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AN ANALYSIS OF THE LAND ACQUISITION PROGRAM
UNDER TITLE III OF THE BANKHEAD-JONES FARM TENANT ACT

By

Tivis E. Wilkins and George B. McIntire
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Tivis E. Wilkins and George B. McIntire 1/

The submarginal land purchase program of the United States Department of Agriculture is conducted by the Soil Conservation Service under authority of Title III of the Bankhead-Jones Farm Tenant Act, approved by Congress July 22, 1937. Under Title III of this Act 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 and not primarily suitable for cultivation, in order thereby to correct maladjustments in land use"^{2/} In order to effectuate this program the Secretary of Agriculture is authorized to "acquire by purchase, gift or devise, or by transfer from any agency of the United States or from any State, Territory or political subdivision, submarginal land and land not primarily suitable for cultivation, and interests in and options on such land."^{3/}

The purpose of this study is to show, in a general way, the procedures and methods employed in acquiring land under Title III of the Act; ^{4/} to recommend changes in methods and procedures whereby the process of land acquisition can be improved; to analyze the effects of adjustments in methods and procedures on the progress of land acquisition; and to present information relative to the land and improvements acquired and data relative to the ownership and occupancy of the land previous to its acquisition. The information used in this study was obtained from the records and files of the Land Acquisition Division of the Soil Conservation Service. The period covered is from January, 1938 to June, 1941.

Funds were made available for the purchase of land soon after the Act was passed and the first options were accepted by the Government in January, 1938. During the period from January, 1938 through June, 1941, acquisition was initiated on 9,112 tracts of land, containing a total of 2,390,593 acres, for a total consideration of \$9,778,918. During the same period checks were delivered to owners of 7,619 tracts containing a total of 2,086,627 acres and aggregating a total purchase price of \$8,508,817. At the end of the period covered by this study checks had been delivered for 83.6 per cent of the tracts on which acquisition was initiated.

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- 1/ Land Acquisition Division, Soil Conservation Service, U. S. Department of Agriculture.
2/ Bankhead-Jones Farm Tenant Act (50 Stat. 522), Sec. 31.
3/ Ibid - Sec. 32
4/ The details of the procedure employed in acquiring land approved for purchase under Title III of the Bankhead-Jones Farm Tenant Act are fully described in the Land Acquisition Section of the Soil Conservation Service Manual - Vol. II - Sec. 25000 to 25900, inclusive.

The land involved was on 124 projects in the 10 regions of the Soil Conservation Service. The boundaries of the Soil Conservation Service Regions are shown in Figure 1 and the location of projects where submarginal lands have been acquired is shown in Figure 2.

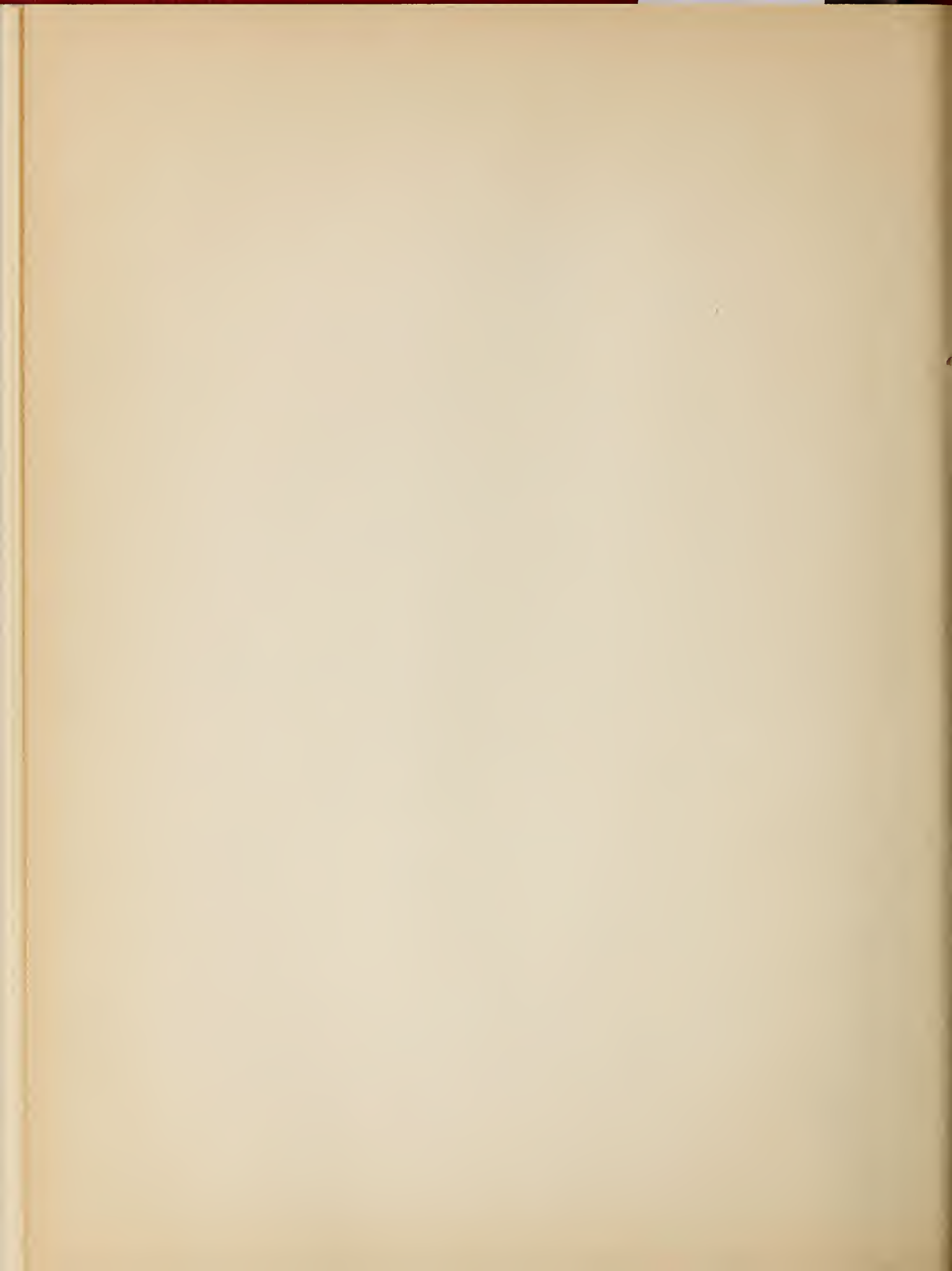
PROCEDURE EMPLOYED IN
THE ACQUISITION OF LAND UNDER
TITLE III OF THE BANKHEAD-JONES FARM
TENANT ACT

The responsibility for the administration of Title III of the Bankhead-Jones Farm Tenant Act has been delegated to the Soil Conservation Service, but Federal Laws and regulations require the performance of certain functions and services by other agencies of the Government. A Federal Law 1/ prohibits the expenditure of public money upon land purchased by the United States - with certain exceptions not involved in purchases under Title III of the Bankhead-Jones Farm Tenant Act - until the Attorney General of the United States has rendered an opinion in favor of the validity of the title to such lands. 2/ All necessary court actions in connection with the acquisition of land by the United States are also handled by or under the jurisdiction of the Attorney General. Funds in payment of the purchase price for lands must be disbursed in accordance with the regulations of the Treasury Department, and all accounts must be audited and approved by the General Accounting Office. Regulations of the Department of Agriculture require the Solicitor of the Department to perform certain legal functions relative to land acquisition. The procedure for the acquisition of land under Title III has been developed to provide for an orderly and expeditious flow of the work between the appropriate offices of the various interested agencies.

