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ESSENTIAL FEATURES OF A PLANNED AGRICULTURAL REHABILITATION PROGRAM

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Rehabilitate, according to a standard dictionary, means "to restore to a former status, capacity, right, rank or privilege; to reinstate". It implies that a breakdown or disaster has occurred which has resulted in conditions very much worse than those to which we had become accustomed. It implies, further, that an agricultural rehabilitation program should be one designed to restore former agricultural conditions, to reestablish agriculture on the same basis as that which existed prior to the disaster or depression. I feel sure that most of us present today would agree that the agricultural situation is far from satisfactory, and while we might differ considerably as to the principal cause or causes which brought about these conditions and the methods which should be followed to remedy them, we would agree almost unanimously that the old conditions cannot and should not be restored. We believe certain fundamental changes have occurred in our economic and social organization which make the old inadequate, incomplete, ineffective, and demand a new program. Therefore, the first essential feature of a planned agricultural rehabilitation program is that it be a progressive rather than a purely reactionary movement.

Goals of a Planned Rehabilitation Program

A rehabilitation program naturally divides itself into two principal phases: (1) The goals or standards which we want to achieve, and (2) the procedure, technique or method of attaining them. The goals may be divided into long and short term, the short term being largely of an emergency character designed to take care of the more elementary needs of farmers rendered destitute by drouth, floods, or other causes. While one can readily understand the urgent necessity of promptly taking care of such distressed families it is unfortunate that to date most of the rehabilitation work has been of this character because very little if anything of a permanently constructive program is accomplished. The long term goals are largely three: (1) Increase economic security and stability, (2) raise the standard of living by improving social and physical surroundings, and (3) conserve natural resources so that their efficiency is unimpaired and the natural inheritance of future generations not only maintained but improved.

Details of a procedure designed to attain these goals might be grouped under two main heads: (1) Basic factual surveys to determine present conditions and potential possibilities, and (2) a program of action based on the factual surveys and designed to achieve these goals.

Essential Features of a Planned Agricultural Rehabilitation Program.

Basic Surveys to Determine Present Conditions and Potential Possibilities

The fundamental facts which should be secured to form the basis for a plan of action are as follows: (1) A classification of the soil and a determination of its productivity including such topographical data as the location of rivers and streams, mountains, foothills, and plains, (2) A picture of the location of farms and crops to show the present land use pattern, (3) A record of the ownership of the land by various public and private agencies, (4) Determination of the present tax status of land or a record of its delinquency, (5) A tax redemption record or picture of its ability to redeem itself after delinquency, (6) A population pattern showing the location of all residents in the area, and (7) A picture of the number and location of governmental agencies and the amount and quality of public services rendered by them in the area.

While all of the above facts are basic to a planned agricultural rehabilitation program, land classification is probably the most important since it naturally forms the basis for interpreting most of the others. The soils specialist in evaluating the difference in soils may show several hundred minute classifications based on chemical and physical differences. These numerous classifications must be simplified by grouping them into larger or more broad classes based on their productive qualities. The Montana Experiment Station has devised classes for irrigated, farm, and grazing lands based on their productivity in terms of some standard crop commonly grown on each of these types. For example, irrigated land is classified according to its productivity of sugar beets, farm land according to its productivity of wheat on fallow, and grazing land according to its grass cover or livestock carrying capacity. These classes are as follows:

<u>Class</u>	<u>Irrigated land</u>	<u>Farm land</u>	<u>Grazing land</u>
1st - 18 or more tons sugar beets	22 or more bu. of wheat	12-26 acres per animal	
2nd - 15-18 tons of sugar beets	18-21 bushels of wheat	20-30 " "	
3rd - 10-15 " " "	13-18 " " "	30-40 " "	
4th - 6-10 " " "	9-12 " " "	40-55 " "	55 acres or more

In Montana agricultural rehabilitation work is handicapped by the fact that a detailed classification of her soils has been made for but 22 of her 56 counties, largely located north of the Missouri River. With the exception of irrigated projects on which detailed soil surveys have been made, most of the lands of the western states, with the possible exception of California, are still to be classified by a detailed soil reconnaissance.

The next step is to determine what use is being made of the land at the present time. This information can be secured from the wheat production control records. In several counties of Montana approximately

Essential Features of a Planned Agricultural Rehabilitation Program.

