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FORESTRY AND TAX DELINQUENT  
LANDS

LEGISLATION NEEDED

IN

MINNESOTA



REPORT OF

INTERIM CONSERVATION COMMISSION

DECEMBER, 1938

H. C. WENZEL, Chairman  
A. G. LIESKE, Vice Chairman  
VAL IMM, Secretary  
HARRY A. BRIDGEMAN  
M. R. CASHMAN  
GUSTAF ERICKSON  
V. LOCKWOOD

THIS COMMISSION WAS CREATED AND THIS REPORT IS MADE IN  
IN ACCORDANCE WITH CHAPTER 391, MINNESOTA  
SESSION LAWS OF 1937.



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January 4, 1939.

Hon. C. Elmer Anderson,  
President of the Senate,  
Minnesota State Legislature,  
State Capitol,  
St. Paul, Minnesota.

Hon. Lawrence M. Hall, Speaker,  
House of Representatives,  
Minnesota State Legislature,  
State Capitol,  
St. Paul, Minnesota.

Gentlemen:

There is transmitted herewith the report of the Interim Conservation Commission, created in accordance with Chapter 391, Minnesota Session Laws of 1937.

Very sincerely yours,

H. C. Wenzel, Chairman, A. G. Lieske,  
Vice Chairman, Val Imm, Secretary,  
H. A. Bridgeman, M. R. Cashman,  
Gustaf Erickson and V. Lockwood,  
MEMBERS OF THE COMMISSION

#### ACKNOWLEDGMENTS

The Commission desires to acknowledge the splendid cooperation and assistance given it in connection with its meetings and investigations. Especially generous in giving the Commission their time and the benefit of their specialized experience and knowledge were Dr. Raphael Zon, Director of the Lake States Forest Experiment Station, Mr. Harold C. Moser, assistant to Dr. Zon, and Mr. Roy Gilcreast, state land planning specialist of the U. S. Department of Agriculture.

The Commission's gratitude is extended to Dean W. C. Coffey of the University Department of Agriculture, Paul E. Miller of Agricultural Extension, Forestry Supervisors C. E. Knutson and R. U. Harmon of the Chippewa and Superior National Forests, Col. L. E. Fiero in charge of the Beltrami and Pine Island land utilization projects of the U. S. Department of Agriculture, Mr. A. D. Wilson of the U. S. Farm Security Administration, Mr. Ed. Hoffman of the WPA for their time and services in accompanying the Commission on its field trip and public hearings in northern Minnesota, and aiding in the study of tax-delinquent lands and forestry conditions. Dr. Henry Schmitz, Chief of the Forestry Division of the State University, and Parker O. Anderson, Extension Forester, were unable to accompany the Commission on its field inspection, but took part in meetings and discussions in St. Paul.

Acknowledgement is also made to the technicians and interested citizens of the neighboring states of Wisconsin and Michigan who attended the Tri-State Forestry Conference in May and participated in discussions there on the problems with which this commission has been concerned. Grateful acknowledgement is also extended to the many local officials and citizens who participated in the hearings which the commission held in northern Minnesota and in the State Capitol.

Acknowledgement is also made to officers and members of the Minnesota Nurserymen's Association for their time and effort in presenting the views of their group on the production and distribution of forest planting stock to farmers.

## FOREWORD

The purpose of this report is to present the Commission's findings and recommendations for new state legislation dealing with woodlots, windbreaks and shelterbelts, with classification and zoning of tax-delinquent land, with the problems of indebtedness on lands taken over by the state for conservation purposes, and with other phases of forestry in Minnesota.

No attempt is made to present a comprehensive treatise on forestry and tax-delinquent land problems since those subjects have been quite completely treated in previous reports, as that of the Minnesota Reforestation Commission of 1928, Governor Olson's Land Use Committee of 1934, the 1938 preliminary report of the Lake States Forest Experiment Station on The Forests of Minnesota, the Agricultural Experiment Station bulletin of 1937 on The Need for Farm Forestry, the State Planning Board's forestry report of 1938, Idle Lands—Idle Men, and others. Only those problems are discussed which appear to require state legislation to aid in their solution.

## SUMMARY OF RECOMMENDATIONS

### 1. Fire Protection

Conservation Commissioner prepare a plan and budget for more adequate forest fire prevention and protection and submit to legislature.

Legislature empower the Conservation Commissioner to district the state for fire control purposes.

### 2. Woodlots, Windbreaks and Shelterbelts

Memorialize the federal Congress regarding more stable subsidies to farmers for development and maintenance of farm woodlands.

Expand the present program of forestry aid to farmers and authorize the state to purchase forest planting stock from commercial nurseries for distribution to farmers.

### 3. Tax-Delinquent Lands

- a. Provide definitely for foreclosure on tax-delinquent land.
- b. Enact a statute of limitations on actions to redeem tax-forfeited lands.
- c. Finance the Conservation Commissioner for cooperation with counties and towns in classifying tax-delinquent lands.
- d. Provide for reclassification of unsold tax-forfeited lands at any time.
- e. Make appraisals and minimum selling prices on tax-forfeited lands subject to the approval of the Conservation Commissioner.
- f. Provide for taking over by the Conservation Department lands classified for conservation use.
- g. Authorize the turning over of individual tracts of lands classified for conservation use to counties or municipalities for community forests and similar purposes.

### 4. Indebtedness on Lands Taken Over by the State

Provide for the state to take over a share of local indebtedness in proportion to the value of lands which are taken over for state control, a full share in the case of debts owed to the state trust fund and one-half of the full share in the case of debts owed to private interests.

### 5. Receipts from Tax-Forfeited Lands

Provide for distribution of receipts from tax-forfeited lands taken over by the state, 25% to the county, 37½% to the Conservation Department for administration, and 37½% to the general revenues.

### 6. Tax Problem of Northern Counties

Designate a commission or agency to study the tax problem of northern counties, including problems of state and federal aid and of excessive taxation, including the problems of forest taxation and of increased protection for homestead units.

### 7. Rural Zoning

Authorize counties to enact rural zoning ordinances patterned after the Wisconsin plan.

### 8. Land Exchange

Establish policies to govern land exchanges under the land exchange amendment to the state constitution.

Designate the Conservation Commissioner to negotiate for exchanges.

## 9. State Timber

Supplement and amend existing legislation pertaining to state timber to provide a more flexible basis for making small sales to individuals, to put competitive bidding on a sealed bid rather than an open bidding basis, set a time limit for posting of bonds by timber purchasers, provide for the payment of scaling costs by the state, modify an existing law regarding extension of timber permits to make it workable, and authorize use of state timber on public development projects.

## 10. Timber Trespass

Require that rough timber in transit either carry the owner's registered timber mark or the legal description of the lands on which the timber was cut.