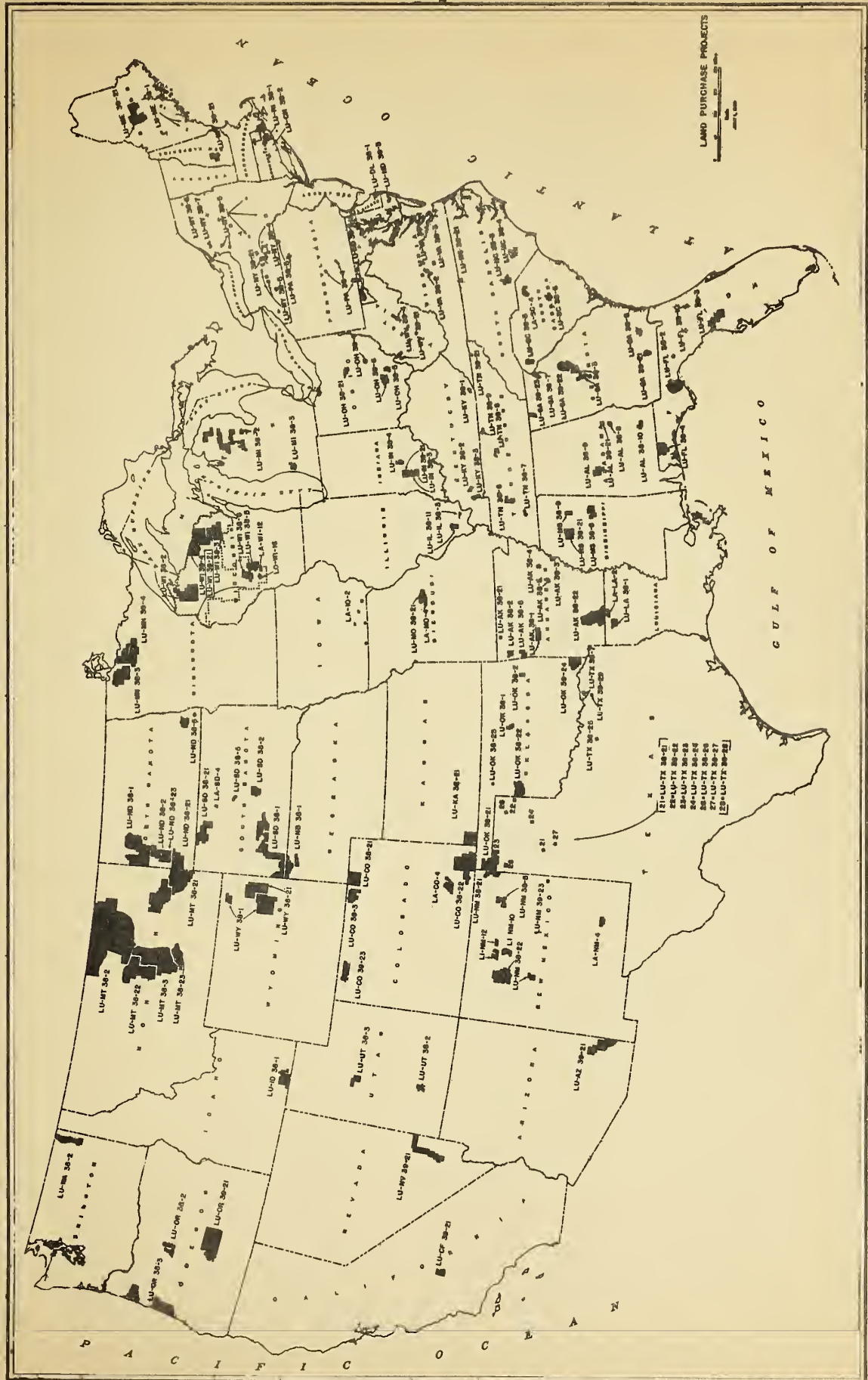
Two methods are employed in the acquisition of land under Title III. The most common method is by direct purchase from the owner, wherein a land purchase contract is entered into between the owner and the Government and payment is made by the Government directly to the vendor upon completion of the transaction. The other method of acquisition is by judicial process. Under this method the Government exercises its right of eminent domain and acquires the land through condemnation and funds in payment of the land are disbursed by the court. Only under special circumstances does the Soil Conservation Service resort to this method. Because of differences in the procedures employed in acquisition under the two methods, a separate discussion is devoted to each method in this study.

1/ Section 355 - Revised Statutes of the United States.

2/ A recent amendment to this law and its effect on the Title III program is discussed later in this study.



LAND PURCHASE PROJECTS



- 21-LU-TX 38-21
- 22-LU-TX 38-22
- 23-LU-TX 38-23
- 24-LU-TX 38-24
- 25-LU-TX 38-25
- 26-LU-TX 38-26
- 27-LU-TX 38-27
- 28-LU-TX 38-28



Acquisition by Direct Purchase

For purposes of discussion the procedure for the acquisition of land by direct purchase has been divided into the following six general steps: (1) Planning, (2) Preliminary Acquisition Activities, (3) Appraising, (4) Optioning, (5) Title Clearance, and (6) Payment and Closing.

Planning: The areas in which submarginal land purchases are to be made are selected by the planning staffs of the Soil Conservation Service. A project proposal is prepared in which the boundaries of the area are outlined and the various physical and economic features of the area are described. The feasibility of Federal purchases of submarginal land within the area and the proposed adjustment to be accomplished through public acquisition are discussed. After the proposal has been officially approved by the Secretary of Agriculture and funds are allotted for the purchase of land on the project, acquisition is initiated by the Regional Office.

Preliminary Acquisition Activities: As soon as practicable after a project has been approved, provision is made for the procurement of evidences of title. 1/ Where a large number of tracts are to be purchased, title evidence is generally obtained through a contract with a professional abstractor or title company. On projects where relatively few tracts are to be acquired, or where satisfactory services cannot be procured through commercial sources, this service may be performed by qualified personnel of the regional or project office. In the event the services to be required are so small that it is not practicable or advantageous to procure title evidence by contract or by the assignment of administrative personnel, the required services may be obtained in the open market in accordance with Government regulations. In arranging for the preparation of title evidence, regulations of the Department of Justice are followed. Field representatives of the Office of the Solicitor of the Department of Agriculture are also consulted relative to the specific requirements for the preparation of title evidence for the project involved. Provision for the procurement of title evidence during the early stages of acquisition assures quicker delivery at the time it is required.

Under present procedure, complete ownership data are prepared for all tracts within an approved project area. This information, which is secured mainly from public records, includes such items as name of owner or claimant, a complete legal description of the tract, the nature and extent of outstanding rights, and information relative to mortgages, taxes, liens, and other indebtedness. This information is of material assistance in determining problems which may be encountered in the acquisition of specific tracts and in formulating rules and policies under which land on the project will be acquired. Tract ownership data also reveals certain information which, when made a part of the option contract, eliminates certain title clearance problems during the later stages of acquisition.

1/ Title evidence may be in the form of abstracts of title or certificates of title, whichever is preferable for use in the area in which lands are to be acquired.

The gathering of tract ownership data frequently involves considerable time and effort, especially in those areas where titles are old or where there have been numerous transactions. The information relative to ownership is available in the abstract of title and could be secured therefrom, providing an abstract were available at the time the information is needed. Since the acquisition program under Title III is of a voluntary nature, insofar as participation by landowners is concerned, it has been the general practice not to secure title evidence until after a tract is under option. This practice has eliminated the possibility of procuring a large number of abstracts or title certificates which would be of no use to the Government because of the inability to acquire all tracts for which title evidence had been obtained. On projects where a large percentage of the tracts within a given area are to be acquired, title evidence should be secured as soon as practicable after a project has been approved. The information needed for appraising and optioning may then be secured directly from the abstract with a minimum of time and effort. Such practice would also eliminate a duplication in the search of records, would assure more complete information prior to appraising and optioning, and would permit the elimination of possible objections in the chain of title during the early stages of acquisition, thus expediting title clearance and final payment.

After tract ownership data are secured for a specific project, a map is prepared showing the boundaries of the project and of each individual tract. This map, which is prepared from the General Land Office records, from information contained in the tract ownership data, and from other existing information, is used by the Project, Regional and Washington offices to delineate the progress of land acquisition and as a permanent record of the land acquired on the particular project.

Directions for Purchase for all projects are prepared by the Regional Office staff during the preliminary stages of acquisition. These Directions outline the procedure to be followed in acquiring land subject to reservations 1/ and exceptions. 2/ With respect to reservations, the Directions for Purchase outline the reservations which may be expected; the probable effect of such reservations upon the future development, operation and administration of the project; the types of reservations which will be permitted; and the terms under which they will be allowed. With respect to exceptions, the Directions for Purchase outline the nature and extent of interests outstanding in third parties; the effect which such exceptions have had in the past; their probable effect upon the proposed objectives of the project; the exceptions which will be permitted; and the terms and conditions under which options subject to exceptions will be accepted.

Before the appraisal and optioning of individual tracts are authorized, officials of the Regional Office prepare and submit a list of tracts which are recommended for purchase. The tracts are selected to conform with the requirements of Title III of the Bankhead-Jones Farm Tenant Act and in accordance with certain criteria established for the specific project. This list of tracts is used as a guide by the officials responsible for the acceptance of options.

1/ Interests owned by the vendor but retained by him in the sale to the United States.

2/ Interests previously reserved or sold, and outstanding in third parties at the time the land is purchased.

Present procedure does not require the selection of the tracts to be acquired until after a project has been approved. The acquisition process would be materially improved by a revision in the procedure requiring that the project proposal be accompanied by a list of the tracts recommended for purchase. Such a revision would not only enable those responsible for the approval of the list to consider the tracts selected along with the project proposal, but would also enable those responsible for acquisition to start work with a more definite objective in view. Under this procedure funds would not be allotted for the purchase of land on any project until after a sufficient number of tracts were selected and approved to encumber the allotment. This should also apply to all subsequent allotments, as well as to the original allotment.

After the tracts to be acquired have been selected, individual tract maps are prepared. Each tract map shows an outline of the boundaries of the tract, a complete legal description and the number of acres contained in the tract. All rights-of-way, easements and out-conveyances are also delineated on the map. The information on the tract map is obtained from the deed description shown on the tract ownership data form; from General Land Office records and maps; state patents; existing surveys or from new surveys made by Government land surveyors. Aerial photographs are also proving to be a valuable source of information in the preparation of tract maps in certain areas.

