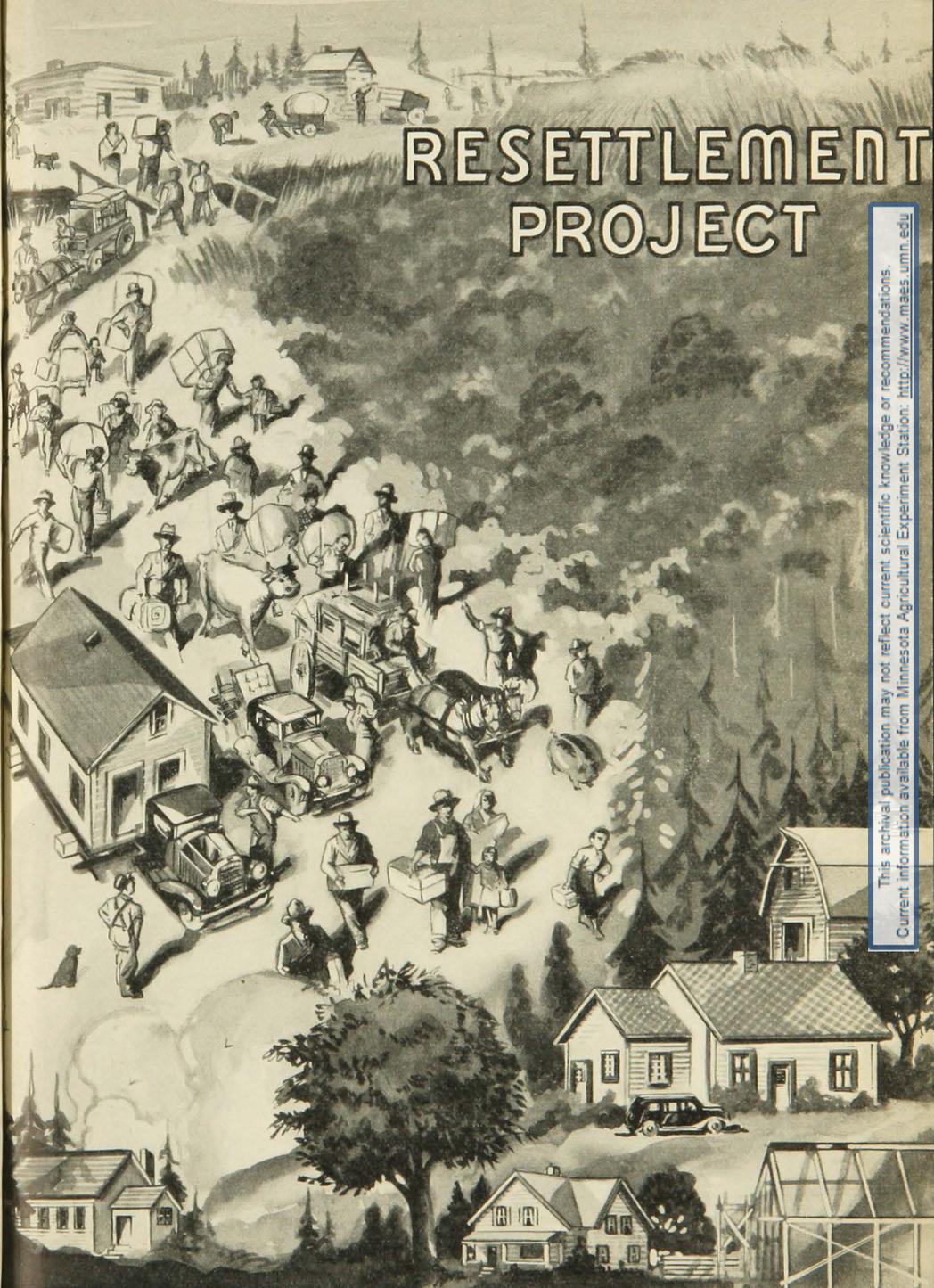


BELTRAMI ISLAND, MINN.

RESETTLEMENT PROJECT



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FOREWORD

Because the Northern Minnesota Beltrami Island Settler Relocation Project represented a new method of attack upon an important problem of social readjustment, the late Dr. R. W. Murchie, former rural sociologist of the Agricultural Experiment Station, University of Minnesota, and president of the Minnesota Rural Rehabilitation Corporation, was deeply interested in this project.

The project was conceived and planned by agricultural economists and experienced agriculturists. Dr. Murchie, being a keen student of social affairs, caused this study to be made so that there might be a rather complete record of the social conditions and social problems involved in this project. He felt that by getting a record of conditions existing when the project was started and a clear statement of improvements hoped for, this report would serve as a very valuable basis for a future study five or ten years hence, when the actual results of this or similar projects may be better determined by experience.

With this point in view, the study was conducted under the direction of Dr. Murchie. This report has been prepared by his former associates and co-workers and is published as a record of conditions existing in the Beltrami Island forest when the project was under way.

W. C. COFFEY, Dean
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SUMMARY

The first of the demonstration resettlement projects to get under way under the land retirement program of the United States Government was the Beltrami Island Settler Relocation Project in the northern Minnesota cut-over region.

In this typical cut-over area, the forest cover which was responsible for its original settlement was gone, and the soil, when put to agricultural use, was too poor and unproductive to give the population an adequate income. An area of better soils nearby was available for the resettlement of the families removed from the evacuation area.

Contrary to popular impression, living off the country supplied the minimum physical needs of these people for food, clothing, and shelter. Their distress was due to the lack of sufficient cash income to pay for their public services. Tax delinquency was so high that schools and roads were almost entirely paid for by the state and the people on the better land outside the area. Children were practically denied education beyond the grade school level. Medical service was distant and often not available because of road conditions. Churches also suffered from lack of adequate support. The public had a very definite interest in the evacuation of this area because the 300 families in the area absorbed \$20,000 to \$30,000 per year above what they paid in taxes for the support of schools, roads, and relief, and because the settlers were often responsible for high forest fire losses.

Beltrami Island was chosen in 1934 by the Land Policy Section of the Agricultural Adjustment Administration for experiment in settler relocation within the cut-over area because the need for evacuation was obvious and the nearness of an area of better soils would make possible the minimum of social readjustment involved in any move.

A plan for purchase and resettlement was evolved by persons thoroughly familiar with the region and its people. This plan involved (1) a system of appraisal according to the public benefit of evacuation of the area, (2) debt adjustment, (3) resettlement with the lightest debt load possible, (4) a grubstake, and (5) the maximum of choice for the client in planning and farm development.

Work started in August, 1934, but it was the end of 1936 before the bulk of the settlers were moved. The people have been placed on demonstrably better soil, their financial position has been definitely improved, and they can now obtain the public services which they could not afford previously. From the public standpoint, the financial condition of the county has improved and the promised savings in costs to the public have materialized. It is, of course, too early to make a final judgment of the results.

The evacuation area is being developed as a forest and wild life reserve.

Beltrami Island, Minnesota

R. W. MURCHIE and C. R. WASSON

INTRODUCTION

The Beltrami Island Resettlement Project was the first in the United States to start actual removal of its settlers, although several other similar projects were started about the same time under the land retirement program of the Agricultural Adjustment Administration, United States Department of Agriculture.

But its important claim for interest lies not in the fact that it was the pioneer resettlement project in the United States, but that it was an experiment in settler relocation in the Lake States cut-over area, one of the major problem areas of the United States. The project was designed and administered by men familiar with this region, and thus it was adapted to the agricultural and human peculiarities presented by this important area.

Both the administrative experience and knowledge of social organization and social readjustment gained through this experiment are of considerable interest. This study deals primarily with the problems and processes of social readjustment, since the officers of the Resettlement Administration, who have carried out the work from the time of its origin, are best qualified to discuss the administrative experience gained.

With the decline of agricultural prices after the World War, it became evident that in the development of our American agriculture many people had established themselves on land unfit for agriculture. But recognition of the fact was easier than development of a remedy, and during the industrial "prosperity" of the late 1920's it was even easier to hope that the problem would take care of itself, that people would leave these areas for industrial employment. With the economic crisis of 1929-30, settlement pressure on such lands increased. The distress of those already in these areas was intensified. The tax burden on the better situated farmers in these regions and on the rest of the state mounted in order to offset the tax delinquency of those located on the poor land. An ever higher portion of school costs came from state

Acknowledgments: To Dr. E. L. Kirkpatrick, of Region Two Resettlement Administration Social Research Section, is due much credit for aid in planning and supervising this study. It was due to his efforts and cooperation that funds were secured from the Resettlement Administration to finance the field work. The field work was carried out by J. T. Howard whose knowledge of the country and whose care and thoroughness in performing his work contributed much to the value of the report. The authors are also deeply indebted to A. D. Wilson, project manager, Resettlement Administration, and the several members of his staff for their open-minded cooperation and aid in making available the resettlement records on which most of the statistical information in this study has been based.

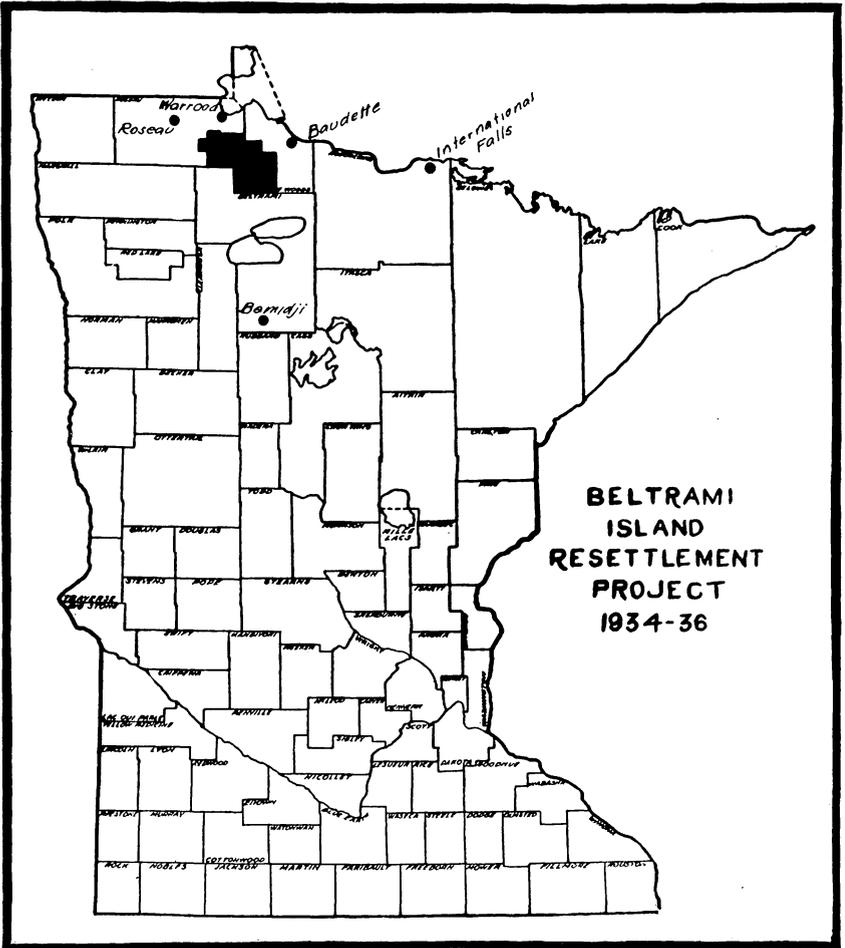


FIG. 1. LOCATION OF BELTRAMI ISLAND RESETTLEMENT PROJECT

aid and counties and states had to shoulder the road costs and relief. It became evident that it was to the public interest to take some steps at least to prevent future settlement of submarginal lands. Lands were finally withdrawn from homestead entry in 1934. In the same year the United States Government, acting through its emergency agencies, started experimenting with the evacuation of such areas and the relocation of the families living thereon. The Beltrami Island Area in the Minnesota cut-over region was one of several such areas chosen for experiment. As in much of the cut-over region, there was an area of fair to good soils available for settlement nearby, and this project offered

a good opportunity to test the advantage of a short-distance move involving not only a minimum of monetary cost, but also a minimum of personal and social readjustment.¹

