Land Development Problems

Local development as part of math program.

Community development, will of the people.

Red. program must be a part of local hopes & plans.

Excerpts from class notes taken by A. Allan Schmid
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Forest Crop Law in Wisconsin (1927)

By 1920 big lumber business over in W. Wis. Timber companies then wanted to sell land for farms but there were not enough takers.

By 1924, land companies started to let their land go for taxes (tax delinquent). Counties had certain functions to perform so raised taxes on the remaining land & then forced more land into delinquency. If taxes not paid in 3 yrs. county would take possession so by 1927 counties were in real trouble. Actually counties didn’t take possession for about 10 yrs. then when they took over they had to pay back taxes to school dist. & townships as they held a prior lien.

Question was, what would it take to keep this land in private ownership for forestry?

Situation was as an owner developed his land, taxes rose & took away its increased value. Didn’t know what taxes were going to be.

Illustration of an institution in economic development

Must make investment in forestry many years before any return is made. Institution of taxes was based upon an annual payment of tax which came from the annual harvesting
of crops from other (non-forest) land. This system didn't fit forest taxation.
Had to give timber owner an assurance of what tax would be & let him pay it when he harvested the timber.

1927 - Forest Crop Law
To stabilize land in private ownership for timber
1. 50 yr. contract
   a. Landowner paid land charge of 10¢/acre to local govt. for each yr. during the contract.
   b. State paid 10¢/acre as an advance to the local unit of govt. from the general fund.
      Local govt. now had 20¢/acre where it had nothing before.
   c. Severance Tax - Landowner cuts timber, pays 10% severance tax to state general fund. (Records kept on 40-acre tract basis)
      State uses money to repay general fund & then charge 5% interest & administrative cost (5%), balance, if any, is given to local unit of govt.
      At present about 240,000 acres in Hi. under this law.
      About 600,000 - 700,000 total timber in Hi. is.

Cycle however, was rolling & this didn't stop it.
Counties forced to take possession of much land.
1929 County Forrest Crop Law

1. Contract between county & state
   a. Landowner is county — county pays no taxes
   b. State advances 10¢/acre from gen. fund. State also pays 10¢/acre to county for forest management (forest aid funds). Can't be used in counterpart gen. fund, must be used for forest mgmt.
   c. Severance — 50% tax to state. 10% to gen. fund of state 40% to revolving conservation funds.

2,500,000 acres in co. for crop law.

Forest Crop Law allowed development by changing institution of taxation.
Jan. 21, 1957  Rural Development Program

Could it may develop into an economic development program.

Has become clear that price support programs doesn't affectively deal with low income farming.

Industrial development activities are also developing. State & local development agencies. Civil defense has encouraged decentralization of industry. Industry also expanding to new areas like the Southeast.

Fate question, urban fringe zoning are tied in with industrial development.

Real development a new approach. Came to problem of moving people out of agriculture. This represents quite a change for extension work. Tied in with industrial development so people won't have to move very far.
Bring about a change in vocational agriculture training. Now must train farm boys for other jobs along with age.

County agent playing the role of bringing groups together for community development.

Individuals can't make the decisions in regard to rural development. Dealing with problems that farmers can't do anything about as individuals (true even for groups of farmers). Must bring money rural & urban groups together to use their resources to accomplish the development goals.

Ray has been pushing for 2 action programs which recognize the above.

1. Soil Bank - (Conservation Reserve) 
   Has been administered on the basis of individual decisions as to what use the land should be put to.
Ray would prefer that group decisions be the basis for determining to what extent the reserve acres are put. Rent, soil bank money behind community resource development program (e.g., forest/ recreation areas near cities.) Objective of shifting resources into other uses should be emphasized — program shouldn’t be restricted exclusively to crop land & production control.

2. State & local public works planning agencies.

      St. Lawrence Seaway—Rural development program could fit into community development activities in conjunction with the seaway.

Ray feels Rural Development Program should not be a low income program. Low income problem, however, forced us to look at problems of land use & economic development.
Must develop interest of all people in the state along with the force of local planning. Must size up available resources and plan accordingly. (Industries must fit in with available resources; local people must also evaluate possibility of financing the new industries themselves; can't grant excessive concessions to industries if they are to be sound.)

Way to do this? State group and local groups working together. People have to obtain action for people to remain interested. Don't get together in planning groups long if results aren't forthcoming.

Ray Penn's Philosophy

Importance of Group Action

Participation of People