## 11. Private Commercial Timber Operations

Authorize county boards to enact ordinances governing forestry practices in private timber cutting.

### CONCLUSIONS AND RECOMMENDATIONS

#### 1. The Need for Legislation Dealing with Forestry and Tax-Delinquent Lands

About two-fifths of Minnesota's land area is forest land, not needed and in some cases not suited for farming or other industrial use.

Depletion of forests on this land without adequate provision for future crops is a major cause of economic distress in many communities of the state. These communities become an increasing burden on the rest of the state for relief, for grants-in-aid, and for state assumption of local debts. If present trends continue, this drain on state resources probably will increase. The situation can be relieved only by removing the basic causes of distress. In large degree this means building back forests on this two-fifths of Minnesota's land. While the present inpourings of state and federal aid into distressed communities can only be regarded as a current expense, the cost of a well planned forestry program could logically be regarded as an investment and not a current expense.

Forestry, in solving the problems of this large area of land, should not concern itself with timber production alone. It should be planned and carried out for the multiple purposes of wildlife production, recreation, watershed protection and erosion control as well as timber production.

In the prairie regions of the state, the development of forest windbreaks and shelterbelts can add much to the improvement of farming and of farm life. The meagerness or absence of windbreaks and shelterbelts on many farms indicates that farmers need aid and encouragement in establishing and maintaining this type of forest planting.

Forest fire protection is basic to achieving most of the above objectives and in protecting life and property. Legislative action is needed to provide adequate finances and authority to the Conservation Department for carrying on its part of this work.

Action programs in addition to fire protection for achieving the above objectives must be fitted to the different classes of forest ownership which prevail. This requires different legislation for each different class of ownership.

In the development and maintenance of farm woodlots, windbreaks and shelterbelts, legislation is needed providing public aids to the farmer.

More than five million acres of forest land of the state is in a tax-delinquent status and legislation is required to bring it definitely and clearly under public control where constructive programs of forest management can be practiced on it.

The bringing of this idle and abandoned land under public control is part of a broad problem of land use, requiring classification, zoning and land exchange, for all of which there is not adequate legislative authority at the present time.

The problem of idle and abandoned lands is closely tied up with difficult problems of local finance, in the solution of which some degree of state aid apparently must be given.

Some two million acres of forest land is now in state ownership. Its management to contribute most constructively in providing jobs and income to the people of the state and in providing permanent revenues to school trust funds requires new legislation fitting state timber management to present-day conditions.

About one-fifth of the forest area and possibly two-fifths of the timber volume in the state is in private commercial timber holdings. Here, legislation is needed to aid in preventing destructive timber cutting and to help keep the land in a productive condition.

Timber trespass both on public and private lands and also on tax-delinquent lands has become increasingly serious with the advent of trucks and of truck logging. Legislation is needed to help curb such trespass.

## 2. Forest Fire Protection

Forest fire protection continues to be the outstanding conservation problem. Well-planned increases in expenditures for fire prevention, for fire fighting equipment, organization and training, probably would be more than offset by reduced fire losses and by savings in cost of fire fighting and of relief to fire sufferers. Special fire problems in farming areas apparently could be solved by a greater fixing of responsibility for fire control on the local people themselves. It is recommended therefore:

First, that the Conservation Commissioner prepare a plan and budget for a more adequate program of fire prevention and protection and submit it to the legislature.

Second, that legislation be enacted empowering the Conservation Commissioner to district the state into

- (a) conservation districts in which the state will take direct action on all fires, and
- (b) farming districts in which local people will be held primarily responsible for control of fires.

## 3. Woodlots, Windbreaks and Shelterbelts

Farm woodlands, making up about one-third of the productive forest land of the state, are of major importance in the state timber economy. These woodlands are being seriously depleted and in rare cases are they managed according to good forestry principles.

Windbreaks and woodlands that shelter farm buildings in winter are of proven value in reducing the cost of heating farm homes and of wintering farm livestock. Shelterbelts can provide valuable protection to growing crops in the prairie sections from the hot drying winds of summer. Yet the average farm has a meager windbreak or none at all and field shelterbelts are very rare.

The lack of immediate returns discourages many farmers from investing either money or time in development of woodlots, windbreaks and shelter belts.

The fact that the Agricultural Extension Service has only one forestry specialist for the entire state doubtless is a factor in the lack of farm forestry accomplishments on Minnesota farms.

Unavailability of dependable forest planting stock at low cost has also been mentioned prominently as a reason for unsatisfactory progress in farm forestry. It has been pointed out that Minnesota is one of only four states which have not qualified for federal aid which is available under the Clarke-McNary Act for distribution of forest planting stock to farmers. The commercial nurserymen of the state assured the commission that stock is available and can be made available. The principal need is for increased inducements to the farmer to plant and care for trees during the period before they yield real benefits to him.

The problem of taxes is frequently mentioned as preventing the practice of farm forestry. Special tax concessions on farm woodlands have been considered as a means of stimulating forestry. In fact Minnesota has a forest tax law, but farmers have not taken advantage of it, apparently because of the large amount of red tape involved in comparison with the savings it offers. Experience of other states, moreover, seems to be that tax reductions on farm woodlands are customarily offset by increases in taxes on the balance of the farm property, thus yielding the farmer little or no net benefit. Moreover, the tax problem is so complex and so many aspects of it are unsatisfactory at present that the solution both as it applies to forestry and to other forms of property, apparently must be sought through a broad, comprehensive study of the whole problem and not merely that of forest taxation.



It is the view of this Commission that the greatest stimulus to farm forestry probably can be provided by a plan of stable benefit payments to the farmer for forestry practices, and that a program by which the state could aid in supplying forest planting stock is desirable. Therefore, the Commission recommends:

First, that the Minnesota legislature memorialize the federal Congress on the need to establish a more stable program of subsidies to farmers for development and maintenance of farm woodlands and shelterbelts.

Second, an expanded program of forestry extension aid through the Agricultural Extension Service, including a plan for the state to purchase forest planting stock from commercial nurseries at cost for distribution to farmers for woodland planting and to qualify Minnesota for federal aid under the Clarke-McNary Act.

#### 4. Foreclosure on Tax-Delinquent Lands

From five to eight million acres of Minnesota's forest lands are tied up in tax-delinquency. These are largely cut-over and burned-over lands which probably would have been abandoned under any system of taxation. Their idleness is the chief cause of the distressed economic conditions of many northern Minnesota communities. The logical course is to bring these idle and abandoned lands definitely under public control where they can be restored gradually to a productive condition. The difficult financial problems of many northern taxing districts, however, have resulted in such high taxes that much improved and productive property has also been allowed to go delinquent.

