present formula for determination of grazing fees, if it is to be changed, should be adjusted gradually.

3) The public should be assured that all grazing preferences and permits for the use of the LU lands are issued in accordance with impartial rules, with the purpose of allotting the use to those with the best right and need.

4) Means to eliminate unnecessary uncertainty in the private use of Title III lands need further consideration.

Recommendations Applicable if Lands Are to Be Sold. If the LU lands are to be returned to private ownership, all users and prospective purchasers will be interested in the method of sale. If the land is to be sold, it is recommended that the following procedures be used:

1) The present users are dependent on these lands for continuation of their ranch operations at the present scale. Many of them have too little private land to operate

without the LU pasture. The value of a ranch headquarters without summer pasture is not very great. Therefore, certainly the present users with established preferences should be given the first opportunity to purchase these lands, and under credit terms which they can meet.

2) The division of these lands into individual units, particularly the common pastures, will be difficult. Each individual tract will need water facilities. These have generally been located according to the best source, not according to the rectangular survey lines. Thus, it may be necessary to ignore survey lines in getting the best division of the land among the purchasers.

In the interest of efficient operation, each operating unit should be "blocked" to consist of one tract rather than several scattered tracts. Likewise, each operating unit should include enough land to support an adequate standard of living.

3) Some control over future use should be retained by the government. Reasonable care in the sale of these lands may be sufficient. The sale could be conditional upon certain uses not being made of the land. There are also local means which could be used to control use, such as the land use ordinances, which the Soil Conservation Districts can establish, and rural zoning.

4) The price of this land should be established by an expert appraisal which takes into account the earning power of the land and not just the current land market. Every effort should be made to establish stable ranch units with sufficient resources to provide a satisfactory standard of living. Maximizing government revenue should be a secondary consideration. If these lands are to be returned to private ownership, care should be taken in their sale to assure that they do not again become blighted areas.

Appendix Table 1. Land Purchase in Relation to Taxable Valuation and County Indebtedness, South Dakota, August 1943

Project	Counties Partially Covered by Project	Total Acres in County	Acres Taxable Jan. 1, 1935*	Acres Tax Delinquent 3 Years or More Jan. 1, 1935*	Acres Taxable Land Purchased†	Purchase Price
SD-LU-1 Badlands-Fall River, Hot Springs	Fall River Custer	1,120,753 989,001	867,093 531,993	179,586 76,200	195,338 53,350	619,938 174,757
SD-LU-1 Badlands-Fall River, Wall	Jackson .. Pennington	515,523 1,760,708	426,063 1,132,908	130,700 218,230	79,740 117,612	273,661 336,057
SD-LU-2 So. Cent. S. Dak., Ft. Pierre	Lyman ---- Stanley ---- Jones -----	1,073,478 963,127 622,853	852,718 760,272 537,374	26,960 237,400 169,780	58,737 30,523 18,566	364,425 172,218 104,172
SD-LU-21 Perkins-Corson, Lemmon	Perkins ---- Corson ----	1,849,212 1,606,001	1,425,177 600,021	739,092 419,239	86,951 24,898	384,461 98,636
SD-LU-5 Ft. Sully, Ft. Pierre	Sully -----	674,085	532,834	97,490	11,649	64,906
SD-LU-4 Little Moreau, Timber Lake Dewey	-----	1,214,007	408,437	124,340	2,515	18,216
Total All Projects		12,388,748	8,074,890	2,419,017	679,879	2,611,447

Project	Percent of Taxable Land in Counties That Was Purchased	Percent of Total Taxable Valuation Removed by Purchase‡	Net Debt of County Assignable to Purchased Land§	Percent of Delinquent Taxes Retained by Counties	Co. Share Delinquent Taxes Paid When Purchase Made**	County Share of Purchase Price of Co. Land Sold to Gov't.	Total Received by Co. to Offset Proportionate Share of Debt
Badlands-Fall River, Hot Springs	.2252 .1001	.0648 .0349	28,276 1,198	41 50	21,624 14,138		21,624 14,138
Badlands-Fall River, Wall	.1871 .1038	.0956 .0195	8,871 16,604	36 41	22,965 20,735	274 13,396	23,239 34,131
S. Cent. S. Dak., Ft. Pierre	.0688 .0401 .0345	.0405 .0278 .0203	3,232 4,636 136	36 50 33	7,824 5,647 2,573	558 3,893	8,382 9,540 2,573
Perkins-Corson, Lemmon	.0610 .0415	.0551 .0095	25,979 3,413	57 45	38,199 5,450	17,763 2,790	55,962 8,240
Ft. Sully, Ft. Pierre	.0219	.0095	434	47	3,285	3,285	5,135
Little Moreau, Timber Lake	.0060	.0017	546	35	357	1,259	1,616
Total All Projects			93,325		142,797	43,218	186,015

*Perkins and Corson Counties—1938.

†Private and corporate owned only—state and county excluded.

‡Computed on basis of valuation subject to full levy.

§Computed on basis of net indebtedness of counties (exclusive of permanent school fund) for years immediately preceding initiation of projects.

||Based on tax levies for several years preceding purchase except Perkins and Corson Counties which are computed on basis of 1937 levies only.

**Exclusive of penalties and interest which would likely increase these amounts by 30 to 40 percent, except Perkins and Corson which are actual.