HISTORY AND BACKGROUND OF BELTRAMI ISLAND

Approximately three fourths of the area being evacuated is in Lake of the Woods County and the remainder in Roseau County (see Fig. 1). The real Beltrami Island is only part of the whole evacuation area, as shown in Figure 2. It was once a low island near the eastern shore of glacial Lake Agassiz, which covered most of northwestern Minnesota for a time during the retreat of the last great ice sheet.

Whereas the alluvial deposits on this old bed of Lake Agassiz make parts of it the most fertile soil in Minnesota, the silt and clay particles in the soil on the island were washed away and except in a few small patches only beach sand, of little value for agriculture, remained. The low spots in the area eventually became covered with peat beds of varying depths. These boggy areas were drained by several small rivers. Some of the peat beds remained as open bogs or became covered with thin tamarack, dwarf spruce, or a dense scrub growth of alder and willow, and some of the river bottoms contained large open meadows. However, most of the area—sand ridges and river bottoms included—became covered with forests of commercially valuable timber. In the river bottoms, hardwoods of various kinds predominated; the swamps contained black spruce, cedar, and tamarack. The sand ridges contained white, Norway, and jack pine. In addition, aspen grew over much of the area. The original commercial stands of timber are shown in Figure 3.

Except for occasional Indian and white hunters and trappers, the Beltrami Island area was practically ignored by man until the beginning of the twentieth century. Permanent settlers were not enticed by the extreme cold of the winters and the brevity and variability of the growing season. The weather records for a 20-year period at Baudette show an average frost-free growing season of 112 days, but in that period the season has been as short as 75 days and as long as 152 days. In that region it is considered normal for the ice to break up in the Rainy River about the tenth of April, and it usually snows for the last time during the first week of May. Gardens are planted about the first of June, but are sometimes damaged by frost as late as June 15. It is unusual to have more than a few very warm nights in succession, although in July the daytime temperature may reach 90 or even 100 degrees Fahrenheit. After the middle of August, it is almost certain that nights will be cool,

¹The Land Policy Section of the Agricultural Adjustment Administration provided the technical direction of the land retirement program. Funds for the purchase of sub-marginal lands were provided by the Federal Emergency Relief Administration, while the responsibility for resettling families from the purchase area rested with the Rural Rehabilitation Division of the Federal Emergency Relief Administration, working through the State Rehabilitation Corporations. This arrangement was changed with the establishment in 1935 of the Resettlement Administration, when these functions were combined.

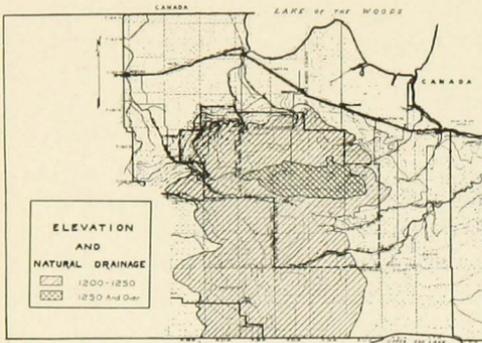


FIG. 2. CONTOUR MAP OF PURCHASE AREA

The cross-hatched area, indicating the portion 1,250 feet or more above sea level, is the real "Island."

The rivers in Clear River, America, and Elkwood townships in Roseau County. These people came searching for farms, not for timber. But to many who moved into other parts of Beltrami Island soon after, the timber available was the chief attraction, and the freedom of a wilderness life undoubtedly offered an incentive for settlement.

and killing frosts have occurred as early as August 21, although the average date is September 16. Such a climate precludes the growing of corn as a reliable crop and makes it a grass, small grain, potato, and root-crop country.

By 1900, however, with the passing of the frontier and the more valuable "free land," settlers were attracted by the large open meadows and began to homestead land along the

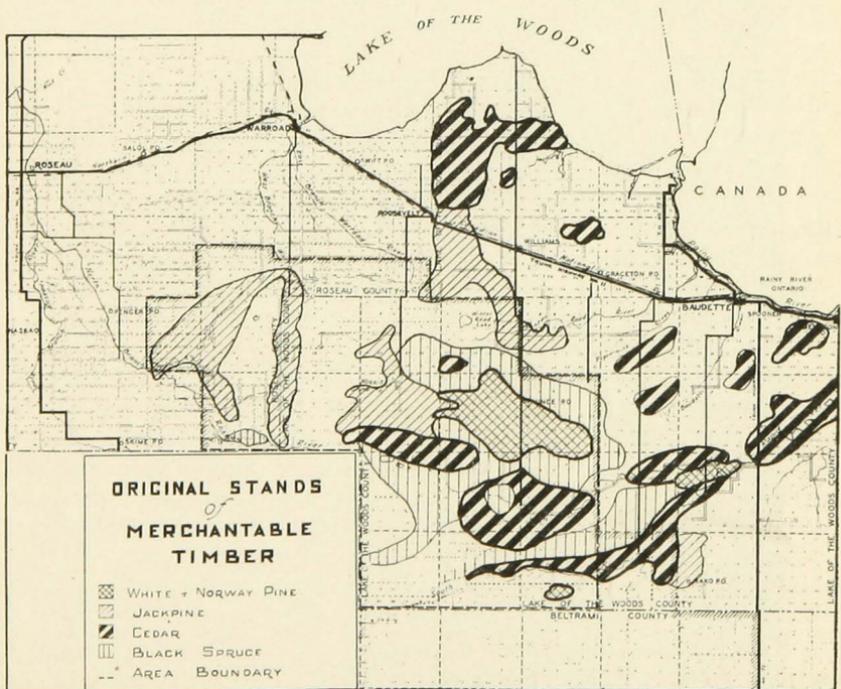


FIG. 3. ORIGINAL STANDS OF MERCHANTABLE TIMBER ON BELTRAMI ISLAND

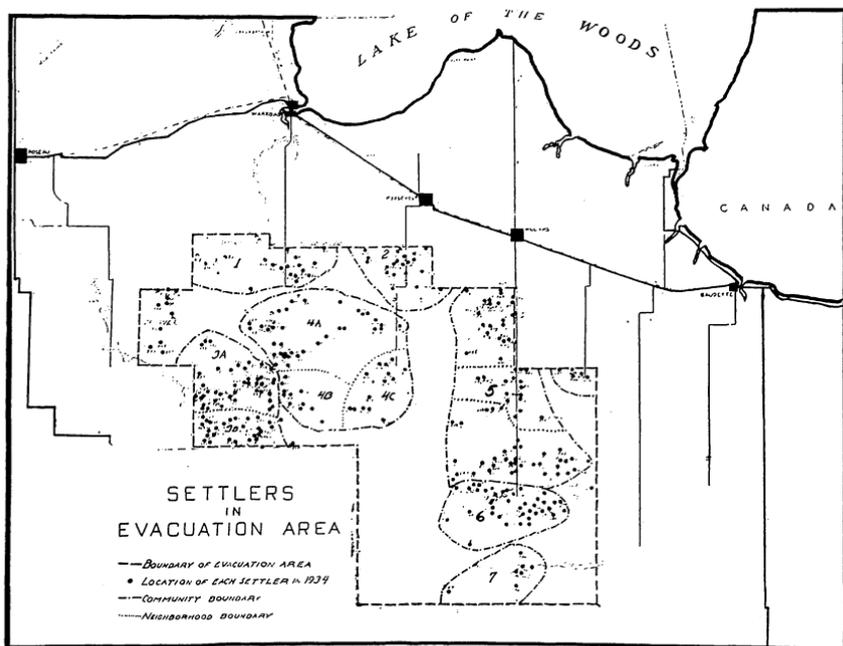


FIG. 4. LOCATION OF SETTLERS IN 1934

Neighborhoods and Communities:

- | | | |
|----------------|------------------------|-----------------|
| 1. Clear River | 4. Hiwood | 5. Faunce |
| 2. Oaks | A. Hiwood Neighborhood | 6. Bankton |
| 3. Elkwood | B. Beaver Dam | 7. South Branch |
| A. Winner | C. Norris | |
| B. Penturen | | |

Large-scale movements into and out of the present evacuation area may be dated approximately by the use of United States census figures. The following figures show the total population of the townships involved in Roseau and Lake of the Woods counties. The Roseau County figures do not portray the situation accurately, since out of six townships used, an area equal to only four and one-third townships lies in the evacuation area.

Year	Total population of 6 townships in Roseau County	Total population of 13 townships in Lake of the Woods County
1900	15	0
1910	120	62
1920	935	796
1930	813	588

The Roseau County figures indicate that the principal ingress of settlers took place between 1910 and 1920. Information secured from resettlement records and from old settlers points to the period 1917 to 1919, inclusive, as the time of heaviest immigration into these townships.

As nearly as can be ascertained, in 1910 most of the population in the Lake of the Woods portion of the evacuation area was located in the region of Faunce, with some few in the area where Hiwood post office was later established. These latter people were in reality a portion of the older Winner and Penturen groups. The Faunce settlement was largely the result of the efforts of two professional locaters² who advertised widely in the vicinity of Crookston and Thief River Falls. Nearly all of these people were speculators who took the land for the sake of the timber on it, and as soon as they had proved up they sold their timber to lumber companies and left the country. Only two members of this original Faunce settlement remained to farm their lands.

In 1910 and 1911, a large number of families moved into the larger open meadows on the South Branch of the Rapid River (Township 157, Ranges 33, 34, and 35). The majority of these people came from Ohio and Indiana.