Some plan is necessary to protect owners against the loss of such valuable property resulting from confiscatory taxation. Bargain tax settlements, however, do not constitute a desirable tool for this purpose, since they penalize the owner who has managed to pay his taxes. A fairer plan might involve giving the previous owner preferential rights in purchasing land after foreclosure.

Recognizing the need to start a constructive program of development and restoration on the idle and abandoned lands, the Commission recommends that the legislature enact such laws as may be needed to make the present foreclosure procedure fully effective:

First, depending on the State Supreme Court's decision on the Thwing ruling a satisfactory method of serving notice of delinquency must be established.

Second, a statute of limitations should be enacted setting a time limit after which no action can be brought to redeem tax-forfeited lands except on the grounds that the taxes were paid or that the land was not subject to taxation.

#### 5. Classification of Tax-Forfeited Lands

Experience under present legislation which provides for the classification of tax-forfeited lands into agricultural and non-agricultural areas has demonstrated that a satisfactory classification can be made by the local people. This experience has also shown, however, that fully satisfactory results can be obtained only if fully trained and experienced men are available to prepare maps and to meet with and cooperate with local people and with county boards in doing the classification work. Heretofore, there have been no appropriations to state agencies for carrying on this activity. It is therefore recommended:

First, that the Conservation Commissioner develop a plan and a budget for cooperating with counties and towns in classifying tax-delinquent lands.

Second, legislative provision should be made for reclassification of unsold tax-forfeited lands at any time upon mutual agreement of the county board and Conservation Department (and town board in the case of organized territory).

#### 6. Responsibility for Tax-Forfeited Lands

Present legislation provides that tax-forfeited lands are the property of the state "held in trust" for the local taxing districts (except for tax-forfeited lands inside of conservation areas where the state has taken over ditch bonds).

The present law makes the county chiefly responsible for management and sales of these tax-forfeited lands. Moreover, this law is not specific as to whether lands classified as "non agricultural" are to be sold or to be retained in public ownership. Under this law counties frequently sell lands at low prices, sometimes as low as 50 cents per acre. Lands carrying valuable timber are often sold at the land value alone with no mention of the timber value. Thus, the present law has resulted in loose practices and the virtual giving away by local governments of valuable public resources to private interests. Nor has responsibility been definitely fixed on any public agency for developing a constructive program for tax-forfeited lands in which private owners are not interested. The Commission recommends:

First, that lands classified for farming and urban use be left under the control of county authorities, but that appraisals and minimum selling prices should be made subject to approval of the Conservation Commissioner before any such lands are sold.

Second, lands classified for conservation should be taken over for state control under the Conservation Department. Provision should be made, however, for turning individual tracts of conservation lands over to counties or municipalities for such purposes as community forests, parks, etc., when suitable plans are submitted.

#### 7. Payment of Indebtedness Against Lands Taken Over by the State

When the state takes over control of tax-forfeited lands and removes them from the assessment rolls of the local taxing districts it is only fair that the state should take over a share of the indebtedness of the local taxing unit. Such sharing of indebtedness by the state, however, should be planned in such a way that settlement of indebtedness with private bond holders on a reduced basis may still be possible and practicable. It is recommended:

That legislation be passed authorizing and directing the state to take over a share of the indebtedness in proportion to the value of tax-forfeited lands taken over for state control, this value to be either the assessed value of the land at the time of forfeiture or a value to be determined by new appraisal.

- (a) In the case of debts owed to the state trust fund a full proportionate share should be taken over.
- (b) In the case of debts owed to private interests half of this full proportionate share should be taken over.

#### 8. Distribution of Receipts from Tax-Forfeited Lands

Receipts from tax-forfeited lands that are taken over by the state should be shared between the state and the local taxing district.

It is recommended that legislation be enacted providing for the distribution of 25% to the county, and 75% to the state, the latter being divided equally, half to the Conservation Department for use in protecting and administering conservation lands, and half to the general revenue.

#### 9. State and Federal Aids in Lieu of Taxes or Other Revenues from Tax-Forfeited and Other Public Lands

Local taxing districts having a large acreage of tax-delinquent and publicly owned lands are often seriously handicapped by the lack of current revenues from such lands. In the long run receipts from timber sales and other sources may take the place of taxes. For the present, however, a program of state and federal aid is needed in lieu of revenues or taxes. Such aids should be extended on the basis of the actual needs of the taxing districts rather than on a flat per acre basis.

This problem of aid is important not only in connection with the financing of necessary public services but in relieving farm and home owners and other taxpayers from excessive tax burdens thrown on them because of tax-delinquency and public land acquisition. Payment of school aids to the distressed

counties in full and a mill rate limit on taxes on homestead units have been suggested as logical steps in providing needed aid in this situation. The Commission recognizes the importance of these problems but feels that they are outside the scope of its study.

It is recommended, therefore, that the legislature designate another commission or agency to make a thorough study of this whole tax problem of the northern counties, including problems of state and federal aid that are needed, the basis for granting such aid, and the problem of relieving the local taxpayer of excessive tax charges, including the problem of making it feasible from a tax standpoint for private agencies to hold and manage forest lands for forestry purposes, if they desire to do so.

#### 10. Rural Zoning Enabling Act

The experience of Wisconsin and other states and overwhelming sentiment at the Commission's public hearings, indicates the desirability of local ordinances by which settlement of private as well as public lands can be restricted to definite areas of good soil and of reasonably compact settlement. It is recommended:

First, that a rural zoning act patterned after that of Wisconsin be enacted.  
Second, the Conservation Commissioner and the Director of Agricultural Extension should cooperate in developing a plan of aid and assistance to counties and towns in the preparation of rural zoning plans and should present such plan and a budget to the legislature.

#### 11. Land Exchange

A land exchange program under the authority of the amendment approved by the voters on November 8 can be beneficial in several respects. State legislation is necessary before such a program can be carried out. It is recommended that this legislation provide:

First, that exchanges be conducted (a) in a manner to build up rather than reduce state timber resources and (b) on the basis of obtaining property of at least equal value to that disposed of.  
Second, that approval of the county board be obtained before going ahead with an exchange program in any county.

Third, the Conservation Commissioner should be designated to negotiate for exchanges and to prepare exchange cases for consideration of the committee designated in the act (the Governor, the Attorney General and the State Auditor).

Fourth, the Conservation Commissioner should develop a plan and budget for handling the land exchange work and submit it to the legislature.

#### 12. State Timber

State timber is an important factor in employment and income of northern Minnesota. Its importance can be increased through scientific forest management and through changes in the timber laws that will fit timber sale procedure more closely to present-day conditions.

It is recommended that legislation be passed providing for:

First, the making of small individual sales up to \$250 without competitive bidding and without bonds, only one such sale to be in effect with one individual at any given time. Payment should be made in advance of cutting in a single payment or by installments with provision for refund for over-payment and for trespass action in the case of cutting which exceeds the amount of advance payment.