Appendix Table 2. Acres Acquired by the Soil Conservation Service and Acres Transferred to Other Agencies in South Dakota Title III Land Purchases, August 1943

Project	County	Acres Tax- able Land Purchased	Nontaxable Land Purchased			Public Domain Trans- ferred by Ex. Order	All Land Acquired	Transferred to Other Agencies	Acres Adminis- tered by SCS, 1943	Remarks
			County	State	Homesteads					
Badlands-Fall River, Hot Springs	Fall River	195,338	---	11,962	11,296	10,245	228,841	8,504	220,337	War Department (Provo)
	Custer	53,350	---	2,526	1,176	4,620	61,672	---	61,672	
Badlands-Fall River, Wall	Jackson	79,740	320	12,961	1,440	11,445	105,906	1,760	104,146	1,680 A. to S. D. State College, 80 A. to National Park Service, Dept. of Interior
	Pennington	117,613	16,034	8,209	4,699	28,340	174,896	954	173,942	
So. Central S. Dak., Ft. Pierre	Lyman	58,737	598	1,273	---	---	60,608	2,081	58,521	S. D. State College
	Stanley	30,523	1,909	2,959	---	---	35,390	---	35,390	
	Jones	18,566	---	317	---	---	18,883	---	18,883	
Perkins-Corson, Lemmon	Perkins	86,951	11,675	23,698	---	---	122,325	---	122,325	*8,679 A. SCS land were exchanged for 9,164 A. of Indian Service Land
	Corson	24,899	1,699	4,141	---	485*	31,223	---	31,223	
Ft. Sully, Ft. Pierre Sully	Sully	11,650	2,452	320	---	260	14,681	8,434	6,247	War Department (for bombing range during the war)
Little Moreau, Timber Lake	Dewey	2,515	640	---	---	---	3,155	3,155	---	To city of Timber Lake
Total		679,882	35,327	68,366	18,611	54,910	857,580	24,888	832,692	

Appendix Table 3. Payments to Counties in Lieu of Taxes, South Dakota Land Use Purchase Projects, August 1943

Project	Counties	Acres Adminis- tered by SCS, 1943	Acres Listed With Grazing Districts	Number Grazing Districts	Num- ber Mem- bers	Acres Handled by Project Direct to Operators	SCS Charge per A.U.M.	
							To Districts	Opera- tors
Badlands-Fall River, Hot Springs	Fall River	220,337	127,179	2	74	93,158	.17	.22
	Custer	61,672				61,672	.17	.22
Badlands-Fall River, Wall	Jackson	104,146	99,228	1	71	4,918	.17	.22
	Pennington	173,942	101,911	2	55	72,031	.17	.22
S. Central S. Dak., Ft. Pierre	Lyman	58,527	94,290	1	58	18,510	.17	.21
	Stanley	35,390	(One grazing district operates in the				.17	.21
	Jones	18,883	three counties)				.17	.21
Perkins-Corson, Lemmon	Perkins	122,325	122,325	1	140		.16	.22
	Corson	31,223				31,223	.16	.22
Ft. Sully, Ft. Pierre	Sully	6,247				6,247		.20
Little Moreau, Timber Lake	Dewey		(The 3,155 acres in this project are adminis- tered by the City of Timber Lake as a game and recreational area)					
Total		832,692	544,933	7	298	287,759		

Project	Payments to Counties 25% of Income in Lieu of Taxes						Potential Return Based on 50% of Income	Potential Return Based on ¾ of 1% Purchase Price of Deeded Land	Potential Return Based on 1% Purchase Price of Deeded Land
	1938	1939	1940	1941	1942	When Completely Stocked			
Badlands-Fall River, Hot Springs									
Fall River -----	\$1,197	\$2,498	\$2,588	\$2,793	\$2,329	\$ 2,996	\$ 5,992	\$ 4,984	\$ 6,646
Custer -----	207	622	655	726	628	838	1,676	1,365	1,821
Badlands-Fall River, Wall									
Jackson -----	515	1,191	1,213	1,315	1,060	1,416	2,832	2,418	3,224
Pennington -----	761	1,913	1,957	2,108	1,770	2,366	4,732	3,030	4,039
S. Central S. Dak., Ft. Pierre									
Lyman -----	341	771	952	1,081	1,114	1,105	2,210	2,807	3,743
Stanley -----	168	393	547	651	673	668	1,336	1,420	1,893
Jones -----	109	238	308	351	359	356	712	792	1,056
Perkins-Corson, Lemmon									
Perkins -----		24	189	580	1,273	1,957	3,914	3,645	4,859
Corson -----		8	51	149	317	500	1,000	867	1,156
Ft. Sully, Ft. Pierre									
Sully -----			48	74	75	56	112	521	695
Little Moreau, Timber Lake									
Dewey -----			47					152	203
Total -----	\$3,298	\$7,658	\$8,555	\$9,828	\$9,598	\$12,258	\$24,516	\$22,001	\$29,335

Note: In computing anticipated payments to counties in the future on the basis of 25% and 50% of the income, current charges per A.U.M. were used. The average number of acres required for 8 months grazing were estimated to be 25 in Fall River, Custer, Pennington, and Jackson Counties; 18 in Lyman, Stanley, and Jones; 20 in Perkins and Corson; and 45 in Sully. Payments to counties have included 25% of income from the sale of buildings.