A year later, in 1912, the first land was homesteaded on the North Branch of the Rapid River, near where Bankton Post Office was later established (Township 158, Range 33). This settler went into the locating business and was responsible for the homesteading of more than 200 tracts, including many of those in the vicinity of Bankton.

While homesteading took place on many very poor or inaccessible tracts as late as 1930, the bulk of the population in the Lake of the Woods portion of the evacuation area moved in from 1914 to 1920, inclusive, during the period when the timber was most profitable.

The sale of forest products from the evacuation area began on a small scale shortly after the cutting of the Canadian National Railroad right of way in 1898. Ties, telephone poles, piling and bridge timbers were provided for the railway construction, and cordwood was shipped to Winnipeg as soon as the road was finished. However, these early operations were small and local and were confined to the northern edge of the area. It was not until construction of the big saw mills at Baudette and Spooner, about 1906, that really heavy logging began on the Rapid River. Almost no saw timber was cut on Beltrami Island until 1910, when homesteaders began to move in. The first log drives were taken out of the North and South Branch valleys within the present evacuation area in 1910 and 1911, respectively, and consisted principally of spruce and pine saw logs and tamarack ties. From 1910 to 1919 saw timber was a very important export from the area. The cedar business built up gradually and reached its maximum in 1918, after which it held strong until 1923. It broke then, revived somewhat in 1925, and crashed again in 1927. Since then it has been of minor importance. The demand for pulpwood began with the construction of the paper mill at International Falls in 1910 and is still good. The most valuable pulpwood is

² In the days when there still was plenty of homestead land, there were men who made a business of guiding landseekers to tracts which were open to settlers. These men, woodsmen familiar with the region, were known as locaters, and charged \$50 for guiding a man to a homestead. Some were honest and dealt fairly with their clients; others would locate a man on a snow-covered lake if they could.

black spruce, and the muskegs of Beltrami Island produced this tree in abundance.

Nearly all of the white pine and a good deal of spruce was owned by lumber companies who purchased the stumpage from the government before the land was opened for homesteading. Large tracts of cedar were purchased from the owners and logged by the companies, but possibly two thirds of the cedar and pulpwood from the area was logged and sold by the homesteaders themselves.

Estimates of reliable and experienced men vary widely as to the amount of timber which has been cut in the evacuation area. The following estimate appears to be the most reasonable:³

Product	Amount	Unit price	Total value*
Cedar poles	500,000	\$ 0.75	\$ 375,000
Fence posts	10,000,000	0.07	700,000
Railway ties	1,000,000	0.40	400,000
Saw logs	20,000,000 (board feet)	12.00 per M.	240,000
Pulpwood	500,000 (double cords)	6.00 per cord	3,000,000
Total value			\$4,715,000

* Prices quoted are for timber delivered at shipping point. The stumpage value would be only a very small fraction of the total, and in some cases the stumpage was valueless, the value of the timber at the shipping point representing only a relatively low wage for the labor expended. These figures are therefore presented only to depict community income in this period.

It is estimated that 24 per cent of the evacuation area still is covered with "old standing timber, merchantable,"⁴ but much of this timber is of species which are low in value, and the stands are so far from the market that it is not worth cutting at present prices. The value of this remaining timber if cut is estimated at \$625,000.

The decline in timber prices and the depletion of valuable species practically terminated the logging business on Beltrami Island before 1930. Income figures from 279 households show that in 1933 the average income from forest products was less than \$20. Coinciding quite closely with the peak in lumbering operations, the population of Beltrami Island area rose to its peak in the latter part of the decade 1910-1920. From 1920 to 1931 population declined steadily, then, with the coming of the depression in the outside world, population increased somewhat, but still remained far below the former peak.

Considering the low swampy character of most of the land, it is not surprising that agitation for drainage should develop during the period the land was being settled. Such a drainage program promised profits for contractors, fees for district judges, clerks of court, county auditors, and other officials concerned in the approval of ditches, fees for engineers who must survey the ditches, and, probably not the least important,

³ Based on information furnished by John Morris, a timber cruiser and logger in the Beltrami Island area from 1907 to 1912, later with the Minnesota Department of Forestry, and after that a timber buyer.

⁴ W. F. Zauche, *Statistics of Land of the Woods County*, p. 19.

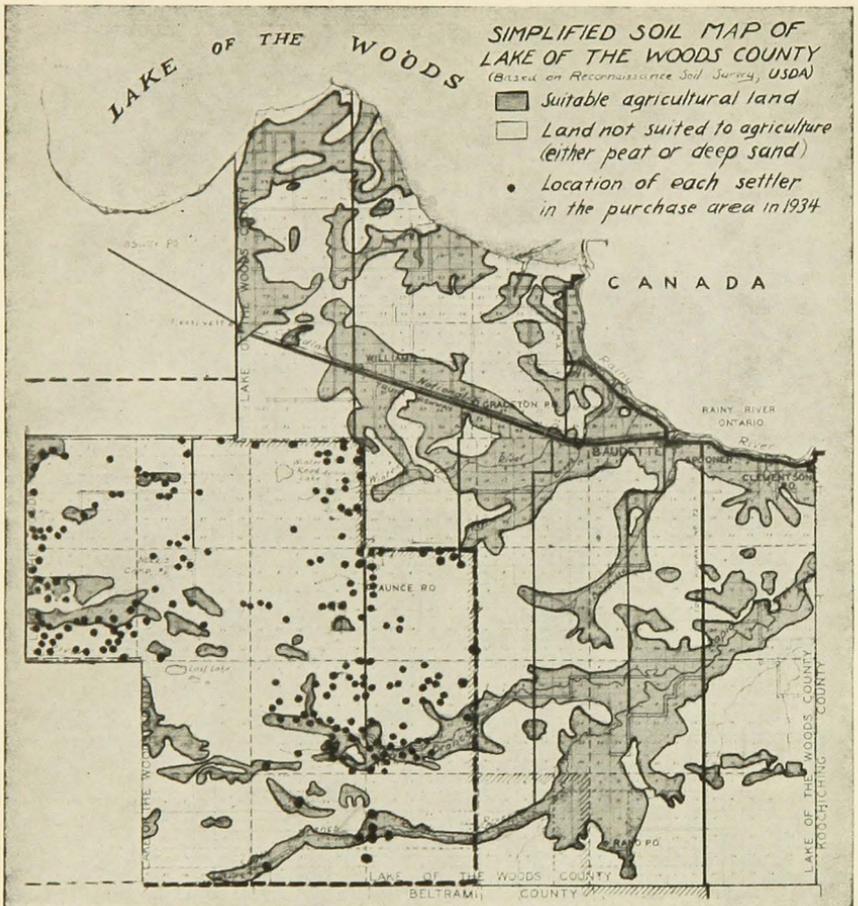


FIG. 5. LOCATION OF SETTLERS IN RELATION TO GOOD SOILS AREAS

profitable legal work, and publication fees for the local newspapers in which the notices of hearings must be published. Since the Minnesota drainage law provided that a district judge assume jurisdiction on the petition of "one or more persons whose lands are liable to be affected by or assessed for the expense of construction" of any proposed ditch,⁵ no adequate safeguards against such temptations existed, especially since the construction was paid for by bonds issued by the county. From the time the ditching program started in 1912 until the war shut off the municipal bond market in 1917, not a single proceeding was dismissed in the area now comprising Beltrami, Koochiching, and Lake of the Woods counties.⁶

⁵ Chapter 469, Laws of 1909.

⁶ W. F. Zauche, *Statistics of Lake of the Woods County*, p. 2.

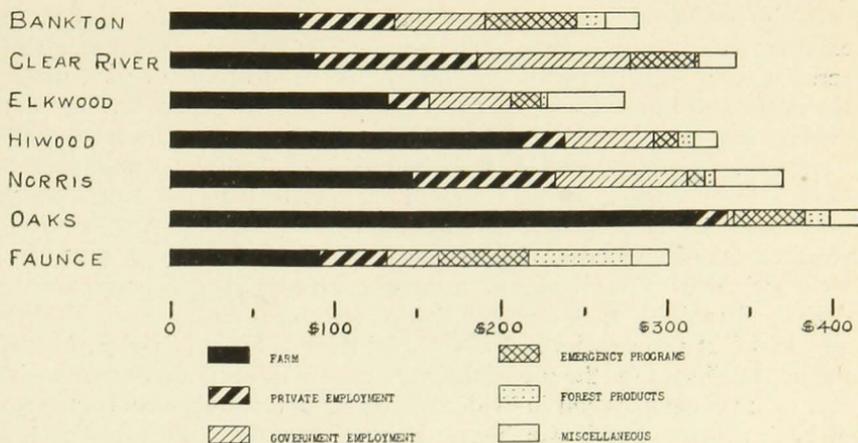


FIG. 6. AVERAGE INCOMES BY COMMUNITIES, 1933

Meanwhile there existed many in the area well aware of the un-economic nature of the wholesale ditching program which was taking place and the financial burden which the county would be forced to assume eventually. Protests, organized and unorganized, mounted until local pressure was able to block the resumption of the ditching program when the municipal bond market revived after the World War. But the damage had been done. When Lake of the Woods County was formed from a portion of Beltrami County in 1922, it came into existence heavily burdened with the ditch obligations which later led to its financial crisis.

The extensive drainage program probably gave impetus to extensive exploitation by land dealers. The common belief of people not familiar

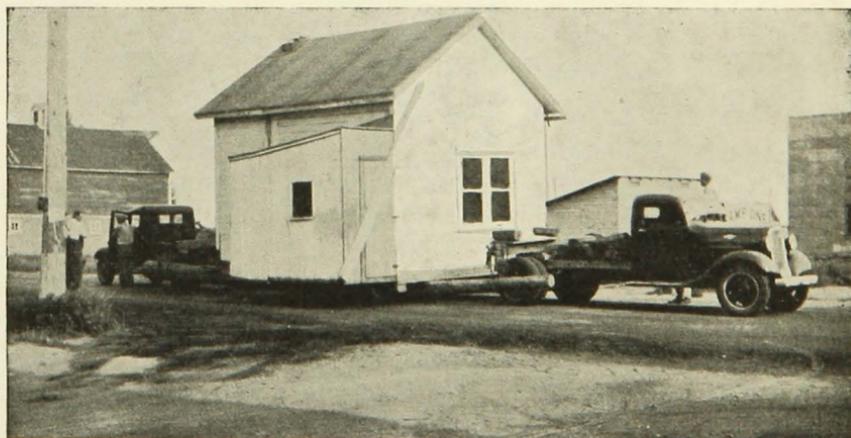


FIG. 7. A HOUSE IN PROCESS OF MOVING
One truck moves forward, the other in reverse.

with the area that drained swamp land is naturally fertile furnished an excellent basis for unscrupulous or ignorant land dealers. Thousands of acres of land were acquired, mostly by non-resident speculators, under the Volstead Land Law⁷ of 64th Congress. This act provides that government lands in the State of Minnesota be made subject to ditch liens, and that such liens may be enforced by the sale of such lands. Under this provision, anyone who still retained his homestead right could purchase unentered lands at \$1.25 an acre plus the ditch tax, with no requirement of residence. Since land in those days was at a premium, a "seller's market" existed, and a thriving business in "Volstead Land" developed rapidly. It is reported that a common practice among dealers was to solicit people who had never used their homestead rights, paying them a small sum for the use of their names. By this and similar methods, real estate companies and individuals secured rights to thousands of acres of land, nearly all of it worthless. Much of this they sold for about \$5 an acre, and a good deal more they mortgaged for whatever the traffic would bear.