Second, provision should be made for sealed bids rather than the present practice of open bidding when timber is sold competitively.

Third, successful bidders should be required to post bonds within 90 days after the award of sale.

Fourth, the cost of scaling should be considered as included in the stumpage price of the timber and the operator not required to pay this cost separately.

Fifth, an existing law referring to the extension of timber permits should be revised as it is unworkable in its present form.

Sixth, provision should be made for the use of state timber on public projects, including reimbursement of the state trust funds by the appraised value of the timber without competitive bidding.

Seventh, provision should be made for allotting up to 10% of the timber receipts from trust fund lands to be used for administration, including cost of scaling.

### 13. Timber Trespass

The development of modern road systems and truck logging has made timber trespass very difficult to prevent. To aid in solving this problem it is recommended:

That a law be enacted requiring that rough timber products in transit be either marked with a registered timber mark of the owner or that the load be accompanied by a legal description of the lands from which the timber was cut.

### 14. Private Commercial Timber Operations

Destructive practices in private timber operations continue to leave forest lands in an unproductive condition requiring many years of protection and care before forest growth can be restored. Observance of simple forestry rules such as those required in the cutting of state timber would be effective in keeping such lands in a productive condition. Older countries have found it necessary to regulate cutting in private timber operations but as yet the United States has not taken this important step. The Commission realizes that there are many things which make it difficult for private owners to handle their forests in the best possible manner from the standpoint of the public interest. Yet where simple rules of silviculture can be applied without working a hardship on the operator it seems reasonable that the owner be required to observe such rules. Because of varying conditions it appears that no blanket rules can be laid down. Therefore, a local approach to the problem appears desirable, particularly at the start. As a definite start on the problem, the Commission recommends:

That legislation be enacted authorizing county boards to promulgate rules of forest practice to govern private timber cutting operations.

## DISCUSSION OF PROBLEMS REQUIRING LEGISLATIVE ACTION

1. Forest Fire Protection
2. Woodlots, Windbreaks and Shelterbelts
3. Tax-Delinquent Lands
4. Rural Zoning
5. Land Exchange
6. Use of State Timber
7. Forest Planting on Public Lands
8. Timber Trespass
9. Private Commercial Timber Operations
10. Distribution of Receipts

### FOREST FIRE PROTECTION

Forest fire protection is basic to any kind of program to restore and manage the extensive areas of forest land in northern Minnesota. The Reforestation Commission of 1928 recommended increased provision for fire protection and in fact state appropriations have been increased from \$156,000 in 1928 to \$220,000 in 1938. Private agencies, however, since 1928 and since the cutting of most of the original timber, have ceased contributing to the costs of fire protection. The total now available for fire pro-

tection in Minnesota is only  $\frac{2}{3}$  as great as in Wisconsin and  $\frac{1}{2}$  as great as in Michigan, per acre of land needing protection. Due to the drier climate, fire protection in Minnesota should be better financed than in these sister states where the fire danger normally is less than in Minnesota.

Existing legislation which places direct responsibility on the State Forestry Division for the issuance of burning permits in the forest region of the state and for the control of timber, brush, grass and peat fires, is believed to be basically sound. The existing law, however, makes no provision for a different policy in carrying out this general responsibility in farming areas as distinct from forestry or conservation areas. Hence, the state is frequently called upon and expected not only to send its equipment and regular personnel but to hire temporary fire fighters at state expense to protect homes and farm property in localities where fire is generally regarded as beneficial up to the point where it threatens farm improvements. Thus the state, in paying costs of fire suppression in such areas, in effect subsidizes burning that is done deliberately for agricultural development. This state policy tends to break down the customary and logical procedure in rural farming areas where everyone voluntarily pitches in to help control fires which threaten farm and home improvements, with no thought of receiving pay. This not only involves an expense for the state which does not seem justified. It also creates a serious situation in that in some localities the idea grows up that a fire is a good thing because of the money it brings into the community.

It appears desirable that legislation be enacted establishing a different policy for farming areas than for conservation areas.

Special fire fighting expense should be incurred only for such fires in farming zones as threaten conservation zones or conservation lands that may happen to lie within farming zones. The state should be authorized, however, to send its equipment and its regular personnel to aid the local people in controlling fires within the farming zones.

The state Forestry Division should continue to be responsible, moreover, for burning permits and for detecting and keeping informed of fires that may be burning in farming zones within and adjacent to the forest region of the state.

The State Forestry Division should cooperate with local units of government in developing safe methods of burning in areas where fire is used for land development purposes.

After the establishment of local zoning ordinances, such as might be enacted under a rural zoning enabling act, the districts for fire control purposes as discussed herein, might be made to coincide with the land use zones so established. Pending the establishment of such zones through county zoning ordinances, the Conservation Commissioner might be empowered to district the state into conservation districts and farming districts for purposes of fire control.

#### WOODLOTS, WINDBREAKS AND SHELTERBELTS

Woodlots, windbreaks and shelterbelts are not merely a matter of individual interest of the farmer. A high degree of public importance is attached to them, from the standpoint of forests and timber supply, watershed protection, wildlife conservation, and of benefits to farming in increased crop production and more economical wintering of farm livestock.

More than five million acres of Minnesota's forest land is in the form of farm woodland. To a large extent it is the best forest land in the state. Farm woods are becoming increasingly important as a source of timber supply to support industries such as those at Cloquet. Perhaps the chief importance of the farm woodland, however, is in producing timber products for consumption on the farm. Well managed woodlands can provide building material and fuel at little or no cash outlay to the farmer and provide him with fruitful employment in a season when other farm work is slack.

Tests have proven the value of tree shelterbelts to protect crops in the prairie section from the hot drying winds of summer. Tests have likewise shown the value of groves and windbreaks in reducing the cost of heating the home and of wintering farm livestock.

Despite all of the public and private benefits to be obtained through farm forestry the actual practice of it on Minnesota farms is very unsatisfactory. Farm woodlands which are an important source of raw materials to support timber industries of Cloquet, for example, are being seriously depleted through destructive cutting. In southeastern Minnesota, valuable stands of hardwoods are commonly cut for railway ties and fenceposts when much of this material logically might be devoted to more valuable uses netting the farmer increased returns. Logs suited for high quality veneer and for hardwood lumber for

furniture making and interior decoration are not only frequently cut into railway ties and posts but actually disposed of as cordwood for fuel purposes. A large part of the farms in the prairie section have no grove of trees to shelter them from the wind. Field shelterbelts to protect growing crops are very rare.

Many reasons are given for the lack of accomplishment in farm forestry. One is that forestry is such a long time proposition that the farmer lacks incentive to go ahead with it. At best, the benefits from forest plantings begin to accrue several years after the planting is done. In the case of a woodland of merchantable timber it often appears more attractive to the farmer to cut the entire woodlot and get the maximum immediate cash return rather than partial cutting which is usually required under good forest management.