Appraising: Each tract under consideration for purchase is individually appraised for the purpose of determining a fair and reasonable value thereof. All appraisals are made by appraisers who are experienced in the appraisal of the types of property involved. The appraisers are expected to be in a position to support their conclusions at all times with factual information showing that their appraisals are fair and equitable to the owners as a basis for sale and at the same time are fair to the Government as a basis for purchase.

The fact that submarginal land is generally low in value might lead to the impression that the appraisal of such properties requires less care and precision than that required in the appraisal of higher valued properties. Experience has shown, however, that submarginal farms present many difficult problems which require sound judgment on the part of the appraiser. The differences in the grades and values of submarginal farms are relatively as great as they are on more productive farm units, and the appraiser of submarginal farms must be able to recognize these differences. The difference between an average value of \$2.50 per acre and an average value of \$4.00 per acre for submarginal farms is relatively as great as the difference between average per acre values of \$25.00 and \$40.00 on farms of a more productive nature. Much of the success of the Title III program can be attributed to the fact that the appraisals have been consistent with differences in the grades and values of the tracts under consideration.

Before the actual appraising of individual tracts is initiated on a project, an investigation is made in the field by the appraisal staff to secure data regarding land values within the area. The purpose of this investigation is to assure consistent and equitable valuations and is a means of determining the proper methods of approach applicable to the appraisal of individual properties within the area. The physical, economic and social factors which affect land values within the area are investigated.

Farmers, local business men, agricultural agents and others who are familiar with the area are interviewed for opinions as to land values, and facts concerning past and recent real estate transactions are collected and analyzed. In areas where timber or minerals are known to exist, or where subsurface rights are a factor in determining land values, technically trained people and informed operators are consulted in regard to these items.

When a tract is assigned for appraisal the appraiser is furnished with complete tract ownership data and a copy of the tract map. The appraiser makes a thorough physical inspection of the tract, carefully classifying the land according to use, type and grade. Such items as productivity and adaptability of the soil, location and desirability of the tract, and recent sales of comparable properties are considered in arriving at the value of the tract. Where merchantable timber is found, it is given separate consideration and its value is estimated by an actual cruise. All improvements are examined and valued individually, taking into consideration their replacement cost less depreciation, their utility and desirability for farm and home purposes, and their contribution to the total market value of the tract. Where minerals or subsurface rights are a factor in the market value of lands, these items are also considered and valued separately. The purpose of showing separate values for the various components of the real estate is to permit appropriate deductions where outstanding interests are not to be acquired or where the owner requests the reservation of any item.

The entire tract and all its components are first appraised in fee, without regard to the separate ownership of any rights or interests. Where any interests outstanding in third parties are not to be acquired, adjustments are made to reflect the value of such interests and their effect upon the value of the remaining fee. The value and effect of reservations by the owner are considered at the time the option is negotiated and are reflected in the purchase price.

Appraisal reports covering individual tracts in submarginal land purchase areas are prepared on a comparatively short form. While all factors, both general and specific, are considered in each individual appraisal, as a general rule only those items which are peculiar to the particular tract under consideration are discussed in the appraisal report. Those factors which are common to the area as a whole are discussed in a separate report which is prepared and submitted after the preliminary investigation of the area has been completed. This practice is recommended where appraisals are made of a large number of tracts concentrated within a rather compact area with uniform conditions, since it eliminates duplicating the more general information on each individual report and also facilitates the work of reviewing the appraisals, both in the office and in the field.

In addition to the total value of the tract, subject to any outstanding interests which are not to be acquired, and the necessary information in support of the appraiser's conclusions, the appraisal report shows the present status of the tract, whether operated, idle or abandoned; occupancy of the tract, whether owner, tenant, sharecropper or squatter; and the number of people residing on the tract. These items have no particular bearing upon the value of the tract but are useful in analyzing certain features of the acquisition program. A plat of the property showing the various grades and classes of land and the location of roads, streams and other physical characteristics, is also included with and is considered a part of the appraisal report.

Optioning: Before optioning on any project is initiated these negotiators review the Directions for Purchase in order to familiarize themselves with the interests to be acquired. Negotiation for a specific tract is not undertaken until after the tract has been appraised and the appraisal report has been prepared and signed. Before negotiation for a specific tract the negotiator reviews the information contained in the appraisal report, tract map, tract ownership data, and any other information which may be of value in negotiating with the owner.

Negotiators are instructed to recognize the rights and interests of the landowners and at the same time protect the interests of the Government. They are not permitted to make any promises which will obligate either the Government or the owner in any manner except as provided under the terms and conditions of the option. It is the practice of the Soil Conservation Service to recognize only the actual owner or his authorized agent or representative, and options are not taken from persons who are merely holders of options taken in anticipation of a sale to the Government.

A standard form of option to purchase, which sets forth certain uniform terms and conditions, is used on all Title III projects. The price consideration and any rights which are to remain outstanding in third parties, or rights to be retained by the vendor, are recited in appropriate spaces provided therefor. One of the provisions of the option is that the expenses for the procurement of title evidence will be borne by the Government, except that the vendor is to deliver, without charge, any available title evidence which he may have. The purpose of this provision is to insure the orderly and expeditious procurement of uniform and acceptable evidences of title, thus preventing delays which otherwise might be encountered in the final consummation of land purchase transactions.

After an option has been properly signed by the vendor, it is assembled with other papers and documents pertinent to the tract. This assembly, referred to as the option assembly, consists of the signed option, the tract ownership data, the appraisal report, the tract map, and any other information necessary to support the validity of the option and to assist in the examination or a review of the transaction.

Upon receipt of option assemblies in the Washington office they are examined for sufficiency and checked for compliance with regulations and policies. After an option is found to be in proper form, it is accepted for and on behalf of the United States by an authorized representative of the Secretary of Agriculture, and notification of the acceptance is sent to the vendor. Upon acceptance by the United States the option becomes a land purchase contract.

In those instances where political subdivisions, or administrators, guardians, trustees or other legal agents, are required by law or court order to dispose of real property at public sale, the procedure differs slightly from that in

which an option is taken. In such cases assemblies are submitted in the same manner as option assemblies, except that an option to purchase is not included. On the basis of the information contained in the assembly, authority is granted to a representative of the Government to bid for the property. The maximum amount which can be bid is specified in the authorization. Where the Government's bid is accepted, the vendor designates acceptance of the bid by executing a specified form. This form is then sent to Washington and further action in completing the transaction follows the same procedure as that followed in consummating option contracts.

Title Clearance: In the introduction to this section of the study, reference was made to a law requiring the Attorney General's approval of the validity of title to lands purchased by the Federal Government. Reference has also been made to certain regulations relating to other legal functions which are performed by the Solicitor of the Department of Agriculture. In meeting these requirements, responsibilities in the performance of the various phases of title clearance have been defined in such a manner as to operate to the best advantage of all interested agencies and to minimize the time required to close land purchase transactions.

The Soil Conservation Service, as the acquiring agency, is responsible for the procurement of material necessary to place the titles in acceptable condition. This work is performed on the projects by curative agents who have the necessary legal training and experience to perform the actions necessary to meet the requirements of the agencies responsible for the examination and approval of titles. The curative agent also closes the transactions on the project to which he is assigned and is responsible for the delivery of checks issued by the Treasury Department in payment for the land.

The Solicitor, as the legal representative of the Department of Agriculture, advises the Soil Conservation Service as to the general form of title evidence required, reviews the title evidence for the individual tracts to be acquired, determines what material is required to place the titles in acceptable condition, prepares the form of deeds required to convey lands to the United States, and transmits title evidence and related material to the Attorney General for final approval. The examination and review of title evidence is made by title attorneys of the Office of the Solicitor who are stationed in field offices located in close proximity to the project and regional offices of the Soil Conservation Service. These attorneys, who are familiar with title requirements in the areas to which they are assigned, devote full time to title examination. This permits the removal of title defects before the title evidence is submitted to the Attorney General.

It is the responsibility of the Attorney General to pass upon the sufficiency of the vendor's title and to specify the action which it is necessary to take, prior to payment and transfer of title, to insure the vesting of an acceptable title in the United States. After the transaction has been completed, the Attorney General renders a final opinion on the validity of the Government's title.

After an option has been accepted, title evidence is procured by the project personnel in accordance with arrangements made during the early stages of acquisition. When the title evidence is obtained, it is submitted to the Regional Title Attorney for review, accompanied by a copy of the land purchase contract, a copy of the tract map, and any other material pertinent to the title. If, after a review of the title evidence, the Title Attorney is of the opinion that an acceptable title can be conveyed by the vendor, he prepares a draft of the deed to the United States. The title evidence and draft of deed are then submitted to the Solicitor's office in Washington.

If the Title Attorney finds that curative action is necessary to perfect the vendor's title, he returns the title evidence to the project office along with a letter outlining the nature of the curative required. Upon receipt of this information the project curative agent notifies the vendor and action is taken to place the title in acceptable condition. Ordinarily, the curative material obtained at this time includes only those items which do not require a payment of money. The elimination of those defects requiring a payment of money, such as the satisfaction of mortgages, taxes and other liens, may be delayed until the delivery of the purchase check, if the vendor so elects. This arrangement eliminates the necessity of cash transactions by the vendor with his own funds before the money for the sale of the property is available.