While many of the operators had never seen the lands in which they dealt, and were, therefore, not exactly guilty of fraud, it is possible that others knew the nature of the deals they were perpetrating and deliberately misrepresenting. With farm land going at peak prices in Southern Minnesota, Iowa, Illinois, and other agricultural regions, it was not difficult to convince customers that almost any land was worth many times the \$5 an acre at which this land was selling.

Newspaper and direct mail advertising was widely used. "The last frontier," "chance of a lifetime," and many other time-worn phrases were lavishly used and with phenomenal success. School teachers, stenographers, clerks, laborers, at least one college professor, and people from nearly every other occupation grabbed at this "last chance" to acquire homestead land in Beltrami and Koochiching counties.

Not all of the purchasers lost out, for on some tracts there was timber worth many times the purchase price. These, of course, were in the minority. Some owners found upon investigation that their tracts were worthless and either resold them or let them revert. Others, however, through ignorance of conditions, paid taxes year after year.

With the advent of the Resettlement program, appraisals were made on all tracts, and many and bitter were the letters of surprise and disappointment received by the project manager in reply to his offers to buy the tracts at the appraised value. A development company in Pittsburg wrote: "We paid \$3 an acre for this land some ten years ago and I doubt if the price you are offering would cover the cost of the taxes and ditch liens which we have paid in addition to the initial cost." A letter from a private owner in Nebraska expressed an attitude of almost pathetic incredulity. He said in part: "My taxes are paid to 1932 and I wondered if the appraisers might have made a mistake in some way.

⁷ Chapter 181, HR 19541, Laws of 64th Congress.

I need money very bad and must forget about the big loss I have to take and thought if I could get \$500 net to me it would help us out and we might get over the hump. . . . I have paid in taxes more than I am asking you for it and most of this was for road and drainage taxes.”

The provisions of the Volstead Land Law were not always explained by land dealers, and many purchasers were more surprised than pleased to find they had large ditch liens to pay.

When the timber was depleted, income was not sufficient to pay the heavy ditch liens, and tax delinquency mounted. By 1928, over 70 per cent of Lake of the Woods County assessed for ditches was delinquent, and by 1931 nearly 90 per cent. In 1929 it became obvious the ditch bonds would have to be defaulted if left to the counties to pay. Accordingly, to preserve the credit of the counties of the state, the State Legislature created the Red Lake Game Refuge. Under this act, the state was to take over all delinquent lands within the designated refuge and assume the bonded indebtedness for it to the extent of \$2,500,000.⁸ The 1931 legislature designated six and one-half townships in the present evacuation area as the Beltrami Island State Forest, but permitted those settlers already there to remain.⁹

While the financial position of the county was improved by this action on the part of the state, the townships remained in a condition of acute distress. Consequently, the 1933 legislature passed two laws providing that the county commissioners by resolution might dissolve townships “whenever the tax delinquency . . . exceeds 70 per cent in one year,”¹⁰ or “whenever the assessed valuation . . . drops to less than \$50,000, or whenever the tax delinquency of any such township amounts to 50 per cent of its assessed valuation, or when the state has acquired title to 50 per cent of the real estate.”¹¹ Under these provisions, all of the townships in Lake of the Woods County were dissolved in 1933 and 1934. Assets and liabilities of the townships were pooled, and township debts liquidated at about 60 cents on the dollar. Thus was the public finance wreckage cleared away, but the human problem remained, the problem of what was to become of the settlers already there.

THE PEOPLE AND THEIR INSTITUTIONS

So far, we have focused our attention on the area, its physical characteristics and history of settlement. But the principal problem to be dealt with concerned not the area, but the people.

The area was peopled with a mixed group occupationally and nationally. In even the best part of the area, depopulation had been proceeding slowly for a decade and a half, but, in spite of this, new families attracted by cheap or free land had come in, especially since the depres-

⁸ Chapter 258, Laws of 1929.

⁹ Chapter 124, Laws of 1931.

¹⁰ Chapter 235, Session Laws of 1933.

¹¹ Chapter 377, Session Laws of 1933.



FIG. 8. WILDLAND BEFORE A CLEARING FIRE

try were able to meet the simpler physical needs of food, clothing, and shelter with a fair degree of adequacy. However, they were unable to obtain adequate public services or to provide their children with advanced schooling. Schools were almost completely subsidized by taxation of the remainder of the country and by state aid. Funds for the insufficient mileage of improved roads had to come from the same sources, and altogether the state and counties were paying \$20,000 to \$30,000 more per year for schools, roads, and relief on Beltrami Is-



FIG. 9. WILD PEAT LAND AFTER A CLEARING FIRE

land than this area was yielding in taxes. Medical services were distant and at times almost impossible to obtain. Only one church was ever able to prosper, and that one only by obtaining the services of a non-resident minister.



FIG. 10. THE FINAL STAGE OF A FIRE CLEARING—CULTIVATED LAND

tion, replacing part of the population which left. Most of the family heads remaining in the area were passing their prime of life, necessitating some plan requiring the minimum of readjustment.

These people supplemented an inadequate farm income from various sources, and by living off the country were able to meet the simpler physical needs of food, clothing, and shelter with a fair degree of adequacy. However, they were unable to obtain adequate public services or to provide their children with advanced schooling. Schools were almost completely subsidized by taxation of the remainder of the country and by state aid. Funds for the insufficient mileage of improved roads had to come from the same sources, and altogether the state and counties were paying \$20,000 to \$30,000 more per year for schools, roads, and relief on Beltrami Is-

Location of the People

When the government began taking options to retire the land from agriculture in 1934, there were approximately 310 families, totaling 1,050 persons, living in the area. Due to the nature of the terrain, settlement was sparse, and neighborhoods relatively isolated.

Figure 4 shows the location of these settlers in 1934. It can be seen that settlement, although sparse, formed very definite clusters, outlined in this figure. Each of these clusters was a distinct neighborhood or commu-

nity. They differed not only in resources and economic characteristics, but through the operation of selective migration and relative isolation had developed distinctly different social characteristics as well.

Table 1. Productivity Rating of the Soils in the Lake of the Woods County Communities

Rating of the soils*	Number of farms					Total
	Bankton	Faunce	Hiwood	Norris	South Branch	
40-49	7	52	29	5	2	95
50-59	9	10	1	4	1	25
60-69	6	2	3	3	3	17
70-75	3	1	.....	.....	.....	4
Average	54.4	44.1	42.0	48.8	52.0	46.1

* This rating is a percentage figure based on the productivity of the best soil in the county. A rating of 100 means that all the soil on the farm was composed of the best type of soil in Lake of the Woods County, and a rating of 40 signifies the soil is only 40 per cent as productive as the best in even a good year. A soil with a low rating would tend to be drouthy and produce little or nothing in a dry year.

Some of these clusters were simple neighborhoods of a few families, but others were communities composed of two or more distinct neighborhoods. None of the centers ever attained an economic base sufficient to progress beyond the rudimentary general store stage of development.

In Figure 5 the location of the settlers has been plotted on a simplified soils map of Lake of the Woods County.¹² It can be seen that only

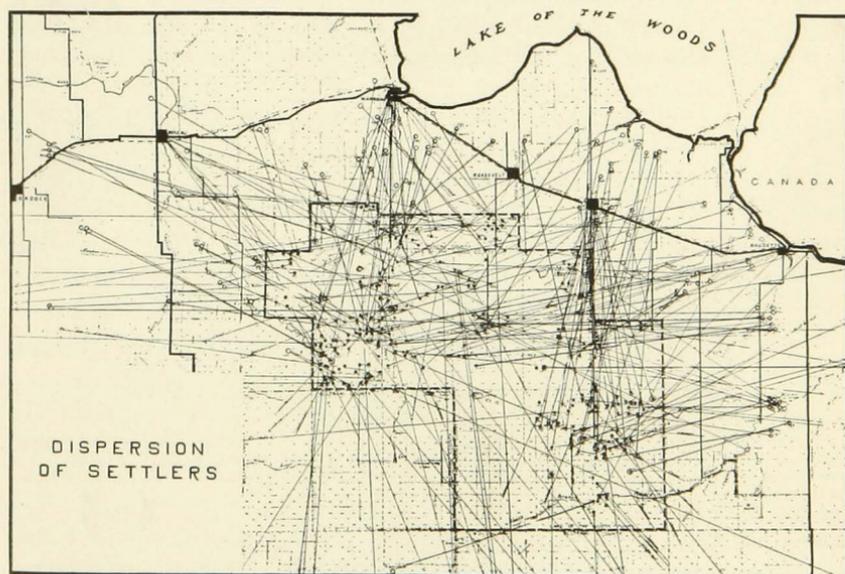


FIG. 11. DISPERSION OF SETTLERS

The lines connect the location of the settler in the evacuation area with his new location. Note the completely individualistic nature of the moves made and lack of community cohesion.

¹² No soils map is available for Roseau County.

a few settlers were on soil that could be considered suitable for agriculture—some of those in the Bankton and South Branch neighborhoods. But the location of these neighborhoods was so isolated that the construction of good roads to reach them was not advisable. In addition, this land was extremely difficult to clear for cultivation.

Table 1, based on the Resettlement Administration's soils experts' ratings, shows that only a relatively small number of even the Bankton and South Branch families were located on better soils. No soil can be considered good which does not get a productivity rating of at least 60, yet only one in seven of the Lake of the Woods County settlers was on land that met this minimum figure. And none of the Roseau County settlers were as favorably situated as those in Bankton and South Branch.

Their Background

Information on the background of these people is not complete, but data for the place of origin of nearly one half of them are available. Of these, almost two out of five came from other parts of Minnesota, about one in nine from North Dakota, and somewhat fewer from Michigan. The rest came from a wide range of places. Fewer than one in twenty were foreign-born.

Of those whose previous occupation is known (about one third of the total), approximately one half farmed previous to coming into the area, one fourth were carpenters or other skilled laborers, and one in every sixteen was a railroad employee. Of the settlers, about one third were of Scandinavian extraction, and one eighth German. There was also one small Polish settlement.