Tenancy and mortgages are cited as discouragers of farm forestry. It has been pointed out that a farmer who might be interested in planting trees if he were full owner of a farm is much less interested in doing so on a rented farm or on a farm which is heavily mortgaged.

Another fact frequently brought out is that the farmer has not been given the technical aid and advice in farm forestry that is available to him in connection with livestock and ordinary farm crops. It is claimed that many farmers would go ahead with constructive programs of woodland management and of tree planting if they could get the personal advice and aid which is available through county agricultural agents on other phases of farming. As it is, there is only one forester engaged in agricultural extension work in the entire state. He obviously cannot give the individual guidance that is essential in successful agricultural extension work. Specialized advice and aid in the marketing of timber products is another thing that is almost totally lacking in comparison with the abundant knowledge and advice that is available to farmers in marketing most other farm crops.

Because of the high degree of public interest in farm forestry some further public action seems desirable in solving these problems and aiding the farmer to develop woodlots, windbreaks and shelterbelts. A logical approach to additional action that may be desirable is through reviewing what is already being done.

Several plans have previously been enacted with the objective of giving the farmer a greater incentive to action. The first of these is a plan of forestry extension aid and advice and aid in supplying the farmer with trees for forest planting under the Clarke-McNary Act of 1924 and the Cooperative Farm Forestry Act of 1937. Thus far Minnesota has done but little under these acts and has not qualified for aid in supplying farmers with forest planting stock.

A second plan authorizes special taxation of forest property, and is embodied in the Auxiliary Forest Law of Minnesota (Chapter 247, Minnesota Laws of 1927, as amended by Chapter 245, Laws of 1929). This law has been inoperative and appears to be impracticable because of the red tape that would be involved in collecting a yield tax every time the farmer cut a small amount of timber. The experience of other states indicates, moreover, that even though a reduction in taxes is given on the farm woodland acreage, it is commonly offset by increases in the assessments against the crop lands and the farm buildings, yielding little or no net reduction in the farmer's taxes.

Another plan for giving farmers increased incentive to establish and care for forest plantations is that of the federal government through its Agricultural Conservation Program. Benefit payments are available for the farmer who plants trees and cares for them in the early years of their growth, and also for cultural forestry operations in established farm woodlands. This type of aid, involving direct benefit payments for definite accomplishments in farm forestry, is considered by most students of the problem as one of the most constructive uses that can be made of the conservation idea as applied to farm relief. As long as there is to be a program of farm aid involving benefit payments for conservation practices, it appears logical that there should be substantial benefits both for building up and for maintaining farm woodlands in a good condition. At present the Agricultural Conservation Program does not give the full recognition to the farm woodlands that is desirable under this concept. The farm woodland acreage is not included in computing the earnable benefits on a given farm. Nor are there any benefits for protection of farm woodlands against grazing and fire. Nor is there any provision for counting as soil depleting practices the destructive cutting, grazing or allowing of fires to burn in farm woods. Interested farmers and conservation authorities have been working to have the program revised and action to bring the matter further to the attention of the federal government would appear desirable.

As mentioned above, present state programs to provide technical aid and advice to farmers in farm forestry are limited to the efforts of one forestry specialist in the Agricultural Extension Division of



the State University. This one man covering the entire state is, of course, unable to give individual farmers the personal attention which is necessary for successful extension work. One county has two forestry specialists employed in connection with its agricultural high school and their work involves a certain amount of forestry extension work through the farm boys of high school age and through their parents. The demonstration projects of the federal Soil Conservation Service are also providing a certain amount of technical forestry aid on a demonstration basis in the southeastern part of the state, limited to certain demonstration areas. A combination of increased state and federal action is indicated as desirable in this field of forestry extension. Increased appropriations to the Agricultural Extension Service and to the Conservation Department for cooperating in this work, should logically be supplemented by an expanded federal program such as is already authorized by the Cooperative Farm Forestry Act (Public 95, 75th Congress). This federal law authorizes appropriations for extension work and other aid to farmers in woodland development and management.

Minnesota is one of only four states which has not taken advantage of federal aid available under Section 4 of the Clarke-McNary Act of 1924 (43 U. S. Stat. 653), for obtaining and distributing forest planting stock to farmers. It is the only state in the eastern part of the United States which does not have such a program. State legislation is needed to make Minnesota eligible for this aid. Suitable legislation to qualify Minnesota for this aid must provide authority to obtain (either by raising or by purchase) forest planting stock and distribute it to farmers at low cost. The proposal has frequently been made that the state legislature authorize production of forest planting stock in state nurseries for distribution to farmers. It has been urged that the state, having no incentive other than the establishment of successful plantations would be in a position to adhere strictly to the best practices in selection of seed and in conditioning of stock for forest planting. More recently it has been pointed out that the state could operate a nursery and produce stock through federal relief programs at very little cost to the state. The view has been expressed by certain public foresters that state production and distribution of stock for forest planting on farms would insure the farmer of stock more closely fitted to conditions on his farm and that an element of subsidy by the state and federal governments in financing part of the cost of such stock would be an additional and effective stimulus to farm forestry. They further claim that such a program could be carried out without encroaching upon the business of the commercial nurseries. This could be accomplished, it is said, by leaving the field of ornamental, horticultural and windbreak stock to the commercial nurseries and distributing stock from state nurseries only in large amounts for planting an acre or more of actual forests, with further provision that a farmer obtaining such stock would have to use it for forest planting on his own farm and could not redistribute it to others. It has been claimed that such a program in other states has actually stimulated interest in tree planting to the extent that farmers have increased their purchases of ornamental, horticultural and windbreak stock from commercial nurseries thus improving private nursery business.

Commercial nurserymen, who are farmers and small business men mostly very hard hit by economic conditions and not reached by the various programs of federal aid, fear that state production of forest stock for farmers would encroach upon the private nursery business and add to their distress. Their organization, The Minnesota Nurserymen's Association, takes the position that the problem of obtaining planting stock is not the principal obstacle in the progress of farm forestry. Rather, they state that the chief problem is that of providing the farmer with an incentive to undertake a long-time proposition like forest planting.

#### TAX-DELINQUENT LANDS

Minnesota's tax-delinquent land problem is of long-standing and is well understood by responsible officials and legislators.

Briefly, some 8,000,000 acres of land is delinquent. At least 6,000,000 has been delinquent since 1932 or earlier, some of it for as long as 20 years. Delinquency started with the abandonment of cut and burned-over forest land. As this class of land went delinquent the burden of taxes on other property became heavier and heavier. Owners of improved property, unable or unwilling to pay the mounting taxes, allowed their lands to go delinquent. Less than 10% of the tax-delinquent acres is in farm use, however.