99 per cent of the wheat production was signed up under the allotment plan and thus a complete picture of the lands being farmed is secured. It is possible from such data to determine whether the land is going in or out of production by the amount of idle acreage. Lands of the higher quality are being farmed in full, whereas the poorer soils show considerable idle acreage.

The third step is the determination of who owns the lands. It is of considerable importance to a planned rehabilitation program to know whether the land belongs to the county, the state, the Federal Government, insurance companies, railroads, mortgage companies, land banks, or absentee landlords, or if it is owned and operated by farmers living within the area. A record of the land owned by such corporate groups as insurance companies and land banks will show where appraisals have been too high and foreclosures common and where land is most likely to be offered for sale in the future.

The fourth step is the determination of the tax status or delinquency record of the land. This should show the tax record of each piece of land for at least the past six years. The land may be classified as (1) paid up or with no delinquent taxes against it, (2) one year delinquent, (3) two years delinquent and (4) subject to tax deed, which in Montana is three years or more of delinquency. This record will show what lands have been able to carry their share of the support of governmental services and those which have not. It will indicate where the government, over a long period of time, can afford to render public services.

Closely allied with the tax delinquency record is the tax redemption record. A piece of land may have been delinquent all of the six year period but now has no delinquent taxes outstanding. Another piece may have been delinquent but three of the six years and now be subject to tax deed, that is, delinquent three years or more. In other words, the redemption record shows which lands are making satisfactory adjustments and which are not. It also shows what lands will eventually come into public ownership and should help to guide us in making commitments for the future.

A population pattern showing the location of all residents in the area is useful to show how the present settlement coincides with what we might consider satisfactory living conditions. This pattern would show available labor supplies and location of the principal industries. A record showing the location of all school children and children of pre-school age (under six years of age) would show present and potential needs for school.

The last step in the basic factual survey is to sketch the present network of governmental services being offered in the area. This sketch should show the boundaries of all school districts and the location of all school houses both those operating and closed; all roads - dirt, improved, surfaced, county, state, and Federal; all telephone lines; all power lines and gas lines; all service towns and cities; all railroads, etc.

Essential Features of a Planned Agricultural Rehabilitation Program.

Determination of a New Use Pattern

When all of the above data have been gathered and mapped we have a fairly complete picture of what is. Our next step is to determine what should be, or in other words, work out a new pattern which will raise the standard of living of the people, give them greater economic and social security, and use the natural resources most efficiently. How can we set up this new pattern? What guides can we use to be sure we will be accomplishing these goals? Have we sufficient information, wisdom, and vision to dare to say what should be? To say we have not is to admit meekly that we have learned little from the past, that all the historical data we have gathered has merely given us hindsight and no foresight. Of course, we cannot and probably should not be able to set up a new pattern which would represent what should be once and for all. Our pattern should be sufficiently elastic to permit adjustments or changes to new conditions resulting from new techniques and new inventions. But we do believe we can so improve on the old pattern that at least the most glaring mistakes of the past will not be repeated and that the impact of technological and other changes on our society will be softened. I will indicate, using Montana data, how this might be done.

Studies of the Montana Experiment Station show that the first and second grade soils or those which produce more than 15 bushels of wheat per acre should stay in crop production especially wheat, as long as there is any demand for flour. These soils, with present production methods, can compete with the Kansas area and lands of this kind lying in fairly large portions to form communities should be considered wheat land. These lands can support, in most cases, the present governmental services including roads and schools. Such a community should have not less than 10,000 acres of such first or second grade land blocked out in a fairly compact area. Farmers now in such areas should not be moved but should be encouraged to stay where they are and to use efficient production and marketing methods. Third class land or lands producing between 12 and 15 bushels per acre are on the border line. If national policy dictates a further contraction in wheat output these soils should be put to another use. Lands producing less than 12 bushels per acre under a summer-fallow system are uneconomical or submarginal for wheat. They should be reseeded to a species of grass adapted to the area and put definitely into grazing. It will take several years for a proper grass cover to be reestablished but this should be done.

First class grazing land is usually located near mountains where there are very few problems with either grazing or water. Second and third class grazing land justifies improvements such as making water available by establishing artificial water holes. Much of these lands have been overgrazed and the cover could and should be improved by controlling grazing through a grazing reserve. Fourth class grazing land is on the border line for grazing purposes and might better be used for recreational purposes, for game reserves, or in areas where feasible, for forests or perhaps a combination of all three of these. Fifth grade grazing land is uneconomical for livestock grazing and should be used for recreational, game

Essential Features of a Planned Agricultural Rehabilitation Program.

or forest purposes, or completely retired from active use.