When the necessary curative actions have been completed the title evidence is resubmitted to the Title Attorney along with the curative material which it was necessary to obtain. If a review of the title papers and curative material then reveals that the title is in satisfactory condition for conveyance to the United States, subject to the conditions contained in the land purchase contract, and subject to the procurement of such curative material involving the payment of money, the Title Attorney prepares an opinion to this effect and transmits all title papers, together with the draft of the deed, to the Office of the Solicitor in Washington. A copy of the title opinion is forwarded to the project office where it is used as a basis for the preparation of a voucher providing for the issuance of a check.

Upon approval of the Title Attorney's opinion by the Office of the Solicitor the title papers 1/ are submitted to the Department of Justice with a request for a preliminary title opinion. After an examination of the title papers they are returned by the Department of Justice to the Solicitor with the preliminary opinion of the Attorney General, which opinion specifies the conditions which must be satisfied before acceptable title can be obtained by the United States. This opinion and the title papers are then transmitted to the Soil Conservation Service where arrangements are made for the issuance of the check and for the closing of the transaction.

1/ The term "title papers" will be used hereinafter to refer to an assembly containing the title evidence; a copy of the land purchase contract; a copy of the tract map; all legal and administrative curative material; draft of deed; copies of title opinions, and any other papers relating to the land purchase transaction.

Payment and Closing: As soon as the project office receives a copy of the Title Attorney's opinion, a voucher is drawn providing for the issuance of a check for the amount of the purchase price. When the voucher has been properly executed by the person or persons entitled to receive payment, it is transmitted to the Soil Conservation Service in Washington where it is compared with the preliminary opinion of the Attorney General and with the land purchase contract. After the voucher is found to be in order, it is forwarded to the Treasury Department where a check is issued and sent directly to the curative agent responsible for closing transactions on the project.

Simultaneously with the forwarding of the land purchase voucher for the issuance of the check, the Soil Conservation Service transmits the title papers directly to the curative agent. The method of handling any matters peculiar to the individual case is outlined in a letter transmitting the title papers. After he has received both the title papers and the check, the curative agent notifies the vendor and arrangements are made to close the transaction. In meeting the title requirements and delivering the land purchase check, the curative agent is guided by the Attorney General's opinion, the Solicitor's memorandum of transmittal, the regulations and instructions of the Treasury Department, and the instructions and established procedure of the Soil Conservation Service.

Before closing the land purchase transaction, the curative agent satisfies himself that the title requirements set forth in the Attorney General's opinion can be met. He also determines that nothing has been done to affect the title since the title evidence was procured, and that the property can be conveyed in accordance with the terms of the land purchase contract. The possibility of possessory rights of third persons, or of the existence of any items not of record which might give rise to future liens, is investigated.

After the curative agent is satisfied that the transaction can be closed, he then requests the vendor to execute the deed and deliver it to him. Acceptance of the deed by the curative agent is considered as delivery to and acceptance by the Secretary of Agriculture for and on behalf of the United States. The Attorney General's requirements with respect to the satisfaction and release of record of any mortgages, taxes, or other liens are met at this time. Where the vendor is willing and able personally to pay the monetary encumbrances and expenses, the Treasurer's check for the full purchase price is delivered to him after the deed to the United States has been executed and recorded and after all encumbrances have been satisfied and released of record.

In those instances where the vendor is unable to personally pay the encumbrances, or where the vendor or one or more of the lien holders is unable to be present at the time of closing, the curative agent may, by obtaining from the vendor a power of attorney and an order to disburse the funds, cash the land purchase check, discharge the indebtedness, and record the releases for and on behalf of the vendor. After all liens and encumbrances have been satisfied and released of record and the deed to the United States have been recorded, the balance of the land purchase funds due the vendor are then delivered to him.

Following the closing of the transaction, the title evidence is continued to show the recordation of the deed to the United States, the recordation of any curative instruments, and the payment of taxes. The original instruments are attached to the title evidence as a part of the permanent records of the transaction, and the title papers are then transmitted to the Title Attorney where a review is made to determine that the requirements of the Attorney General have been met. Upon approval by the Title Attorney, the title papers are forwarded to the Office of the Solicitor with a final opinion, which opinion discloses title to be in the United States, subject to the reservations and exceptions which have been properly approved.

The title papers and the Title Attorney's opinion are reviewed by the Solicitor's office and, upon approval, are forwarded to the Department of Justice for final examination. When title has been approved the title papers are then returned to the Office of the Solicitor with the final opinion of the Attorney General. The Solicitor's office then forwards the title papers to the Soil Conservation Service where they are given an administrative review and arrangements are made for the final audit by the General Accounting Office.

Acquisition by Judicial Process

The foregoing discussion was limited to the procedures and practices employed in the acquisition of land by direct purchase. Where it is impossible or impracticable to acquire real estate or interests therein by direct purchase, the Government may acquire it by condemnation. Condemnation is the process through which the Government exercises its inherent sovereign power, known as the right of eminent domain, in taking private property for public purposes.

The acquisition program under Title III of the Bankhead-Jones Farm Tenant Act has been conducted upon the assumption that it is a voluntary program and, insofar as possible, acquisitions have been restricted to those tracts where title can be acquired by direct purchase. This practice has resulted in a better feeling in the areas where land is being acquired and has avoided the legal difficulties and consequent delays which frequently result in condemnation proceedings.

It has been the policy of the Soil Conservation Service to resort to condemnation as a means of acquiring title only under the following conditions: (1) to clear defects in the titles to land where such defects render the title unacceptable for direct purchase, and which can be removed more effectively and economically by condemnation than by other means; (2) to obtain title to land which cannot be acquired by direct purchase at a price which is deemed equitable, or where the owner is unknown or cannot be located, provided such land is absolutely essential to the furtherance of the objectives of a project, such as land needed for flooding, or land needed as a site for vital improvements which it is impracticable to locate elsewhere; and (3) to obtain title to land from owners who refuse to carry out the terms of their land purchase contracts, provided the importance of the land to the program is sufficient to justify the action.

Before acquisition through condemnation proceedings is recommended, the officials of the Soil Conservation Service of the region in which the tract is located must justify the action on the basis of the actual need for the property. It must also be shown that all possibilities of securing satisfactory title or control of the land by other means have been exhausted, that the land is of such type and the proposed use is such as to clearly qualify for acquisition under pertinent legislation, and that the extra time and expense involved will further the program of adjustment to a greater extent than a similar expenditure of time and money for other lands qualifying for acquisition.

A strict adherence to this policy and practice has resulted in comparatively few acquisitions by condemnation. During the period covered by this study 9,112 tracts were either acquired or were in the process of acquisition, containing a total of 2,390,593 acres. Of this number, 429 tracts, containing 60,257 acres, have been processed for acquisition by condemnation. This constitutes only 4.70 per cent of the total number of tracts and only 2.56 per cent of the total acres on which acquisition was initiated. Of the 429 tracts processed for condemnation, 331 were processed for the purpose of clearing defects in title, 87 because of disagreements in price or the inability to locate the record owners, and 11 because of the refusal of owners to comply with the terms of their land purchase contracts.

In all cases where condemnation is necessary, whether because of defects in the title, disagreement in price, or refusal to comply with the terms of the contract, the procedure followed by the Soil Conservation Service is substantially the same. The Regional Conservator forwards an assembly to the Washington office with his recommendation and the justification for condemnation. This assembly consists of the tract ownership data, appraisal report, tract map and any other information necessary to process the proposed action. Where the action is necessary because of defects in the title, and an option has been obtained, the option is also included in the assembly. Title evidence is procured and submitted in substantially the same manner as for direct purchase transactions. Upon approval of the action by the Soil Conservation Service, the Solicitor's office is requested to examine the title evidence for the purpose of determining the names of parties defendant and exceptions in the chain of title. Upon completion of the examination of the title evidence, the Attorney General is requested by the Secretary of Agriculture to cause the institution of condemnation proceedings. The United States District Attorney for the district in which the land lies is responsible for the prosecution of the proceedings to their conclusion. Funds in payment of land acquired through condemnation proceedings are disbursed by the court in accordance with the award and decree of distribution.

THE EFFECT OF PROCEDURAL ADJUSTMENTS
ON THE PROGRESS OF LAND ACQUISITION

The procedure for option acceptance and the details of the steps preliminary thereto were formulated during the early stages of the program and remained substantially the same throughout the period covered by this study. The progress of option acceptance during the period is illustrated by Table I.

During the first five months of the period, comparatively few options were accepted. This is attributed to the fact that during this time it was necessary to plan and secure the approval of projects, to organize a staff adequate to perform the work, to select the tracts to be acquired and to perform other work preliminary to optioning. In June, 1938, there was a marked increase in the number of options accepted and by the end of December of that year a total of 3,848 tracts were under option, representing 42 per cent of all options accepted during the entire period. By the end of the fiscal year ending June, 1939, 18 months after the first options were accepted, a total of 6,135 tracts were under option, which represented approximately two-thirds of the total acceptances during the entire period.