Thus, the tax-delinquent land problem consists of two parts. First is the problem of idle lands, abandoned by private owners. This makes up over 90% of the delinquent acreage. Second, is the problem of improved property, allowed to go delinquent but not abandoned.

Previous attempts to solve the problem apparently have been influenced largely by this latter class of property. Past programs have failed to deal effectively with the 90% which is actually idle and abandoned. Instead, legislation has aimed primarily to save farmers, home-owners and others from loss of farms, homes and other property through confiscatory taxation. First there was a series of laws providing for bargain tax-settlement, by which delinquent owners could redeem their property for only a fraction of the accumulated tax charges.

At last in 1937 a law was passed providing for final reversion of tax-delinquent properties to the state. A district court held a foreclosure under this law invalid, on the technical grounds that the method of serving notice was wrong. A memorandum accompanying the decision, however, indicated that the dominant thought of the court may have still been that of protecting property owners against losses due to excessive taxes.

Even though this decision is reversed and the 1937 law upheld by the state supreme court, the problem will not be solved. For example, while this law provides for the classification of lands as "agricultural" and "non-agricultural" it provides no differential procedure for handling the lands once they are classified. The law is not specific as to whether lands classified as "non-agricultural" are to be sold or to be retained in public ownership. Nor does the 1937 law provide any inducement to local government in proceeding with an orderly long-time program to restore or to cooperate with the state in restoring idle and abandoned forest lands to production. Rather, the local taxing districts are torn between the need for immediate revenues and the knowledge that the long-time program necessary to restore the forest lands to real productivity will mean a long period of little or no revenue. Yielding to the pressure for immediate revenues, lands are classified for agriculture and offered for sale at prices as low as 50c an acre.

While the law gives the state a degree of control over the classification of forfeited lands, it leaves the appraisal entirely to county authorities. Not only are land values appraised at ridiculously low figures, but timber values are commonly appraised at much less than their real market value. Frequently, lands having considerable timber value are offered for sale at a low land value, with no appraisal or mention of timber values. In fact, the 1937 tax-delinquency law has resulted in loose practices and the virtual giving away by local governments of valuable public resources to private interests.

New legislation regarding tax-delinquent lands should overcome these weaknesses in the present laws, and should provide a definite, constructive policy and procedure for handling this important problem. Such legislation must recognize the two-fold nature of the problem by aiming at two objectives, first, fair treatment of property against confiscatory taxation, and second, the bringing of idle and abandoned lands into productive use.

#### A. State aid in lieu of taxes on abandoned lands.

The two foregoing objectives cannot be achieved without providing in some way for a reduction in the pressure upon local taxing districts for current revenues, pressures which now force them in many cases to levy excessive taxes and also to attempt wringing tax revenues from idle and abandoned forest lands through bargain tax settlements and land sales at ridiculously low figures. In the main, a reduction of this pressure can only be achieved by turning to other sources of revenues or other aids in carrying the current cost of local government and of heavy debt loads. Therefore, the permanent solution of the tax-delinquent land problem depends upon finding revenues or other aid to local taxing districts in lieu of taxes on abandoned lands.

Payments by the state, on a per acre basis on all tax-forfeited lands taken over for state purposes, frequently is suggested as a partial solution to this problem and was recommended by the Reforestation Commission of 1928.

The state is now appropriating \$50,000 annually for local taxing districts on certain state lands. A payment of 5c or 10c per acre yearly, as is frequently suggested, on 5,000,000 acres of tax-forfeited lands would mean a yearly cost to the state of \$250,000 to \$500,000. Such a payment, made without regard to the actual needs of local taxing districts probably would not meet with the approval of other parts of the state which might feel that they were footing the bill. Instead of a flat payment per acre there is widespread feeling that aid should be extended on the basis of needs on the principle of supplementing reasonable local tax levies in financing public services at acceptable standards. Furthermore, the thought is often expressed that such aids should be extended on a basis that will encourage



efficiency in the organization and administration of public functions. It has even been suggested that the granting of aids be made conditional upon the acceptance by local government of resettlement zoning, budgetary control and state supervision.

This problem of state aid, while basic to the long-time solution of the tax-delinquent land problem, involves questions of taxation and of public policy which are believed to be outside the scope of the present study. Nevertheless, it may be helpful to record three definite recommendations which have been made. It has been recommended:

1. That new legislation authorize the state to take over a share of outstanding local indebtedness in the same proportion as the value of all tax-forfeited property that is definitely taken over for state administration and control. (A precedent for this practice is already well established in the law providing for the creation of state conservation areas.) Counties should continue to be responsible for debts on any lands classified for farming or urban use and left under the jurisdiction of the counties.
2. The state school aids be paid in full, at least in the distressed northern counties.
3. That recognizing the tendency of youth raised and educated in this region at considerable public expense to migrate out of the state just at the beginning of their productive years, efforts be made to obtain federal aid supplementing state aid, particularly in the fields of education and health.

#### **B. Protection of property owners against confiscatory taxation.**

Much of the tax-delinquent land is in such a condition that it probably would have been abandoned by private owners under almost any system of taxation. Due to the abandonment of this land, other property which is in a productive condition has had to bear such an increased burden of taxes that owners have allowed much of it to go delinquent also. An adequate program of state aids or other sources of revenue in lieu of taxes on the abandoned lands would do a great deal to relieve this pressure from excessive taxation on improved and productive property. While the development of such a program is beyond the scope of this commission, it might be pointed out that such relief is needed particularly for those whose conditions of life are most directly affected by the problem, namely the farmer and home owner.

At the present time partial relief to farmers and home owners is provided by the homestead tax law which sets a maximum limit on the rate of assessment. But there is no limit on the mill rate on which taxes can be levied against this assessed valuation. Legislation has been urged to protect homestead units by establishing a mill rate limit to supplement the present assessment rate limit.

Additional legislative action might consist of designating a commission to give further study to this whole problem of revenues and aid in lieu of taxes on abandoned land, and the problem of avoiding confiscatory taxation. Such a commission should aim not only to relieve farm and home owners of excessive tax burdens forced on them by the abandonment of cut-over land, but also to make it possible for private owners to retain commercial forest holdings on a long-time forestry basis if they desire to do so. This commission might also study the possibilities of Minnesota municipalities working out debt adjustments in accordance with a federal law (50 Stat. 653) passed in 1937.

#### **C. Bringing of idle and abandoned lands into productive use is first problem of tax-delinquent lands.**

Abandonment of these lands probably was not due to confiscatory taxation so much as their unproductive condition. For most of these lands public ownership and development offers the only hope of restoring them to productivity. Wholesale foreclosure on all tax-delinquent lands, however, would mean unfair confiscation of productive property and homes. Therefore, some plan of tax abatement is necessary. But to avoid further delay in bringing the truly abandoned lands under constructive public control, provision should be made to foreclose definitely on tax-delinquent lands which have not been redeemed within a reasonable period. Furthermore, a definite plan is needed for classifying and for getting forfeited lands into the uses for which they are best suited.