Although few settlers were actually foreign-born, many belonged to the second and third generations. Data on the national descent of many of the families are available in the resettlement records, and could be estimated from the names for many of the rest. The compilation of this material in Table 2 reveals clearly the heterogeneity of the population.

The age, marital status, and sex of 293 out of 310 family heads are listed in Table 3. Half of the family heads in the area were between 40 and 60 years of age. Such families would normally have their pattern

Table 2. Approximate National Origin of 232 Families in the Beltrami Island Community, 1934*

Nationality	All communities	Bankton	Clear River	Elkwood	Faunce	Hiwood	Norris	Oaks
Total number of families	232	16	23	60	67	36	12	18
Scandinavian	76	5	2	28	20	13	2	6
French	4	.....	3	.....	.....	.....	1	.....
German	30	2	4	7	7	9	.....	1
Anglo-Saxon	93	9	14	20	27	8	8	7
Finnish	4	.....	.....	1	3	.....	.....	.....
Irish	8	.....	.....	.....	6	.....	.....	2
Slavic	17	.....	.....	4	4	6	1	2

* Information was not available for the remaining 61 families.

of life well "set" and would therefore have difficulty in making drastic economic or social readjustments.

As might be expected in such an older group, the size of the family at home was small—an average of about 3.4 persons.

Table 3. Age and Marital Status of 293 Heads of Families in the Beltrami Island Evacuation Area, 1934

Age group	Heads of families	Total married	Single, widowed, or divorced	
			Men	Women
Total	293	207	69	17
Under 30	34	23	11	.....
30-39	45	39	2	4
40-49	78	59	11	8
50-59	78	48	25	5
60-69	30	23	7	.....
70 and over	28	15	13	.....

Stability of Settlement

The population stability shows extreme variation between communities and does not seem to have been a result of any single factor. In Table 4, the 1934 settlers are divided into two groups as to the date of their advent into the present community. The year 1920 was chosen as the dividing point because it is close to the date at which the decline of the logging industry became clearly evident and is past the peak of settlement. All communities have lost population since that date, and all have had some of their population replaced.

Table 4. Dates of Advent of Settlers by Communities

Community	Total number	Number before 1920	Number after 1920
Hiwood	27	15	12
Clear River	24	7	17
Elkwood	53	38	15
Oaks	11	3	8
Faunce	58	26	32
Bankton	26	22	4
Norris	12	7	5

It is probably of some significance that the only point of resemblance between Clear River and Oaks, the two communities with the most unstable population, is their ready accessibility to the outside world. The inhabitants would thus have a greater chance of learning of economic opportunities and escaping. Otherwise, they represent the two extremes of farm and total incomes in the Beltrami Island area. Since the Oaks families had some of the largest incomes of any in the area, by this objective test it appears that even the best conditions in the area with respect to accessibility and income were too poor to attract permanent settlers. Conversely, the most stable communities, Bankton and Elkwood, were the two most inaccessible and thus had the least contact with the outside world.

Making a Living and Living on Beltrami Island

When the lumber was gone, the people had to choose between the alternatives of migrating from the area, or remaining there as farmers. Many did leave, as the census indicates. Those remaining farmed as best they could, with an average of 27 acres of cultivated land, \$320 worth of livestock, and \$117 worth of machinery. The appraiser's records show that the cash income of 1933 averaged \$317 per family (see Table 5). A little less than one half of this \$317 average income was derived from farming. Forest products, governmental employment, other outside wage labor, and relief were the chief sources of supplementary cash income, with about one tenth coming from a miscellaneous list of sources.

Farm income came principally from the sale of dairy products, beef, mutton, wool, hay, grass seed, and a few eggs. The farm industry was young in the area, since until the late 1920's sufficient income had been made from logging and work outside the area. That the forest products business was gone is indicated by the very small income from that source.

Government work included road construction and maintenance, hauling children to school, fighting fires, and carrying mail. Private employment consisted principally of labor at local sawmills, in fisheries at Warroad, on farms north of the area, and in the North Dakota grain harvest. The miscellaneous class includes trapping, sale of blueberries, inheritances, life insurance payments, pensions, etc.

Table 5. Average Family Income in Beltrami Island Area in 1933 by Communities and by Source*

Community	No. of cases	Total	Farm	Forest	Outside employment		Emergency	Miscellaneous
					Gov't	Private		
All families	288†	\$317.46	\$141.82	\$18.80	\$49.15	\$39.87	\$36.15	\$31.67
Bankton	23	283.04	79.52	16.74	52.91	58.04	56.04	19.78
Clear River	17	331.88	89.06	2.94	93.24	97.35	37.53	23.50
Elkwood (Winner and Penturen)	52	275.15	134.34	4.54	47.53	24.04	19.35	45.56
Hiwood	33	381.18	212.52	14.21	33.58	26.67	14.27	59.94
Norris	12	370.50	148.33	9.58	80.33	84.58	31.33	16.33
Oaks	13	418.69	318.53	14.61	3.00	19.15	44.15	19.23
Faunce	65	301.15	91.60	62.20	31.74	40.95	52.62	21.97

* South Branch is not included as information was obtainable on only three of the remaining six families.

† Three families in South Branch and 70 families not definitely assignable to any community are included in the "all families" group.

The relief situation was not exceptionally acute. About a hundred families received a total of \$14,000 under the Reconstruction Finance Corporation and the Emergency Relief programs during a period of 26 months ending November 1, 1935. This amounts to about \$5.40 a month per family during the period. When the Reconstruction Finance Corporation first granted federal relief in Lake of the Woods County, the

\$9,000 allotted the county relief worker to cover a three-month period lasted for five months, although the relief worker made no unusual effort to economize.

The reason for the low relief demand in the face of such low cash income lies in the non-cash income of these families. Deer, grouse, and rabbits constituted important additions to the family larder.

The lack of communication and shipping facilities of all but the Oaks neighborhood was no encouragement to development of the commercial farming industry, for even if a man could produce a surplus for sale it was not profitable or even possible to haul it to town unless he had a large amount of a relatively concentrated product. Consequently, until the late 1920's sheep and cattle farming prevailed. While the settlers generally raised enough vegetables and dairy products for their own use, they did not try to produce much for sale. A few sold butter and some eggs, but this source of income was very small before 1930 when roads were improved.

Thus it was only in the relatively accessible Oaks neighborhood that farming ever became sufficiently developed to yield the major part of the family income. Even there, in 1933, it was only about three fourths of the total, an average of \$318 out of a total of \$418 (see Fig. 6). Hiwood, Norris, and Elkwood were the only other communities in which the income from farming exceeded \$100 or was more than half the small total income. Bankton and South Branch, in spite of their better soil, had such difficult clearing and were so far from market that farming remained largely on a home-use basis.

Part of the variation in the development of farming is due to the difference in the original forest resources of these neighborhoods. Although all the communities in the evacuation area had enough timber for their own fuel and for building purposes, only the Clear River, Faunce, Bankton, and South Branch communities ever had important commercial stands of timber which could be depended upon for a cash income.

The average Beltrami Island settler's cash income of \$317 per year seems low, but no very great cash outlay was required to provide the few things which had to be purchased. Aside from taxes and payments on loans, groceries, some rough clothing, once in a while some harness parts, rifle cartridges, repairs for the mower, car, and sewing machine were the principal cash requirements. The people raised many of their own vegetables, canned large supplies of fruits and vegetables in season, shot nearly all their meat, and by repairs or home manufacture avoided many purchases which the better located farmer considers a natural part of his budget. Furthermore, they had no expenses for fuel and paid but a small per cent of their taxes.

Although living off the country enabled these families to meet the basic physical demand for food, and the general low incomes made elaborate clothing unnecessary, it can hardly be said the social needs of the

area were met, even from the standpoint of those living in the area. The people were unable to support good roads, adequate medical service, churches, and schools.

Communication Facilities

Roads in the area were largely unimproved. The population of the evacuation area was scattered about on the relatively few pieces of high land, while poor tax collections provided little road money in the township funds. Since the counties, too, were always short of money, the commissioners were loath to authorize money for long and costly roads to connect little communities, the residents of which paid very little tax into the county funds. For these reasons, there were not many miles of good roads in the purchase area. The following table indicates the mileage of State Aid and County Aid roads in the evacuation area:

County	Mileage of state aid roads	Mileage of county aid roads
Lake of the Woods	8	14
Roseau	16½	48

In addition to these, there were township roads and others which were under no official jurisdiction. The mileage of township roads is not known, since many roads classified as township roads are nothing but drainage ditch banks, many of which are never used. However, it is estimated that there are about 225 miles of township roads in the evacuation area.

In homesteading days there were only rough, ungraded trails through the forest, good enough in winter but in general quite impassable for any vehicle when the frost was out of the ground. Exceptions were the sand ridge roads which were well drained and fairly solid even in wet weather. Ungraded roads crossing peat deposits were hopeless except when frozen, and others following streams where clay deposits existed were nearly as bad.

Much isolation was due to the peat swamps surrounding most communities. Thus the Bankton and Faunce communities appear on the map as close neighbors, but until 1931 the two were connected only by a foot trail through the muskeg. It is impossible to picture to one unfamiliar with such muskeg the difficulty of stumbling one's way over tree roots and bunches of moss which constitute the only footing. A horse cannot traverse such a trail save in winter, when everything is frozen sufficiently to support him.

Not all of these communities were isolated and inaccessible, however, as Table 6 shows. The Clear River people were only about twelve miles from Warroad, and not only was the main road passable the year round, but so were the sand ridge roads to their homes. The Oaks settlers were

even closer to a railroad center, about four to eight miles from Roosevelt, on a good road. The road from Faunce to Williams was also good, and the distance but twelve miles. However, the settlement in the Faunce community was scattered, and the distance to Williams, for many of the families, was close to 18 miles, although the sand ridge roads connecting with this main road were fair. Norris and Hiwood were farther from the railroad, 17 miles and 19 miles, respectively. All of the remaining communities were over 20 miles from a railroad town. Moreover, the roads into Bankton, South Branch, Winner, and Penturen were never very good, nor passable the year around. Bankton and South Branch were especially isolated. Until 1931, the only connection either place had with the outside world was by trails along the river. These were so wet as to be often impassable for vehicles. Supplies often had to be brought in on foot or by horseback. In 1931, a road was finally built across the swamp connecting the Bankton community with Faunce, but South Branch never had a good road.