With such standards or guides the land should be divided into irrigated crop areas, dry farming areas, grazing areas, game reserves, recreation areas, and forests, and their boundaries carefully drawn. Within each of the first three of these areas the optimum population and its distribution, the kind and amount of governmental services, the value per acre of the land for tax assessment purposes, etc. should be determined. Residents now living in the first two areas will probably continue largely as before but in the grazing areas considerable shifting of the population will be necessary because the unit holdings for grazing will be considerably larger than the previous farm units on third or fourth class farm land. Every effort should be made to discover possibilities of developing by small dams or otherwise, irrigation on fields interspersed in the grazing area, such irrigation areas to be used for production of winter feed. This will permit supporting a larger population and more and better governmental services than could be supported by a strictly grazing area. In spite of all such efforts, however, many people must be moved out of what will be the new game, recreation and forestry areas. Where to move these people is an acute problem and the best solution seems to lie in the possibilities of developing irrigated farming or subsistence homestead areas through a few large irrigation projects in the state. Such large projects can hardly be handled by the county since the projects will usually transcend county lines and a large amount of funds will be required. The best agency to conduct such developments is the Federal government and if such proposed projects are properly scrutinized by competent engineers and soil scientists, the result will be a better balanced economy, more efficient use of resources and higher standards of living.

Getting the New Pattern Adopted

Having determined what is and what should be our next step is to get our new pattern effected. This means developing a program of action, of getting things done. The first step in this program should be to have an ordinance passed by the state legislature permitting county boards to zone land use areas within their counties. The next step is to go out to the county seats and community centers involved and with the basic factual data and the new draft of the area as it should be, sell the idea of zoning to the people concerned. At such meetings the proposed zone boundaries can be discussed in detail and in many cases suggestions and facts secured permitting a refining of the boundaries to comply better with the general sentiment of the community. If this is done patiently and thoroughly the legality of the boundaries will be better established and help prevent possible adverse court action in the future.

Let us suppose that after carefully following the above procedure no zoning action is taken by the county boards or the local people. Should the whole matter be dropped with the hope that at some future date more favorable action may be taken? Or should not some higher governmental authority such as the state or Federal government intercede and compel zoning? There is no question but that eventually such agencies may not only

Essential Features of a Planned Agricultural Rehabilitation Program.

consider it their right but their duty to take such action as long as urban and supermarginal agricultural areas are being constantly and increasingly drained to support submarginal farming through state and Federal aid.

The problem of zoning in the western states is made particularly difficult because the agricultural lands are divided into irrigated, dry-tillable, and grazing. The justification for zoning legislation, which prohibits plowing up or farming perfectly level areas, is just a little too much for some of our well-intentioned citizens to comprehend. Nevertheless, history has proven that many such areas should never have been plowed and our rehabilitation program should include provisions which would prevent a recurrence of such errors. Of course, in the last analysis many of the very changes we will strive to bring about through a planned rehabilitation program would be accomplished by the slow, painful survival of the fittest method of adjustment. But we would have no assurance with such adjustments that when better times returned the same or worse errors would not be committed. Working out a new use pattern along the lines indicated above and zoning to make such a pattern effective would not only greatly soften the impact of such necessary adjustments on our society but would also prevent the recurrence of similar maladjustments in the future.

Zoning in urban areas is chiefly for the maintenance of standards of beauty and sanitation. Zoning by rural people is chiefly to reduce or prevent an increase in the cost of government and tax delinquency. It is justifiable to tell a man he can't farm a given piece of land or in a given area because he'll add to the cost of public services, such as schools and roads. Studies of school costs in Montana show that the average cost of school per child per year in very sparsely settled areas (school districts with five children or less) averages about \$275 compared with a cost of \$77 in more thickly populated areas (school districts with 16 or more children). Zoning in rural areas presents many opportunities for improving the efficiency of local governments and thereby reducing taxes. Part of a planned agricultural rehabilitation program should be the organization of a model system of local government for the area accomplished through consolidation of governing units such as school districts and counties, consolidation of departments, revision of the system of tax assessment of farm real estate and removal of the most flagrant inequalities, etc.