Such a plan might involve, first, cooperation of the state with local government and local people in classifying the lands. Experience has shown that satisfactory classification can be worked out by the local people. The best results are obtained, however, when trained men are available to prepare necessary maps and to meet with the local people in classifying the land.

Apparently the most effective means of bringing the lands classified for conservation into productive use is through state action. In fact, the long-time nature of the job makes it unattractive to local governments, already hard-pressed to finance their present activities. Provision should be made, however, for turning individual tracts of conservation lands over to local governments for community forests and similar purposes, upon submission of suitable plans.

Lands classified for farming and urban use logically might be left under the jurisdiction of the counties. Appraisals and minimum selling prices, however, should be subject to approval by the state (perhaps the Conservation Commissioner) before any lands are sold. Moreover, experience indicates that timber rights should be granted by counties only after approval by the state.

#### RURAL ZONING

One of the chief causes of distress in northern Minnesota has been misguided settlement in isolated areas and on lands that were unsuited for farming.

A practical plan for preventing such undesirable settlement in the future and also for providing a basis for intelligent resettlement has been developed in the state of Wisconsin and is being put into effect in a number of states. The procedure consists simply of developing plans demarking areas in which settlement is considered desirable and those in which settlement is considered undesirable, and then enacting such plans into ordinances through action of the local government. Before rural zoning ordinances of this type can be enacted, however, a state enabling act is required. Such an act is recommended for Minnesota. Sentiment at public hearings of the commission was preponderantly in favor of it. An act based on the Wisconsin Act and adapted to Minnesota conditions might provide:

Three classes of zones:

1. Farming zones in which year-long residence would be permitted and encouraged.
2. Conservation zones in which summer home development would be permitted and encouraged but where year-long residence entailing demands on local governments for winter road maintenance and school service would not be permitted.
3. Conservation wilderness zones where no further settlement would be permitted for either year-long or summer residence.

The State Conservation Department and the Agricultural Extension Service should be designated to cooperate with each other in aiding townships and counties in the development of zoning plans.

Zoning plans should become effective as ordinances only after approval by the local people at a public meeting duly advertised and by the town board and the county board. In unorganized territory the approval by the town board of course would be eliminated.

#### LAND EXCHANGE

The Land Exchange Amendment to the state constitution approved by the voters on November 8 merely authorizes the exchange of state lands. Before actual exchange work can be started, the state legislature must establish a definite procedure through further legislation.

Exchange of state lands can be beneficial in several ways:

State holdings can be consolidated into compact units where protection and administration can be done at reduced cost with more effective results.

Opportunities to relocate through exchange can be extended to isolated settlers and to settlers who are now attempting to farm poor land.

Lands now in private ownership and which are desirable for conservation purposes could be obtained not only through direct exchange with their present owners, but through purchase by the federal government for exchange to the state. This would depend on an offer of the federal government through the U. S. Forest Service to acquire privately owned lands which the state desires it to acquire within state forests, parks, game refuges, and so forth. These lands would then be exchanged to the state for scattered state lands within the two national forests in the state. Presumably similar exchanges could be worked out with other federal agencies in the consolidation of holdings.

It is felt that the legislature may wish to establish certain definite policies in regard to the aims of the land exchange program. For example, the exchange of good state timber lands for cut-over and devastated lands or for worthless lands merely to consolidate state holdings probably would not be in the public interest. On the other hand a policy which aims to maintain or to increase the state timber and other resources through exchange would be very constructive and very beneficial. It would appear desirable that such a policy be written into the law itself.

Furthermore, commitments were made at public meetings that the state would obtain the approval of the county governments before carrying on land exchange work in any county. Possibly this should be written into the law.

Responsibility should also be fixed for negotiations and appraisals that must be made before the committee designated in the amendment can act intelligently on exchange proposals.

#### USE OF STATE TIMBER

Out of a stand of nearly three billion board feet of merchantable timber, the state is now putting in the neighborhood of fifty million feet of timber on the market annually. This provides work in the logging season to about four thousand men, not counting the employment created after the logs reach the sawmills and pulp plants. The best available information indicates that the amount of timber put on the market annually could be increased by as much as 100% without violating forestry principles.

Statutes governing the sale of state timber were enacted at the time of the large timber operations and do not provide a satisfactory legal basis for the kind of forest management which present-day conditions call for.

Several things in existing legislation need to be changed. First, is the sale procedure which is designed for large sales and is not adapted to the small type of sale which is called for in the handling of second growth timber and widely scattered small blocks of old timber. Nor is the old policy fitted to the present-day condition in which much of the logging is done by small resident farmers who desire to buy only an amount of stumpage great enough to provide them with work during the winter season.

Second, the requirement that the cost of scaling be paid by the operator, is not consistent with present-day conditions. This law was passed at a time when scaling was practically the only cost attached to a state timber sale. Today there are several other costs, as slash inspection and checking compliance with forestry regulations. It is the customary practice of other public forestry agencies to consider these costs, including scaling, as included in the sale price of the stumpage.

Another unsatisfactory situation arises from open competitive bidding for the purchase of state timber. As a result of it speculators are able to gain control of state timber and then exploit small operators who depend upon logging for their livelihood. Selling on the basis of sealed bids would probably do a great deal to correct this situation.

There is no specific provision in the law for the use of state timber on public projects except in connection with protecting state forests. A definite plan should be provided to make stumpage available for utilization by the state for state purposes, reimbursing the trust fund where trust fund lands are involved.

At present the Surveyor General of Logs and Lumber is responsible for scaling what timber is sold. This work is largely financed by timber operators' payments for the cost of scaling. If future costs of scaling are to be considered as included in the stumpage price, some other plan will have to be found of financing this office.

One of the timber laws is ambiguous and unworkable and needs to be amended on that account.

#### FOREST PLANTING ON PUBLIC LANDS

Given fire protection, it is frequently said, nature will do a pretty good job of reforestation. Nature's processes, however, are slow and her purposes are her own. In some instances nature is very efficient in bringing back a forest growth that is highly usable by man. In other cases, if nature takes her own course, it will be many decades before reforestation will be well under way. A large-scale program of forest planting is very necessary if we are to bring back Minnesota's forest resources in a reasonable period of time.

Federal works programs make man-power available for this type of work and the chief legislative needs in getting a more adequate program under way are laws to bring idle and abandoned lands back into public control and to provide the state with sufficiently broad legal authority for doing the reforestation job.