Due to reductions in funds appropriated for land purchase, option acceptance declined considerably during the remainder of the period. No new projects of an extensive character were started after June, 1939, and the majority of the available funds were applied to the purchase of remaining tracts on approved projects where acquisition was initiated prior to that date.

There was an unusually large increase in the number of options accepted in the month of June of each year covered by this study. This was the result of the submission of large numbers of option assemblies from the projects during the last month of the fiscal year in order that the funds currently available for land purchase might be encumbered before expiring. There were substantial decreases in the number of options accepted during the month of July, the beginning of the fiscal year, in 1939 and 1940, but the number of acceptances in July of 1938 and for several succeeding months was greater than for the preceding month of June. In 1938, a sufficient amount of planning and other work preliminary to optioning had been completed to permit an uninterrupted continuance of option acceptance. This indicates that a more desirable distribution of option acceptance can be attained by changes in practices which will permit more advanced planning and the completion of more of the preliminary steps of acquisition before funds are allotted to a project for the purchase of land.

Several adjustments were made in the procedure for payment and closing during the period covered by this study which materially affected the progress of this phase of acquisition. Very little progress was made in payment and closing until December, 1939, almost two years after the first options were accepted. During the first 12 months of the program, land purchase checks for only five tracts were delivered to vendors, and by the end of November, 1939, checks had been delivered for only 14.59 per cent of the 7,057 tracts under option.

Under the procedure in effect during the early months of the program the deed to the United States was executed by the vendor and recorded before the title papers were submitted for the approval of the Attorney General. After the title of

record was found to be vested in the United States, separate checks were then issued covering the amount of each lien debt and the balance due the vendor. This procedure was found to be unsatisfactory for a number of reasons, one of which was the necessity of determining in advance the exact date of closing in order that checks for the payment of liens would be in the exact amount of each lien debt, including interest and penalties which had accrued since the date the deed was executed. It also created an inconvenience to the vendor since he had conveyed title and surrendered possession without access to the funds in payment for his land until satisfactory title had been found to be vested in the United States. This procedure was later modified whereby the deed to the United States was executed before the title papers were submitted for approval but, under certain conditions, was not recorded until the time of payment and closing. This modification failed to expedite payment and closing to any appreciable degree and in October, 1939, the procedure outlined in the preceding section of this study was formulated and adopted.

The present procedure provides for the issuance of a single check, payable to the vendor, in the amount of the total purchase price. It also authorizes the use of Powers of Attorney, which permit individual disbursements to be made at the time of closing in the exact amount of each debt. Under this procedure the deed to the United States is not executed until the time of payment and closing, and the delivery and recordation of curative material requiring the payment of money is not required until that time. The principal advantage of this procedure is that the land purchase check is in the field and the purchase funds are ready for disbursement before the principal instruments of the transaction are required.

The rate at which payments and closings were accelerated by the adoption of the revised procedure is shown in Table I.

In December, 1939, after the revised procedure was in operation on all projects, checks were delivered for 488 tracts, and during the first three months the procedure was in operation more land purchase transactions were paid and closed than during the entire 23 months preceding. After a slight decline in January, 1940 the rate of payment and closing continued to increase through May, 1940, at which time 54.46 per cent of the tracts under accepted options had been paid and closed, as compared to only 14.59 per cent six months earlier. The number of transactions paid and closed during the first six months of the new procedure equaled 3,340, almost three and one-half times the 966 options accepted during the same period.

In October of 1940 the law requiring the Attorney General's approval of the validity of the title to lands acquired by the United States was amended to permit the acquisition of low value lands subject to such title infirmities as will not, in the opinion of the Attorney General, jeopardize the interests of the United States in the lands so acquired. 1/

1/ Sec. 355 - Revised Statutes of United States, as amended.

Table 1. Number of Options Accepted and Cases Paid and Closed during the Period from January 1, 1938 to June 30, 1941

Year	Month	Options Accepted 1/		Cases Paid and Closed		
		During Month	Total	During Month	Total	Percent of Acces Pd. & Close
1938	Jan.	6	6			
	Feb.	13	19			
	Mar.	33	52			
	Apr.	47	99			
	May	63	162			
	June	350	512	2	2	
	July	452	964	0	2	
	Aug.	656	1620	0	2	
	Sept.	501	2121	1	3	
	Oct.	691	2812	0	3	
	Nov.	626	3438	2	5	
	Dec.	410	3848	0	5	
1939	Jan.	647	4495	4	9	
	Feb.	279	4774	2	11	
	Mar.	224	4998	41	52	1.04
	Apr.	322	5320	101	153	2.87
	May	258	5578	95	248	4.44
	June	557	6135	165	413	6.73
	July	19	6154	94	507	8.23
	Aug.	385	6539	86	593	9.06
	Sept.	229	6768	128	721	10.65
	Oct.	141	6909	144	865	12.51
	Nov.	148	7057	165	1030	14.59
	Dec.	115	7172	488	1518	21.16
1940	Jan.	163	7335	423	1941	26.46
	Feb.	132	7467	430	2371	31.75
	Mar.	330	7797	627	2998	38.45
	Apr.	51	7848	652	3650	46.50
	May	175	8023	720	4370	54.46
	June	493	8516	471	4741	56.84
	July	-8*	8508	332	5173	60.80
	Aug.	-7**	8501	366	5539	65.15
	Sept.	14	8515	271	5810	68.23
	Oct.	33	8548	240	6050	70.77
	Nov.	50	8598	231	6281	73.05
	Dec.	52	8650	223	6504	75.19
1941	Jan.	62	8712	208	6712	77.04
	Feb.	60	8772	238	6950	79.22
	Mar.	62	8834	177	7127	80.67
	Apr.	59	8893	182	7309	82.18
	May	35	8928	183	7492	83.91
	June	184	9112	127	7619	83.61

1/ Includes 429 tracts which were processed for condemnation.

* 3 options were accepted during the month, but 11 options previously accepted were cancelled by mutual consent.

** No options were accepted during the month; options covering 7 tracts previously accepted were cancelled.

Low-value lands are defined in the amended law as being lands which do not exceed an average value of \$10.00 per acre. The Act further specifies that the acceptance of titles subject to infirmities is not permitted where the total value of the land to be acquired under a single contract is in excess of \$3,500.

In applying the original law requiring the Attorney General's approval of the validity of title, a valid title was interpreted as meaning a practically perfect title, one free and clear of any infirmities. Under this interpretation, the Attorney General was required to apply the same strict title requirements at sub-marginal lands of low value as were applied to expensive urban property acquired for the erection of public buildings.

In the acquisition of land under Title III of the Bankhead-Jones Farm Tenant Act, title infirmities of a minor nature, ordinarily disregarded by individuals in everyday transactions, are frequently encountered. Previous to the amendment of the Act, the elimination of such infirmities was required. This quite often resulted in considerable delay and, in a number of instances, the inability to clear title resulted in a mutual cancellation of the contract and abandonment of the transaction. In other instances where it was desirable to complete acquisition involving such infirmities, it was necessary to resort to judicial proceedings, the cost of which often exceeded the value of the land itself.

The revised legislation is particularly applicable to lands acquired under Title III. A high percentage of these lands fall within the category of low-value lands as defined by the amended act. The nature of the program and the character of the land acquired make it desirable to complete land purchase transactions without the delay and expense encountered in the removal of title infirmities which are not likely to affect the Government's interest in the land. The application of the revised statute has been a means of acquiring considerable land which could not have been acquired otherwise and has also been a factor in expediting title clearance and in maintaining a satisfactory rate of payment and closing.

ACREAGE, USE, APPRAISED VALUE,
AND PURCHASE PRICE OF LAND ACQUIRED

The following analysis covers 9,017 tracts of land involved in the land acquisition program conducted under authority of Title III of the Bankhead-Jones Farm Tenant Act during the period from January, 1938, the date the first options were accepted, through June, 1941. This includes all tracts processed for acquisition during the period, except certain tracts on which only easements and grazing rights were acquired. These are excluded because the nature of the interests conveyed does not permit an analysis comparable to that where greater interests are acquired.

Because the data consist of regional totals and averages, they are subject to only very broad interpretation. Therefore, the discussion is confined primarily to fact presentation.

The extent of the program in the various regions of the Soil Conservation Service is shown in Table 2. The largest acreage was in the Northern Great Plains region, where 41.46 per cent of the total acreage lies; followed by the Southern Great Plains region with 24.35 per cent of the total acreage. The Southwestern region ranked third in the total number of acres, with 13.40 per cent. The average acres per tract in those regions was considerably larger than the average for the entire country. Two large tracts, one containing 86,205 acres and the other containing 45,940 acres, contributed substantially to the large average size per tract in the Southwestern region. Elimination of these tracts would give an average of 367.98 acres for the tracts in that region.

The third largest number of tracts was in the Western Gulf region, Region 4, although only 5.18 per cent of the total acreage was in that region. The average acreage per tract in that region was relatively small in comparison with the average in the three western regions mentioned above. However, most of the projects in the Western Gulf region are in northeast Texas, eastern Oklahoma and in the States of Arkansas and Louisiana where the type of land involved is more comparable to that in the Southeastern region. The average acres per tract was smallest in Regions 3 and 5.