Table 6. Distance from the Beltrami Island Communities to the Nearest Railroad Center in 1934

Evacuation area center	Distance in miles	Railroad village
Faunce	12	Williams
Bankton	20	Williams
South Branch	32	Pitt
Clear River	12	Warroad
Oaks	4	Roosevelt
Norris	17	Roosevelt
Hiwood	19	Warroad
Winner	26	Warroad
Penturen	26	Warroad

Considering the condition of the roads, the evacuation area received good mail service. At one time six neighborhood centers had post offices, served by mail routes from villages on the railroad to the north as follows: Penturen (established 1908), Clear River (1909), Winner (1913), Bankton (1915), Faunce (1919), and Hiwood (1919). A large rural delivery route ran out of Hiwood and was served three times weekly.

Telephone service of some kind was also available to most of the settlers. Early in the period of settlement the State Forest Rangers constructed telephone lines for fire protection purposes. In 1914 the Elkwood Farmers Telephone Company built a line from Warroad to Hiwood, Winner, Penturen, Clear River, and the Oaks community. The business men of Williams organized the Williams Cooperative Telephone Company and constructed lines to several surrounding communities, including Faunce. From this point the state owns a line running down to the fire tower in unorganized Township 157-33, and the only telephone in the Bankton area was a branch from this line. When anyone in

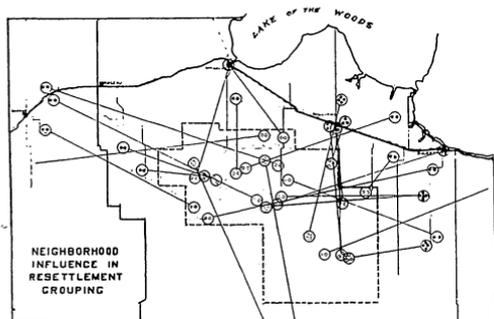


FIG. 12. INFLUENCE OF PREVIOUS NEIGHBORHOOD TIES ON RELOCATION CHOICES

A hollow dot represents a family in its old location; a solid dot in its new location.

saw one of these papers regularly. Some still retained subscriptions to their "home town" papers, and a good many took Twin City or Duluth papers either in English or Scandinavian. Magazines were widely read, including most of the widely published national magazines.

Probably half of the homes had radios. Many farmers had wind-operated generators which kept their radio batteries charged. Winnipeg and Fargo stations were most easily tuned in.

Schools

The evacuation area contained no high schools, only primary schools which were characterized by instability, transportation troubles, and dependence on state aid and other outside funds. Since the Lake of the Woods County records were the more readily available, only Lake of the Woods County data were used.

As can be seen from Table 7, the first schools were opened in 1912, and all were established before the end of 1920. Records of enrollment are not available for these years, but school enrollment probably reached its peak about 1915 or 1916,

Bankton was called, a member of the family which had this telephone performed the necessary messenger service.

But in all neighborhoods the newspaper and the radio probably furnished the best contact with the outside world. Weekly papers are published at Baudette, Williams, Warroad, and Roseau, and it is quite probable that nearly everyone in the area either subscribed for or at least

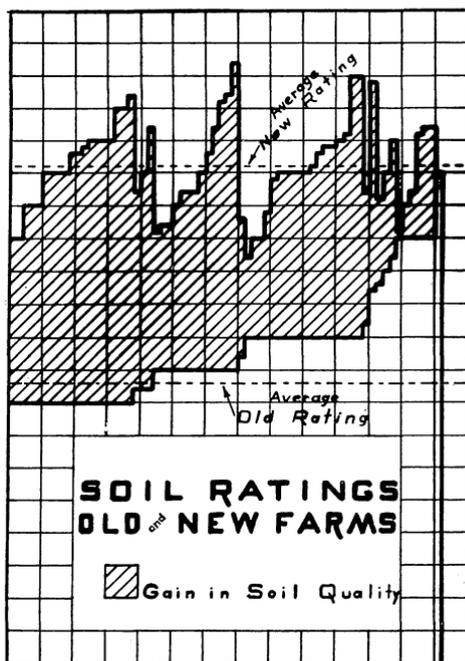


FIG. 13. SOIL RATINGS—OLD AND NEW FARMS



FIG. 14. A NEW HOME FOR A CASH COST OF ONLY \$325

during the peak of the land boom. This table indicates that the peak had already passed in 1922, when Lake of the Woods County was organized. Enrollment in the individual schools was small and fluctuated widely, due to the high mobility of the population. Moving was easy; having but little property, most families needed only to load their belongings onto the sleigh, tie the cow to the rear of the rig, call the dogs, and be off. Each fall many families moved, taking up residence in some empty shack closer to their timber work, to their relatives, to school, or, in a few cases, farther from school, in order to take advantage of transportation money.

No school was operated for fewer than five pupils. It was therefore difficult in the spring to forecast which schools would be operated the following fall. Under the law, children living more than four miles from school shall be provided with transportation or have board provided within walking distance of school. In this area, the population was so sparse and scattered that it was not feasible to operate school busses, and special arrangement had to be made for individual cases. Some families moved near school each fall. Others who were unable to move boarded the children with families living near school. Many people transported their children daily, using their own horses. In some cases the older children drove to school and back, having provided some sort of shelter at the schoolhouse in which to keep the horses.

As it is the responsibility of the county to see that all children of proper age attend school, it was necessary that compensation be rendered the parents of those children who had to be boarded or transported. This sum was formerly 60 cents per child per day, which does not seem too much from the standpoint of cost. However, it became necessary to reduce the compensation from 60 cents to 40 cents and finally to 25 cents per day, for each day the child attended school, because for families with

Table 7. Annual Enrollment in Lake of the Woods County Schools in the Beltrami Island Area

Township	Date of founding	1923	1924*	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
Total		145		140	141	151	144	132	126	94	97	98	101	101
Faunce	1912	16		14	15	21	25	14	17	16	24	22	30	26
Flynn	1914	6							CLOSED					
Phoenix	1915	5							CLOSED					
Noyes	1915	17		17	21	25	21	20	20		CLOSED			
Beaverdam	1916	CLOSED		12	14	13	7	9	11		CLOSED			
Conklin	1916	16							CLOSED					
Schecter	1916	16		14	19	19	18	16	12		CLOSED			
Dollarhide	1916	7		8	13	12	16	16	21	25	28	26	21	19
Dalziel	1917	9		14					CLOSED			9	9	15
Murray	1918	7							CLOSED					
Hiwood	1918	10		12	15	11	8	10	9	14	22	16	17	18
Benedix	1918	20		19	16	24	26	24	15	18	23	25	23	23
Laine	1919	16		16	16	14	9	10	9		CLOSED			
Pilgrim Hall	1920	CLOSED		14	14	12	14	13	12	10	CLOSED			

* Enrollment records for 1924 are missing.

several children and a scarcity of cash income, the temptation to "get in on the school money" was often too great.¹³

Attendance at school was for the most part rather irregular, due largely to the severe cold and heavy snowfall of the region and to the fact that the roads were not maintained. Drift-blocked roads were common, due to the open nature of the bogs they crossed.

It is doubtful whether many of the schools could have been kept open without heavy state aid. The marked degree to which the state contributed to education costs in School District 119, which included not only the evacuation area but an equal area of better land outside, is shown by the following figures furnished by the county superintendent's office :

Year	Total budget, District 119	State aid, District 119	Per cent provided by state
1925	\$29,967.09	\$ 8,451.43	28.2
1929	24,565.91	8,650.57	35.2
1934	18,103.74	13,008.74	71.8

Tax delinquency in the evacuation area was very high in recent years (90 per cent in 1934), so that the portion of District 119 lying outside the area bore the heavy share of the local cost, and the proportion of their own school costs actually borne by the Beltrami Island people was very small indeed.

Instructional standards do not appear to have been bad, although it must have been difficult to maintain adequate educational standards in the face of irregular attendance and uncertain enrollments. With few exceptions, the teachers were young women trained at the state teachers' colleges. Most of them were recruited from the neighboring regions as it was considered unwise to employ city women because of the unavoidable hardships. Prior to 1927 all schools paid a salary of \$100 a month. Unfortunately, after 1927 the pay started to decline, and by 1933 the average was \$40 to \$60 a month.

Higher education was practically denied children of the area. Since there were no high schools in the area and cash incomes were low, only an occasional family was able to send children as far as high school or agricultural school. So far as can be discovered, only one family ever sent children beyond secondary school.

Churches

In such a mixed group as these settlers, it is natural to expect considerable religious heterogeneity. The Germans and Scandinavians were for the most part Lutheran, and the Poles Catholic. Among the rest of

¹³ Moving outside the four-mile radius in order to supplement a meager cash income with school money is not an uncommon practice among the more impoverished families in the cut-over area. See Jesness, O. B., and Nowell, R. I., *A Program for Land Use in Northern Minnesota*, p. 139.

the people many faiths were represented. Members or former members of nearly all the common Protestant faiths were found in the area.

The only really active church was organized by the Norwegian Lutherans at Winner in 1918, but they had no church building until 1928. This group was served by a minister from Warroad every other week. Sunday school was held weekly.

The Slavic Catholics built a church near Penturen in 1923, but services were held there only three or four times because the people were unable to finance the services of a priest from one of the distant railroad towns.

While these two were the only church buildings, services were held at schoolhouses in all the communities at more or less regular intervals, usually about twice a month. Ministers from Warroad and Roseau did most of the preaching.

Social Recreation

Organized social life was confined to four clubs. They were the Bankton Community Club, the Homesteaders Club at Hiwood, the Sunshine Club in Eugene Township, and the Sewing Club at Clear River. The Bankton group was the most active. It sponsored entertainments and social gatherings of all kinds. The Homesteaders Club had a small membership. The Sunshine and Sewing clubs were strictly women's organizations. There were three community halls, one at Bankton, one in Eugene Township, and one in Cloverdale. While they were erected as town halls, they served as general community centers. Where there was no hall for the purpose, dances and other gatherings were held in school buildings or private homes. Thus, although little organized recreation existed, an informal type of social recreation existed which probably filled many of the social demands of the settlers in the early days. Even this informal neighborhood life does not appear to have been completely satisfactory, for available evidence seems to indicate it declined as good roads began to connect Beltrami Island with the outside world.

THE GOVERNMENT STEPS IN

On August 4, 1932, Governor Floyd B. Olson appointed a committee "to study and outline a plan for land use, particularly in the northern part of the State, where taxes are delinquent on several million acres."¹⁴ This committee found people settled on and attempting to farm some areas unsuited to agriculture and the state and the local counties were, in effect, being taxed to subsidize schools and roads in these areas.