A combination of the game, recreation and forestry zones, together with some grazing might work much better in many instances than attempting to keep them absolutely separated and distinct. The national forest reserves are good examples of this type of zoning. The chief problems which arise are those of keeping a proper balance between the various competitive uses of the area. For example in the Jackson Hole country the respective interests of the dude ranchers, the shecpmen, and the wild game are antagonistic. The difficult task of maintaining a proper balance among them rests with the Forestry Service.

The many details which arise in effecting a planned agricultural rehabilitation program, such as the best set-up within the state for

Essential Features of a Planned Agricultural Rehabilitation Program.

administering it, cannot be discussed here. In Montana the state has been divided into twelve districts corresponding to the road districts of the State Highway Department and an advisor put in charge of each district. The county is used within each district as a unit for gathering the factual data, for determining a new use pattern, and for getting it adopted largely because most of the data is available by counties in the respective county seats and the work is facilitated by using the established channels through which group action is customarily secured. In Wisconsin the county has proved a fairly effective unit of administering the program, especially where zoning is involved. Of course, in its later stages a truly successful agricultural rehabilitation program should transcend county or even state lines and would probably follow closely the boundaries of a given crop or type of farming area or region.

Influence of Certain Federal Policies on Local Rehabilitation Programs

Certain Federal policies, particularly those regarding production control, tariffs, and land settlement and purchase influence considerably the details of local rehabilitation programs. For example, the new use pattern worked out for a wheat county in eastern Montana may be one thing if the Federal government decides to follow a nationalistic, domestic market policy and quite another thing if it plans to follow a policy designed to reestablish world trade. Time does not permit a detailed discussion here of each of the principal Federal policies affecting rural rehabilitation nor recommendations as to what the future policies should be. I merely want to call attention to the significance of such national policies to local rehabilitation and point out one or two phases which seem particularly important at the present time. Suffice it to say at this point, however, that future national policies in some if not all of the above matters seem quite definitely established and our local rehabilitation programs should be patterned accordingly. For example, it appears safe to say that possibilities for reestablishing world trade on its pre-depression or pre-war level, particularly in agricultural products, is at least temporarily and perhaps permanently out of the question. Consequently Federal agricultural policy for the next few years, regardless of theoretical or idealistic considerations, will in part comprise adjustments to a smaller market. It would seem best to attempt such adjustments in production by voluntary group action of farmers with the organizing help of the Federal government rather than by legislation forcing compulsory and automatic production control by governmental decree, at least so long as farmers show the social discipline and willingness to cooperate that they have shown in the wheat program to date.

Federal policies regarding land settlement indicate that in the future public lands will not, except in unusual cases, be open to individual entry. In addition it appears that the Federal government plans to buy up lands in so-called submarginal areas. The wisdom of such a policy cannot be questioned in those areas where large amounts of land blocked out under one ownership are required for effective completion of such gigantic tasks as the Tennessee Valley, Columbia River Basin or Mississippi River Flood Control projects. But in other areas a policy of Federal purchase of lands within the boundaries of local governmental units such as the county is fraught with great problems. Once purchased by the Federal government the lands may be

Essential Features of a Planned Agricultural Rehabilitation Program.

taken off the tax rolls permanently and the burden of meeting obligations of the local governments is thrown on the remaining lands in private ownership with the result that tax delinquency rises and agricultural distress increases. It is true that many of these local governmental units should be eliminated, but it is not in keeping with the New Deal to use such painful and ruthless means of adjustment in which the creditors would evidently be left holding the sack. Neither could the state government in most cases underwrite the obligations of all of its subdivisions. All of which leaves us with three possible alternatives: (1) The Federal government, if it purchases lands within a county, must take over or underwrite its funded and other obligations; or (2) Through subsistence homesteads or other developments the land purchased by the Federal government may be put back into private ownership promptly with tax-paying ability greater than before; or (3) the Federal government should enter into a cooperative agreement with the state and the county whereby in return for the land it agrees to pay so much per acre and the state agrees to pay so much per acre annually to the county for a number of years depending upon what type of crop is to be grown on the soil. For example, if the Federal government establishes a grazing district or a forest reserve, it will require 10 or 15 years before any appreciable earnings are secured from the land. During this period the adjustments in the county would be facilitated by the annual payments of the state and Federal governments and when income was secured from the land it could be divided among the three governmental units in lieu of the annual state and Federal payments. Of these three alternatives the second is very desirable but decidedly limited to a few selected areas, particularly in the western states. The third really presents the greatest possibilities and should by all means comprise an important part of a planned agricultural rehabilitation program.