Only 43 tracts, containing a total of 11,540 acres, were acquired in the Pacific Southwest region. Land acquisition in that region was confined to two small projects, one in California and one in Nevada. (Figure 2.)

In the eastern, southern, and mid-western sections of the United States, the tendency was toward fewer acquisitions and more projects while in the regions farther west there was more of a tendency to concentrate acquisitions on larger areas. One reason for this is that submarginal lands were acquired in the western regions mainly for conservation purposes, whereas in the other regions the acquisition program was conducted more toward the establishment of demonstrational areas.

Land was acquired on more projects in the Southeastern region, Region 2, than in any of the other regions. In that region 828 tracts, containing a total of 132,050 acres, were processed for acquisition on 25 projects. Many of the

projects in Region 2 were originally started under previous submarginal land purchase programs, ^{1/} and the Title III program in that region has been conducted, to a large extent, toward completing projects established prior to the enactment of the Bankhead-Jones Farm Tenant Act. This is also true for the Northeastern and Ohio Valley regions.

Table 2. Number of Projects, and Number of Tracts, Total Acreage, and Average Acres per Tract of Land Processed for Acquisition under Title III of the Bankhead-Jones Farm Tenant Act during the period from January, 1938 through June, 1941.

No.	Region Name	No. of Projects	No. of Tracts	Total Acreage	Per Cent of Total Acreage	Average Acres per Tract
1.	Northeastern	16	446	47,374	1.98	106.22
2.	Southeastern	25	828	132,050	5.53	159.48
3.	Ohio Valley	15	297	26,175	1.10	88.13
4.	Western Gulf	17	964	123,757	5.18	128.38
5.	Upper Mississippi	11	587	50,308	2.11	85.70
6.	Southern Great Plains	14	1,827	581,696	24.35	318.39
7.	Northern Great Plains	13	3,134	990,379	41.46	316.01
8.	Southwestern	6	513	320,187	13.40	624.15
9.	Pacific Northwest	5	376	105,390	4.41	278.81
10.	Pacific Southwest	2	43	11,540	0.48	268.37
All Regions		124	9,017	2,388,856	100.00	264.93

During the appraisal of each individual tract the land is classified by the appraiser as crop land, grazing land, and forest land. Crop land includes land regularly used for crops, including rotation pasture, meadow land, summer fallow, and other land temporarily idle but ordinarily used for crops. Land regularly used for grazing, except rotation pasture, is classified as grazing land. Abandoned crop land which is adapted only to grazing is also included in this classification. Forest land includes land bearing a stand of timber, or land primarily adapted to timber growth.

Grazing land comprised about two-thirds of the total land involved. (Table 3). This was because the largest areas were in Regions 6, 7, and 8 where grazing land predominated. The largest acreage of grazing land was in Region 7, where the amount of grazing land amounted to more than the total acreage of all classes of land in any other single region. Forest land was predominant in Regions 1, 2, and 3. The largest acreage of forest land was in Region 2, where

^{1/} A total of 9,091,570 acres of submarginal land on 159 projects scattered throughout the United States was acquired under authority of the National Industrial Recovery Act of 1933 and the Emergency Relief Act of 1935.

the percentages of crop land and grazing land were relatively small. The most even distributions between crop land, grazing land, and forest land were in Regions 4 and 5. The largest percentage of crop land was in Region 6, where the distribution between crop land and grazing land was fairly even. Region 6 included the so-called "dust bowl" area where the program involved the retirement of large areas of crop land which were subject to severe wind erosion. The smallest percentage of crop land was in Region 8, where only 2.1 per cent of the land was classified as such.

Table 3. Distribution of Land Classified According to Use, by Regions

Region	Total Acres	Crop Land		Grazing Land		Forest Land	
		Acres	Percent	Acres	Percent	Acres	Percent
1	47,374	15,347	32.4	8,115	17.1	23,912	50.5
2	132,050	24,799	18.8	9,721	7.4	97,530	73.8
3	26,175	7,007	26.8	3,847	14.7	15,321	58.5
4	123,757	32,067	25.9	49,656	40.1	42,034	34.0
5	50,308	15,441	30.7	12,930	25.7	21,937	43.6
6	581,696	249,268	42.9	332,428	57.1	--	--
7	990,379	233,093	23.5	756,241	76.4	1,045	0.1
8	320,187	6,629	2.1	313,558	97.9	--	--
9	105,390	11,497	10.9	85,582	81.2	8,311	7.9
10	11,540	1,719	14.9	9,821	85.1	--	--
<hr/>							
All Regions	2,388,856	596,867	25.0	1,581,899	66.2	210,090	8.8

The number of tracts on which the entire acreage was classified as crop land was relatively small in all regions. (Table 4). The largest number of such tracts was in Region 6, where a comparatively large percentage of the land accepted for purchase was classified as crop land. Over 50 per cent of all tracts containing only crop land were in that region. In Regions 5 and 7, the number of tracts classified entirely as crop land were about equal, but because of the difference in the size of the program in those regions, the percentage of such tracts was considerably smaller in Region 7.

The percentage of tracts classified entirely as grazing land was highest in Region 8, where the proportion of grazing land was also highest. The proportion of tracts containing only grazing land was also relatively high in Regions 7, 9, and 10, where large proportions of the land accepted for purchase were classified as grazing land. Approximately one-fourth of all tracts in Region 2 were classified entirely as forest land, but in Regions 1, 3, 4, and 5, where comparatively large percentages of the land were classified as forest land, the percentage of tracts on which the entire acreage was classified as forest land was comparatively low.

In Regions 6 and 7, embracing the Great Plains area, the majority of tracts accepted for purchase were a combination of crop and grazing land. Combinations

Table 4. Distribution of Tracts According to Classification of Land, by Regions.

Region	Crop Land		Grazing		Forest		Crop & Grazing		Crop & Forest		Grazing & Forest		Crop, Grazing, & Forest	
	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%	Number	%
1	446	4.7	3	0.7	50	11.2	16	3.6	116	26.0	12	2.7	228	51.1
2	828	2.6	6	0.7	202	24.4	3	0.4	427	51.6	11	1.3	157	19.0
3	297	2.4	6	2.0	32	10.8	7	2.4	116	39.0	27	9.1	102	34.3
4	964	3.2	131	13.6	92	9.5	330	34.3	166	17.2	70	7.3	114	14.9
5	587	9.0	11	1.9	28	4.8	94	16.0	123	20.9	51	8.7	227	38.7
6	1827	12.2	446	24.4	--	--	1157	63.4	--	--	--	--	--	--
7	3134	1.7	988	31.5	--	--	2081	66.4	--	--	9	0.3	4	0.1
8	513	--	378	73.7	--	--	135	26.3	--	--	--	--	--	--
9	378	2.4	200	52.9	5	1.3	104	27.5	18	4.8	6	1.6	36	9.5
10	43	7.0	21	48.8	--	--	19	44.2	--	--	--	--	--	--
All Regions	9017	4.7	2190	24.3	409	4.5	3946	43.8	9660	10.7	186	2.1	898	9.9

All

of crop land and forest land predominated in Regions 2 and 3. In Regions 1 and 5, combinations of crop, grazing, and forest land predominated. Combinations of grazing and forest land were relatively small in all regions.

The data in Table 5 reflect the status of the tracts involved in the purchase program with respect to abandonment. Crop and grazing land were considered to be idle or abandoned if not used for a period of at least three years previous to the date it was appraised. Forest land was considered abandoned where the timber had been removed and no attempt had been made to restore the stand. The entire acreage of only 37.3 per cent of the tracts was in use, the land on the other 62.7 per cent was either entirely or partially idle or abandoned. In comparing regional figures in Table 5 with those in Table 3, it is interesting to note that the percentage of tracts where all land was in use tended to increase as the percentage of grazing land increased. There was also a tendency for the percentage of tracts with all land in use to decrease as the percentage of forest land increased. Total abandonment was greatest in Region 6, where a relatively large percentage of the land accepted for purchase was classified as crop land, and in Regions 2 and 3, where large percentages were classified as forest land. The proportion of tracts on which all land was idle or abandoned was also comparatively high in Region 9, where grazing was the predominate use.

Table 5. Distribution of Tracts According to Use and Abandonment, by Regions

Region	All Land in Use			All Land Idle or Abandoned		Part of Land in Use and Part Idle or Abandoned	
	No. of Tracts	Percent of Total		No. of Tracts	Percent of Total	No. of Tracts	Percent of Total
1	446	4.9		155	34.8	269	60.3
2	828	2.1		358	43.2	453	54.7
3	297	3.7		126	42.4	160	53.9
4	964	27.4		315	32.7	385	39.9
5	587	18.2		129	22.0	351	59.8
6	1827	29.3		896	49.0	395	21.7
7	3134	58.5		560	17.9	740	23.6
8	513	70.2		97	18.9	56	10.9
9	378	45.8		156	41.3	49	12.9
10	43	81.4		2	4.7	6	13.9
All Regions	9017	37.3		2794	31.0	2864	31.7

In the discussion pertaining to appraisal methods and policies, reference was made to the practice of showing separate values in the appraisal reports for the component parts of the real estate. Reference was also made to the practice of first appraising the property in fee, and then adjusting the value of the fee to reflect the value and effect of exceptions and reservations upon the value of the

Table 6. Appraised Value of Land, Improvements, Merchantable Timber, and Subsurface Rights, without Regard to Outstanding or Reserved Interests, by Regions.