The Beltrami Island area in the newly created Red Lake Game Refuge was one of the worst of these areas, and one of those selected by O. B. Jesness and R. I. Nowell for more intensive study after they

¹⁴ *Report of Governor's Committee on Land Utilization*, p. 1. University of Minnesota Press.

had made a preliminary survey of all problem areas in the Northern Minnesota cut-over region. When the Land Policy Section of the Agricultural Adjustment Administration started experimenting with the retirement of submarginal farm lands, the Beltrami Island area was one of two tentatively chosen. This area had one important advantage in that the area adjacent contained very good soil and was available for resettlement. Thus, the distance the settlers needed to move would be short, and the readjustments needed could be kept at a minimum. Another inducement to choose the area was the interest which the Board of County Commissioners had already manifested in its removal from cultivation. The legislation creating the Beltrami Island State Forest was partly the result of this board's effort. Before a final choice was made, A. D. Wilson, formerly Director of Extension of the University of Minnesota, and a man with a great deal of personal experience in the agriculture of the cut-over region, was requested to make a personal study of the Beltrami Island area. His report on a possible plan for resettlement of the area was to be submitted with a view to accepting the responsibility for the direction of such a project. Mr. Wilson made a careful survey of the area and agreed to take over the job. The Land Policy Section of the Agricultural Adjustment Administration set aside an initial \$300,000 for land acquisition, and the Minnesota Rural Rehabilitation Corporation set aside \$385,000 for loans to aid in resettling such families as would need help in getting reestablished. With the area chosen, a workable plan for resettlement had to be devised.

Settler relocation projects cannot be turned out like Model T Fords. No one set of plans, blueprints, and specifications can be used in every part of the United States. Even two districts in the same general area will present differing problems; each of which will have to be met with on the basis of local conditions and resources and the attitudes and abilities of the people being relocated. In the Beltrami Island area, whatever plan was to be evolved had to take into consideration the following points with respect to land resources:

1. The land being evacuated was often completely without value on the basis of ordinary appraisal methods, and on the basis of such an appraisal it would not be possible to offer the settlers an inducement to sell their land to the government.

2. The most desirable of the lands available for resettlement were scattered over a wide area and interspersed with farms not available or not desirable for purchase.

3. Although plenty of good land was available at reasonable prices, this land was only partially developed.

4. The land was easy to clear by methods familiar to the settlers.

5. The cheapest way to clear the land, and the way most acceptable to the settlers, was to let the settlers do it themselves.

6. During the period of development, the farms would usually not produce enough to support the families living on them.

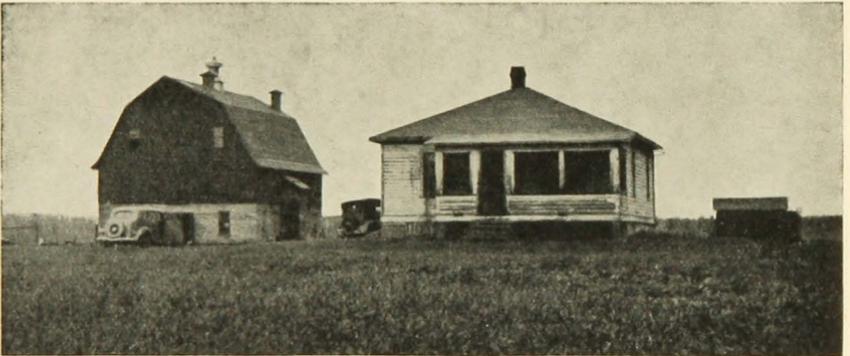
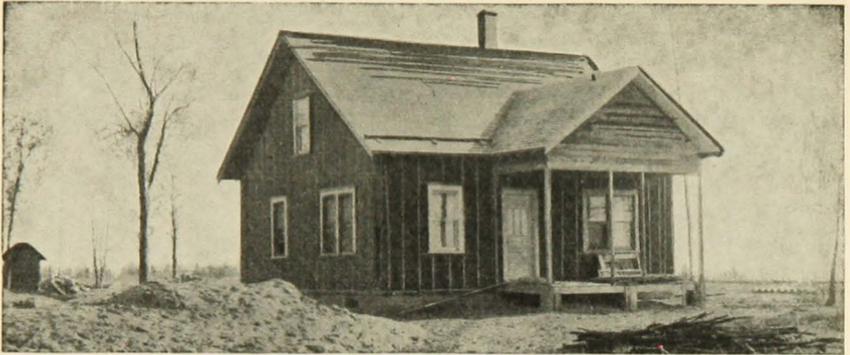


FIG. 15. THE NEW HOMES

Individual choice was the guiding principle in the purchase and construction of homes, as in all other phases of the project. The family living in the house shown at the center chose to purchase a farm with a complete set of buildings on it. The other two decided to build their own homes, but each had a different idea about building sites and style of construction.

More important to any plan for their rehabilitation were the following facts concerning the people:

1. All of these people had been living a relatively free wilderness life, and most of them would be resentful of the least appearance of governmental dictation or interference with their lives or personal affairs.

2. These people varied widely in farming ability, farming experience, and the desire to farm.

3. They were alike in that conditions in Beltrami Island had been such that few had been able to farm on a scale sufficient for self-support. They thus lacked adequate recent farm experience.

4. Most of these families were so heavily in debt as to be completely insolvent, and many were discouraged and lacked the self-confidence necessary in any plan for their rehabilitation.

5. As a result of prolonged insolvency, a very large percentage of these Beltrami Island people were debt-wary and would refuse to cooperate in any plan which involved any but the lightest debt burden.

6. The few who would accept any heavy governmental advances offered the least promise for rehabilitation.

In the plan finally worked out by the project staff, all of these points were given full consideration. The location of the available land for relocation proved decidedly advantageous from the standpoint of wide latitude of choice for the settlers. Some very good land was available in large enough blocks so that neighbors who desired to stay together could do so. Those who preferred to part company with their old neighbors and instead move closer to friends and acquaintances who lived in the new area had little trouble finding a good location suited to their purpose.

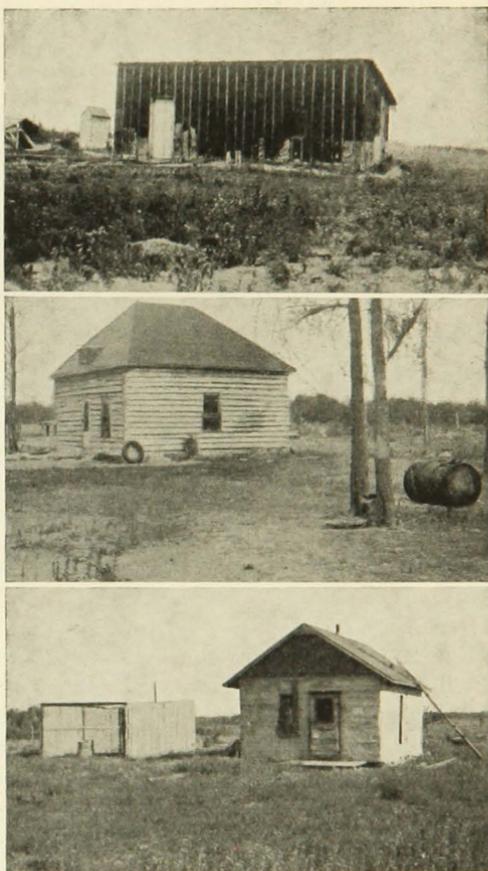


FIG. 16. THE OLD HOMES

But the appraisal and purchase of the land in the evacuation area proved a knotty problem. If the land were appraised according to the usual method of capitalizing the productivity assignable after deducting a fair return for the labor and capital used, it was actually worth less than nothing. If, instead, the probable future value of the land as a producer of forest and wild life were considered, the price would still be so low as to offer the settler very little. There remained only one other basis for evaluation, namely the savings which county and state would realize from the evacuation of this area. This was a very real value. The evacuation area was yielding between \$20,000 and \$30,000 less every year than it cost to maintain schools, roads, and relief for the 300 families living there, or nearly \$100 annually per family, and the prospect was that this deficiency would increase. In addition, the presence of these settlers greatly increased the forest fire incidence, as the settlers were continually setting fires for clearing purposes and these fires often got out of control. It would be difficult to estimate the cost of fighting these preventable fires or the value of the timber and wild life destroyed, but the total would be considerable. Not considering these losses, but simply capitalizing a tax deficiency of \$25,000 a year at 5 per cent, we discover that it would be worth \$500,000 to the county, state, and federal government to evacuate the area and place the people where they could pay their own way. This is what the acquisition of all necessary land owned by both resident and non-resident owners finally cost. The conservation value of the area and the decreased fire fighting costs may therefore be considered as governmental profit.

With a justifiable basis for appraisal thus determined, it was possible to proceed with appraisal and optioning. Since the land varied in quality and the amount and value of improvements, the appraisal price varied, but no land was appraised at less than \$1.25 per acre, the amount originally paid by the homesteader, and the value of all improvements was carefully considered.

Land purchase was, after all, the easiest part of the whole problem and the least important part of the plan evolved. In many cases the most liberal possible appraisal was only a fraction of the delinquent tax liens against the land, to say nothing of mortgages against both real property and chattels. If some inducement for selling was to be given the settler, it was necessary to devise an equitable system of debt adjustment. By means of such adjustment, some equity was salvaged for many of the settlers and they were rendered solvent.

In one typical case, a quarter section of land was appraised and optioned at \$480. County records showed a tax lien, including penalties and interest, of \$1,317.66, a drainage lien of \$28.76, and a mortgage for \$300. Thus land valued at \$480 had against it liens totaling \$1,646.42. It was evident that the owner could never hope to pay the liens, and the county did not want the land for taxes and ditch liens. The fact that the mortgagee had not paid the taxes showed that he did not con-

sider the land worth enough to warrant his doing so. The government was willing to pay \$480 for a clear title to the land, and could not pay anything for a faulty title. To clear the title, all the liens had to be satisfied and released. For the government to have offered to divide the \$480 among the creditors might have satisfied the latter, but would have been of little help to the settler for whose aid the program was primarily designed. To meet such situations, the following policy was incorporated into the plan:

"First, the Government would not use its funds merely to 'bail out' creditors.

"Second, the Government would not be a party to evasion of honest obligations, but the Government could properly serve as a mediator or go-between by which the three parties interested in the property might agree to an adjustment so that the purchases could be made."

In cases such as the above, it was evident that no one of the three interested parties—owner, county, or mortgagee—could handle the matter alone, and that if left to themselves the owner would lose his land, the county would lose the taxes claimed, and the mortgagee his claim for repayment. The depopulation of the area would be blocked or impeded. The land would revert to the state and each of the three get nothing. Instead, it was possible in most such cases for the government to make a proposal by which something could be paid to each, and the land depopulated. In the illustration cited, the following solution was worked out:

"The Board of County Commissioners and State Tax Commission agreed to a resettlement of tax and ditch liens for \$228.76, and the mortgagee agreed to accept \$50 in return for a satisfaction of his mortgage. This left the land-owner \$195.78 and the right to such of his old buildings as he desired to move to his new farm. In some cases, of course, taxes were so great or other obstacles intervened so that no possibility existed to salvage an equity for the owner, and the land was allowed to revert."¹⁵

The tendency of such a settlement as that cited to aid in repairing the self-confidence and morale of the settler was probably one of its more important aspects. To aid further in restoring the self-confidence of the settler, it was explained to him at first contact that the government, both state and national, shared with him responsibility for his poor choice of land because of the haphazard land policy pursued by the government.