#### TIMBER TRESPASS

With the development of roads and truck logging, timber trespass has become very difficult to prevent. An operator may drive a truck to an isolated point, cut a load of timber and in a few hours be miles away.

A practical plan for aiding in control of this practice has been proposed. It would involve a practice similar to that employed in the western cattle industry where cattle carry the brand of their owners.

Loads of logs and other rough timber products, including square timbers, ties, bolts, poles, posts, mining timber and lagging, in transit, would be required to have conspicuously marked on each load before being transported, either the legal description of the land on which the said products were cut or a registered timber mark of the firm or corporation owning the timber.

Suitable penalties would be provided for failure to comply with these requirements.

#### PRIVATE COMMERCIAL TIMBER OPERATIONS

About one-fifth of the forest area and nearly two-fifths of the timber in the state is on private timber holdings other than farm woodlands. Like the farm woodlands, a large part of these holdings are still subject to destructive cutting. Moreover, the most common practice following such cutting is abandonment and tax-delinquency. Public interest demands effective action to curb such destructive logging, rather than spend large amounts in reforestation after the forest is destroyed.

In considering what is to be done about this situation it seems necessary to distinguish these commercial holdings and operations from the farm woodlands. The latter, being part of small operating units and in general a supplement to farm crop production and livestock raising as a source of livelihood, are not subject to the abandonment and tax-delinquency which commonly follows cutting on the larger holdings.

Previously, the principal solution offered to the problem of destructive cutting in private timber operations has been that of special tax laws relieving the burden on private timber lands, and encouraging private owners to follow good forestry practices. For a time special forest tax laws were recommended as the principal measure needed to encourage forestry on private timber holdings. In recent years, however, students and informed citizens have come to understand that the tax situation particularly in areas like northern Minnesota, is so complicated that needed tax adjustments apparently must be sought on a broader front than that of forestry alone. Farms, homes and other properties are over-taxed as well as forests. The solution of this problem is considered to be broader than the scope of this commission's assignment, and recommendations have been made elsewhere for designation of another commission to study this and related tax problems.

While action is being taken to solve this broad tax problem, other action should be under way to develop simple and workable rules of forest practice which might be promulgated as regulations to govern commercial timber cutting. Some plan should also be devised for public acquisition of timber holdings of operators who otherwise would be forced into destructive liquidation as the result of economic pressure.

Older countries have found that simple forms of regulation are necessary and entirely feasible in connection with larger timber operations but that it is not practicable to regulate the very small operations which prevail in farm woodlands. It seems time that Minnesota adopted this experience of older countries and inaugurated a reasonable and workable program to prevent destructive cutting in commercial private operations.

A program of public regulation of private timber operations must not demand the impossible or the impracticable of private timber operators and must recognize the difficult problems they face in the way of high taxes, risk, interest and unfavorable market conditions. The variability of local conditions must also be recognized. Any attempt to apply blanket rules over large territories will probably be unsuccessful.

In addition to some plan of regulation, provision might also be made for the purchase by the state of forest land from owners who are unable or unwilling because of economic pressure or other causes to observe the designated rules of forest practice. In view of the difficult tax situation confronting many private owners and in view of the high degree of public interest in maintaining forests in a productive condition this seems a logical and necessary course.

#### DISTRIBUTION OF RECEIPTS FROM TAX-FORFEITED AND STATE LANDS

At the present time receipts from different classes of public land are distributed in a variety of ways, not all of which are satisfactory.

Revenues from forfeited lands inside of conservation areas go to reimburse the state for the cost of taking over the indebtedness on such land.

Receipts from trust fund lands go 100% into the trust fund with no deductions for cost of administration. This is true even though the law specifies that "net" proceeds shall be paid to the trust fund.

At least three problems have arisen in connection with these procedures:

First, the proposal to turn lands classified for conservation over to the state for administration and to leave the lands classified for farms and urban use largely under county jurisdiction logically calls for different handling of the receipts from the conservation land as compared with farming and urban lands.

Second, the taking by the state of all revenues from lands in conservation areas as payment on debts, tends to create an unfriendly attitude on the part of local people toward conservation lands. The idea has been advanced, and it seems a logical one, that the state might regard the taking over of debts on such lands as a necessary cost of correcting past mistakes in the making of which the state played a prominent part.

Third, the long established custom of paying the gross receipts from state trust fund lands into the trust fund presumably has established such a precedent that any attempt to change to a "net" basis would require state legislation. Moreover, a close accounting of the actual cost of administering each parcel of trust fund lands including the supervision of timber sales, etc., would require an excessive amount of bookkeeping.

To solve these problems legislation has been recommended to accomplish the following purposes:

1. When tax-forfeited lands are actually taken over for state control, let the state collect and distribute the revenues. Distribution on the following basis is suggested (including receipts from lands in conservation areas): 25% might be paid to the county; the other 75% might logically be divided equally between the Conservation Department (for costs of administration and protection), and the general revenues.

2. A definite proportion, say 10% or as much thereof as may be needed of the gross receipts from timber sold on trust fund lands might be paid to the State Forestry Department and to the Surveyor General of Logs and Lumber to go toward the cost of protecting and administering those lands and of scaling lumber that is sold. The remaining proportion should then be regarded as the net proceeds and paid into the trust fund. This would provide the state with from \$8,000 to \$20,000 per year for the costs of protecting and administering these lands.

#### THE WORK OF THE COMMISSION

Individual copies of the report of the Minnesota Reforestation Commission of 1928 were obtained for the Commission members, as were other reports on the forestry and land use situation in Minnesota.

Meetings and field trips aggregating twelve days were held, the minutes and records of which are on file in the Forestry Division of the State Conservation Department. This included a five-day trip through northern Minnesota, consisting of field inspections during the day and public hearings in the evening at the cities of Aitkin, Bemidji, International Falls, Duluth and Sandstone. Field examinations

were made of tax-delinquent lands, of forestry headquarters stations, the state forest nursery, forest plantings on state lands, experimental cutting demonstrations on the Chippewa National Forest, state timber and development work on the Pine Island State Forest, state forest recreational developments and white pine blister rust control plots.

On this trip the Commission traveled together with technicians and administrators who accompanied it on one large bus, except for side trip made by small passenger automobiles and by boat.



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**ACCOUNTING OF COMMISSION FUNDS**

APPROPRIATION .....		\$1,000.00
Personal Expense of Commission Members .....	\$211.35	
Travel of Individuals .....	370.25	
Bus for Commission Field Trip .....	218.75	
Miscellaneous .....	3.25	
Materials for Multilithing 750 copies, Com. Report..	76.95	
Printing—Copies of Report .....	119.45	
TOTAL .....		\$1,000.00

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STATE OF MINNESOTA  
DEPARTMENT OF STATE  
**FILED**  
MAY 1 1939

*W. H. Johnson*  
Secretary of State.