Region	A P P R A I S E D V A L U E					Total (Dollars)
	Total Acres (Acres)	Land (Dollars)	Improvements (Dollars)	Merchantable Timber (Dollars)	Subsurface Rights (Dollars)	
1	47,374	338,906	219,864	32,710	8,553	600,033
2	132,050	837,858	238,234	68,274	--	1,144,366
3	26,175	192,836	59,831	19,250	1,346	273,263
4	123,757	559,983	178,200	18,452	53,111	809,746
5	50,308	485,377	297,667	11,094	--	794,138
6	581,696	1,892,251	307,280	--	--	2,199,531
7	990,379	2,567,302	758,300	1,473	53,173	3,380,248
8	320,187	560,597	40,743	--	--	601,340
9	105,390	175,690	72,418	17,850	--	265,958
10	11,540	118,332	20,047	--	--	138,379
All Regions	2,388,856	7,729,132	2,192,584	169,103	116,183	10,207,002

interest to be acquired. The total appraised values of the various components of real estate are shown for each region in Table 6. The total of the separate values does not, in all instances, represent the total appraised value of all property within the region. This is because of differences in the methods of reflecting the value derived from such factors as location, accessibility, and use suitability. In most instances the value derived from such factors was reflected in the values of the elements affected, although there were a few appraisals where the net effect of such factors was reflected in the total value of the tract. Since the latter practice was followed in only a few instances, and the net results of the adjustments made in this manner were comparatively small, this departure from the method most commonly followed does not preclude fairly accurate comparisons of the appraised values between individual regions.

Land alone accounted for three-fourths of the total property values, and was the largest single item in each region. Improvement values ranked second, and constituted approximately one-fifth of the total appraised values. Merchantable timber accounted for less than 2 per cent of the total value. There was no merchantable timber appraised in Regions 6, 8, and 10 and relatively little in Region 7. Subsurface rights were a factor in land values in only 4 regions, with over 90 per cent of the total appraised value of such rights accounted for in Regions 4 and 7.

The average appraised value of land for all regions was \$3.24 per acre, ranging from \$1.67 per acre in Region 9 to \$10.25 per acre in Region 10. (Table 7). The value of crop land was significantly higher than either grazing or forest land in every region, except in Region 6 where the difference between the per acre values of crop and grazing land was comparatively small. (Table 8).

The average appraised value of grazing land for all regions was \$2.31 per acre. The highest per acre values were in Regions 5 and 10, with per acre valuations of \$9.51 and \$6.17, respectively. The lowest per acre grazing land values were in Regions 7, 8, and 9, where relatively large proportions of the land were classified as grazing.

Table 7. Appraised Value of Land, by Regions

Region	Acreage	Total Value	Value Per Acre
1	47,374	338,906	7.15
2	132,050	837,858	6.34
3	26,175	192,836	7.57
4	123,757	559,983	4.52
5	50,308	485,377	9.65
6	581,696	1,892,251	3.25
7	990,379	2,567,302	2.59
8	320,187	560,597	1.75
9	105,390	175,690	1.67
10	11,540	118,332	10.25
All Regions	2,388,856	7,729,132	3.24

The per acre values of forest land were highest in Regions 1 and 3, which were followed by Region 2. The differences between the appraised values of forest and grazing land in those regions were not so great as were the differences in the average per acre values of crop land and grazing land. Average values of forest land were lowest in Regions 7 and 9, but the amount of the land classified as forest land in those regions was comparatively small.

The average appraised value of improvements for all regions was 92 cents per acre; however, there was a wide range in improvement valuations between the different regions. (Table 9). The per acre values were considerably higher in Regions 1 and 5 than in any of the other regions. The average acres per tract was comparatively small in those regions. They are also comparable with regard to latitude embraced, indicating that climatic conditions might have been a factor in building requirements. The per acre value of improvements was materially lower in Region 3 than in Regions 1 and 5, but was higher than in any of the other regions. The average acres per tract was also small in that region and it is also somewhat comparable to Regions 1 and 5 with respect to latitude. However, Figure 2 indicates that a majority of the projects in Region 3 are located in the southern part of the region, whereas in Regions 1 and 5, most of the projects are located farther north.

It is of interest to note the rather close similarity of per acre building values in Regions 2 and 4, which are also comparable with regard to latitude.

Per acre improvement values were lowest in Region 8, with an average valuation of 13 cents. Several factors accounted for the low average value in that region. The acres per tract in that region averaged considerably more than in any of the other regions and a large percentage of the land accepted for purchase was classified as grazing land. Ordinarily buildings in grazing areas are not so indispensable as in other areas. Of the 513 tracts accepted for purchase in Region 8, there were buildings on only 108.

Table 9. Appraised Value of Improvements, by Regions.

Region	Acres	Value of Improvements	
		Total	Per Acre
1	47,374	219,864	4.64
2	132,050	238,234	1.80
3	26,175	59,831	2.29
4	123,757	178,200	1.44
5	50,308	297,667	5.92
6	581,696	307,281	0.53
7	990,379	758,300	0.77
8	320,187	40,743	0.13
9	105,390	72,418	0.69
10	11,540	20,047	1.74
All Regions	2,388,856	2,192,584	0.92

The average values of improvements were comparatively low in Regions 6, 7, and 9, where there are also similarities in the average acres per tract. The similarity in per acre improvement values is especially significant in Regions 7 and 9, which are also comparable in predominant types of land and latitude embraced. The high degree of abandonment might have accounted to some extent for the low value of improvements in Region 6.

The appraised value of merchantable timber in those regions where it was a factor is shown in Table 10. Merchantable timber was appraised separately only where the saw-timber, ties, poles, posts, pulpwood, cord-wood, and other forest products on the land were of such quality and in sufficient quantity, and where their location was such, as to permit profitable cutting and marketing. Where young tree growth was a factor, its value was generally reflected in the value of the land.

Table 10. Appraised Value of Merchantable Timber, by Regions.

Region	Acres Forest Land	Appraised Value of Merchantable Timber	
		Total	Per Acre
1	23,912	32,710	1.37
2	97,530	68,274	0.70
3	15,321	19,250	1.26
4	42,034	18,452	.44
5	21,937	11,094	.51
7	1,045	1,473	1.41
9	8,311	17,850	2.15

The acreage classified as forest land in Region 9 was relatively small, but the per acre value of merchantable timber was highest in that region. The lowest per acre values were in Regions 4 and 5. The difference in the per acre value of merchantable timber was small in those two regions, although there was a large difference in the acreage of forest land. Region 5 is quite comparable to Region 1 with respect to acreage of forest land and the proportion of total land in forest, but the per acre value of merchantable timber in Region 5 was considerably less than that in Region 1. Both the acreage of forest land and the per cent of all land in forest were highest in Region 2, but the per acre value of merchantable timber in that region was relatively low. Only a small amount of timber was appraised in Region 7. Practically all the timber in that region was on a relatively few tracts on one project, and was suitable only as poles, posts, and cordwood.

The per acre value of merchantable timber exceeded the per acre value of forest land in Regions 7 and 9. However, in the other regions the per acre value of forest land was higher in every instance. Disregarding timber values in Regions 7 and 9, the per acre value of merchantable timber increased as the per acre value of forest land increased. The relationship of forest land and timber values in the different regions is illustrated in Table 11.

Table 11. Appraised Value of Forest Land as Related to Appraised Value of Merchantable Timber.

Region	Forest Land Appraised Value Per Acre (Dollars)	Merchantable Timber Appraised Value Per Acre (Dollars)
7	1.29	1.41
9	1.65	2.15
4	2.65	0.44
5	3.43	0.51
2	4.61	0.70
3	6.14	1.26
1	6.40	1.37

With the exception of rights-of-way for roads and highways, the most common outstanding or reserved interests in titles to real estate acquired under Title III of the Bankhead-Jones Farm Tenant Act are rights to remove certain improvements, such as buildings and fences; rights to remove timber or products thereof; and mineral and subsurface rights.

A distribution of the Appraised value of the real estate acquired is shown in Table 12. The total values shown for each region represents the total value of all property acquired, subject to all reservations and exceptions. The values of improvements, timber, and subsurface rights shown in the table were obtained by subtracting the value of the items reserved from the total appraise value of these items as shown in Table 6. The effect of the interests to remain outstanding, in either the vendors or third parties, is reflected in the column provided for minus adjustments. This in addition to the value of the items reserved, and includes such factors as potential damages to land resulting from the exercise of rights to the subsurface, damages to young tree growth caused by the slash and removal of timber, and depreciation in the value of the fee by virtue of easements or other excepted or reserved rights. The columns provided for adjustments also include, in some instances, additions and deductions for factors of location and environment. However, as previously stated, the value and effect derived from such factors are generally reflected elsewhere in the appraisals.

The value of the improvements, timber and subsurface rights, reserved by vendors, or which remained outstanding in third parties, may be obtained by comparing the appraised values of those items in Table 6 with those in Table 12. The difference between the appraised value of all improvements located on the tracts at the time they were appraised and the total value of the improvements which were acquired, was relatively small. The aggregate difference amounted to only \$28,513, which is barely one per cent of the total value of improvement

The value of timber reserved or excepted in all regions was \$14,039, or 8.3 per cent of the value of all timber appraised. Over 80 per cent of the value of timber reserved or excepted was accounted for in Regions 2 and 5. No

Table 12. Distribution of Appraised Value of Interests Acquired, by Regions.

Region	A P P R A I S E D V A L U E									
	Total Acres (acres)	Land (Dollars)	Improvements (Dollars)	Merchantable : Subsurface :		Rights :		Adjustments :		Total (Dollars)
				Timber (Dollars)	(Dollars)	(Dollars)	(Dollars)	Plus (Dollars)	Minus (Dollars)	
1	47,374	338,906	218,816	31,492	8,251	1,575	428	598,612		
2	132,050	837,858	236,791	59,535	--	--	1,042	1,133,142		
3	26,175	192,836	57,631	19,205	549	544	679	270,086		
4	123,757	559,983	177,496	17,262	41,618	--	6,299	790,060		
5	50,308	485,377	288,008	8,247	--	2,145	523	783,254		
6	581,696	1,892,251	301,541	--	--	8,770	38,150	2,164,412		
7	990,379	2,567,302	752,133	1,473	40,371	400	4,530	3,357,148		
8	320,187	560,597	39,718	--	--	--	5,664	594,651		
9	105,390	175,690	72,410	17,850	--	--	443	265,507		
10	11,540	118,332	19,527	--	--	--	12,792	125,067		
All Regions	2,388,856	7,729,132	2,164,071	155,063	90,789	13,434	70,550	10,081,939		

timber was reserved or excepted in Regions 7 and 9, and relatively little in Regions 1, 3, and 4.

The value of reserved or excepted subsurface rights was 21.8 per cent of the total appraised value of those rights, most of which was accounted for in Regions 4 and 7.

A total of \$25,394 was deducted from the appraised value of subsurface rights as the value of these elements which were reserved or excepted. This, however, represents only a small percentage of the deductions made for that purpose. In several regions subsurface rights which were considered as having no value, or which had only speculative values which could not be accurately appraised, were reserved or excepted. In such cases deductions were made from the value of the fee for potential damages to the land and for other interferences with possession resulting from the exercise of the rights to remain outstanding in vendors or third parties. All minus adjustments in Region 10, and a large amount of those in Region 6, were made to reflect the effect of such reservations and exceptions upon the value of the fee.

The appraised value of all property acquired, subject to the reserved and excepted interests, was \$10,081,939, or \$4.22 per acre. The total purchase price was \$9,762,763, which is 13 cents per acre below the appraised value. (Table 13). With the exception of Region 6, the purchase price was lower than the appraised value in every region. The average ratio of purchase price to appraised value was 96.8. The range in this ratio by regions was from 86.3 for Region 10 to 100.4 for Region 6.

Table 13. Appraised Value and Purchase Price of Property Acquired, by Regions.

Region	Acres	Appraised Value		Purchase Price		Ratio: Purchase Price to Appraised Value
		Total	Per Acre	Total	Per Acre	
	(Acres)	(Dollars)	(Dollars)	(Dollars)	(Dollars)	(Per Cent)
1	47,374.2	598,612	12.64	565,051	11.93	94.4
2	132,050	1,133,142	8.58	1,096,414	8.30	96.8
3	26,175	270,086	10.32	250,544	9.57	92.8
4	123,757	790,060	6.38	724,586	5.85	91.7
5	50,308	783,254	15.57	771,168	15.33	98.5
6	581,696	2,164,412	3.72	2,173,512	3.74	100.4
7	990,379	3,357,148	3.39	3,245,741	3.28	96.7
8	320,187	594,651	1.86	578,948	1.81	97.4
9	105,390	265,507	2.52	248,834	2.37	93.7
10	11,540	125,067	10.84	107,965	9.36	86.3
All Regions	2,388,856	10,081,939	4.22	9,762,763	4.09	96.8

OWNERSHIP AND OCCUPANCY OF TRACTS ACQUIRED
AND RESIDENCE OF VENDORS

Over three-fourths of all tracts were acquired from individuals and the proportion was high in every region. (Table 14). Titles to 10 per cent of all tracts were acquired from estates, trustees, or guardians. The percentage of tracts acquired from this type of ownership ranged from 5.7 in Region 8 to 20.9 in Region 10. The proportions were relatively high in Regions 2 and 4, where the proportions conveyed by individuals were lowest. There were no acquisitions from commercial banks in Regions 8, 9 and 10, and relatively few in any of the other regions. The largest proportion was in Region 4, where 33 tracts, or 3.4 per cent, were acquired from that source. The number and proportion of tracts acquired from land banks was significant only in Regions 6 and 7. Approximately 89 per cent of all tracts acquired from that source were in those two regions. Less than one per cent of the total of all tracts were acquired from insurance companies and the proportion was small in each region. Titles to 3.7 per cent of all tracts were conveyed by other corporations and the same proportion was acquired from county and state governments. More tracts were acquired in Region 7 from other corporations than in any other single region, although the proportion of tracts acquired from that source was greatest in Region 2. Region 7 led all other regions both in the number and proportion of tracts acquired from state and county governments.

The percentage of tracts occupied by owners ranged from 6.7 in Region 6 to 35.2 in Region 1. (Table 15). The average for all regions was 14.5 per cent. Tenants occupied 13.8 per cent of all tracts and less than one per cent were occupied by squatters. The proportion of tracts occupied by tenants was greatest in Regions 4 and 2 and relatively small in Regions 8, 10 and 9. Seventy-one per cent of all tracts were unoccupied. There were more unoccupied tracts than there were occupied tracts in every region, except in Region 5.

Thirty per cent of all tracts were conveyed by vendors residing in states other than the states in which the tracts were located. (Table 16). The range by regions was from 6.7 per cent in Region 3 to 48.5 per cent in Region 6. The proportions of tracts conveyed by vendors residing outside the state were also comparatively high in Regions 7 and 8 and comparatively low in Regions 1, 2 and 3. Vendors of 55.5 per cent of the tracts resided within the same state but did not reside on the tracts which they conveyed. The proportions of such tracts were relatively large in all regions. The seat of the main office was considered to be the "residence" of banks, insurance companies, and other corporations.

Table 15. Distribution of Tracts According to Occupancy, by Regions.

Region	O C C U P A N C Y											
	Owners		Tenants or Share Croppers				Squatters				Not Occupied	
	No. of Tracts	% of Total	No. of Tracts	% of Total	No. of Tracts	% of Total	No. of Tracts	% of Total	No. of Tracts	% of Total		
	Tracts	Total	Tracts	Total	Tracts	Total	Tracts	Total	Tracts	Total		
1	446	157	35.2	54	12.1	4	0.9	231	51.8			
2	828	183	22.1	207	25.0	6	0.7	432	52.2			
3	297	94	31.7	44	14.8	4	1.3	155	52.2			
4	964	107	11.1	293	30.4	36	3.7	528	54.8			
5	587	197	33.6	103	17.5	3	0.5	284	48.4			
6	1827	123	6.7	183	10.0	4	0.2	1517	83.1			
7	3134	363	11.6	313	10.0	6	0.2	2452	78.2			
8	513	37	7.2	22	4.3	--	--	454	88.5			
9	378	37	9.8	20	5.3	--	--	321	84.9			
10	43	7	16.3	2	4.6	--	--	34	79.1			
All Regions	9017	1305	14.5	1241	13.8	63	0.7	6408	71.0			

Table 16. Distribution of Tracts According to Residence of Vendors, by Regions.

Region	Tracts with Vendors Residing Elsewhere							
	Total		Tracts with Vendors Residing Thereon		Residing Within State		Residing Outside State	
	Number of Tracts	% of Total	Number	% of Total	Number	% of Total	Number	% of Total
	Tracts	Total	Tracts	Total	Tracts	Total	Tracts	Total
1	446	157	35.2	241	54.0	48	10.8	
2	828	183	22.1	560	67.6	85	10.3	
3	297	94	31.7	183	61.6	20	6.7	
4	964	107	11.1	649	67.3	208	21.6	
5	587	197	33.6	337	57.4	53	9.0	
6	1827	123	6.7	817	44.7	887	48.6	
7	3134	363	11.6	1672	53.3	1099	35.1	
8	513	37	7.2	284	55.4	192	37.4	
9	378	37	9.8	235	62.2	106	28.0	
10	43	7	16.3	30	69.7	6	14.0	
All Regions	9017	1305	14.5	5008	55.5	2704	30.0	