But the most important element in repairing the self-confidence of the settler was the freedom of choice accorded him in resettlement. These people had been living a wilderness life so free from outside restriction that it is probable few would have been willing to move had they been presented with a paternalistic ready-made plan or group of plans for their moving. A cardinal principle of all plans from the first, therefore, has been to "allow each settler and his family a maximum of choice in

¹⁵ Wilson, A. D., *Settler Relocation in Northern Minnesota*, pp. 24, 25. A private report to the Resettlement Administration.

the selection of their future farm—to plan and erect their buildings and improvements—to have him feel that the farm and methods of development are his own rather than something just handed down to him.”¹⁶

Of course, the “maximum of choice” possible was limited by the extent to which settlers would be able to care for themselves. It was early discovered that about one third of the families would have sufficient equity in their land and enough personal ability to handle their own re-settlement problems, once their land was purchased and paid for. Another considerable number of families would have sufficient equity to become self-supporting with only the technical advice the rehabilitation staff could extend them, and thus would require no loans. In contrast, something more than one third of the families would not have sufficient equity left from their old farms to re-establish themselves, but were physically and mentally capable of becoming self-supporting if given moderate loans on reasonable terms, and if aided with a little technical advice when necessary. Since the government was making loans to these families, the plans these people were making for themselves had to be approved by the project staff for feasibility and the soil chosen tested for its quality before the loan was made. Projected plans were considered in the light of the individual’s ability and initiative, but, in case of the least doubt, a wide margin of error in favor of the settler was allowed. Finally, about thirty of the 300 families, by reason of age or physical disability of the adults, could never be expected to attain complete self-support. For these latter, some permanent plan for public support in a self-respecting manner had to be made. The element of choice would need to be rather restricted for this group, but under the retirement home program finally evolved, a great deal of latitude was allowed even for these.

Many relatively well developed farms could have been obtained if the families being moved had been willing to accept larger loans. But the recent farming experience of most was such that few families were urged to purchase such places. Rather it was felt better to purchase relatively undeveloped farms which yet contained a large proportion of easily cleared land, and thus to give the settler a chance to develop his knowledge while developing his farm.

To provide for the support of families settling relatively undeveloped land, the Minnesota Grubstake principle was evolved by A. D. Wilson and is defined by him as follows:

“(The grubstake)—is designed to meet the needs of settlers with little capital or resources but their own labor and experience, and give them a start on a new farm where all their energies, faculties, and past experiences can be utilized in their own interests. It is simple and workable.

“Under the grubstake principle, the client will purchase land (usually undeveloped) with good agricultural possibilities, and improve it himself as far as possible. So that he may live and secure the needed materials

¹⁶ Project application, p. 33.

and equipment, he may borrow not more than sixty per cent of the value of the improvements added by his own efforts. It applies to either full-time or part-time farmers.

"The grubstake plan for resettlement clients with little or no capital to invest is worked out for the purpose of giving settlers a chance to capitalize their own labor, which is their principle resource, and reduce their financial obligations to a minimum.

"Under the grubstake plan proposed, if a settler makes a \$100 improvement, he can draw \$60 to meet living expenses, add \$40 to his equity, and can stay at home and properly care for and utilize his improvements and acquire skill in handling them. He has a full-time job for himself and family and develops as a farmer as he develops his farm.

"The Government can safely back such a resettlement plan. It gives a settler with little or no capital a fair chance to win a farm and home if he is reasonably industrious and thrifty. If he does not succeed the Government cannot lose, if property is purchased at a fair price and developments made are in line with community values. Such settlers are much more likely to succeed than if sold a fully developed farm when lacking the necessary experience to handle it and with a large obligation to carry."¹⁷

Thus, the grubstake plan devised by Mr. Wilson enabled the settler to capitalize his labor as did the early pioneer, and yet avoid many of the hardships of pioneering. With a workable plan thus prepared, Mr. Wilson was appointed project manager and set up his office in Baudette in August 1934. By this time, the proposed project had been discussed with the local officials and their suggestions and willing cooperation secured.

The groundwork thus laid, the first job was to locate the settlers, discuss with them the purchase of their land, secure preliminary appraisals, and at the same time get some estimate of the personal characteristics of the families. This was done by the manager aided by appraisers from the Federal Land Bank. At first, some people were loath to option. They had become accustomed to life where they were, and new adjustments would need to be made. Others thought the land should be appraised at a value to repay them for the cost of improvements put in by them. Some few thought Christmas had come and that the Government Santa Claus should be as generous as possible. Careful explanation of the program disposed of most of these misconceptions, and, one by one, options were secured. When people saw their neighbors preparing to move and foresaw the closing of schools and the abandonment of road improvement, it became easier to option.

Appraisal, optioning, and adjustment of debts all took time, and various obstacles—legal, personal, and practical—interposed before evacuation could start. Although the first family moved in May, 1935, evacuation of the majority barely got under way that summer. Many

¹⁷ A. D. Wilson, *Settler Relocation in Northern Minnesota*, pp. 33, 34.

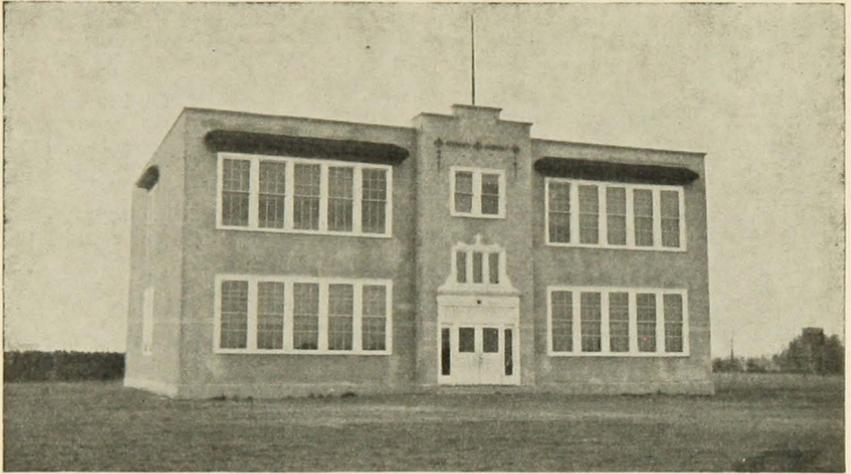


FIG. 17A. A RELOCATION AREA SCHOOL

settlers were slow to find a new farm to suit their taste. As one settler put it, "I farmed for twenty years on land that was too poor. I have just a few more years to put in farming, and I am going to put those in on the best land I can get." Furthermore, the farms onto which these people were moving were largely undeveloped, and buildings had to be provided. Some bought vacated houses in Spooner or Baudette (whose population had declined since lumber mill days) and moved them by trucks, remodeling to suit the new owner when the house reached its new foundation. Figure 7 shows such a house in the process of moving. Some of the forest homes and barns were good structures, also, and worth saving. These were simply moved from the old farm to the new and improved in appearance and usefulness with a little judicious remodeling. In all this, the settler had the advice of an experienced construction foreman whose influence was always exerted in the direction of permanency and attractiveness at a reasonable cost.



FIG. 17B. A RELOCATION AREA SCHOOL

Although many of the farms onto which these people moved contained good clearings, practically all required some clearing and most



FIG. 18A. A FOREST AREA SCHOOL

of them contained more wild land than cleared. This was the reason for the "grubstake," already mentioned. Figure 8 depicts a piece of peaty soil with a dense spruce cover typical of the wild land in the re-settlement area. The method of clearing is by fire. A "good burn" will consume all the timber except a few roots and an occasional half-burned stick, and a good part of the peat. Piling the remaining roots and plowing is an inexpensive process, and with the average luck and industry a settler can put 20 to 50 acres under the plow in a year. Figure 9 shows an area similar to that in Figure 8 after a good burn. Figure 10 depicts the final stage, cultivated land seeded to legumes.

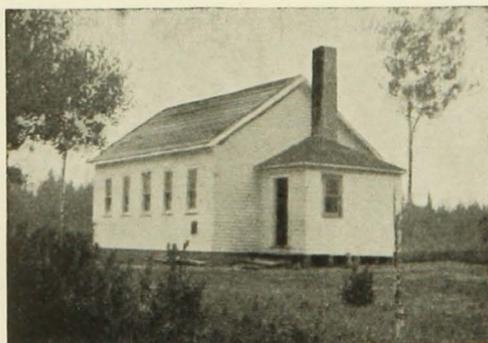


FIG. 18B. A FOREST AREA SCHOOL

In spite of obstacles, moving did finally get under way, and by the end of 1936 the largest portion had moved. Since settlers were free to choose their location, it is interesting to note

what sort of choice they made. Some people have advocated group or cooperative settlement for such projects. Since the area contained at least three communities in which neighborhood life was well developed, conditions should have been favorable for the development of voluntary group settlement. Figures 11 and 12 show what actually happened. The

extreme disintegration these communities underwent is obvious in Figure 11. Figure 12 is intended to emphasize whatever neighborhood influences in resettlement existed. Whenever two or more families living within one mile of each other in the forest moved to locations approximately one mile or less apart in the new area, they are tied together. From this it is obvious that where grouping did take place, groups of two were the most common form. Only a few groups as large as four families kept together.

This experience would seem to raise some question as to the wisdom of a policy of group or cooperative settlement as a compulsory rule.

Results of the Move

Tax delinquency and governmental aids in the cut-over area of northern Minnesota furnish adequate reason for experimentation in settler relocation, but a raised standard of living for those affected can be the only social justification of the particular methods followed. Available evidence indicates that the economic and social position of the settlers has been improved, even though it is much too soon to judge the ultimate results.

One of the main reasons for the impoverished condition of the settlers was the poor quality of the soil in their farms. The soil on the new farms is much better, as can be clearly seen by Figure 13, which compares the soil rating on the old farm and the new farm for the 65 families for which this information is available. These 65 old farms had an average soil rating of 44; the 65 new ones, an average of 76.¹⁸

The economic condition of the settlers, so far as it can be measured by net worth, has been definitely improved. Statistics summarizing this result for all cases moved are not available, but those for a typical case can be cited:

A————— had prior to 1934 lost title to his property by failing to make the necessary payments; therefore, he had no equity in land or buildings. He was a "squatter." His chattels were mortgaged for \$145 and his net worth was about \$440. The Rehabilitation Corporation approved a loan of \$1,750. This included 160 acres of land for \$653, building material, and grubstake to the value of 60 per cent of the improvement work. The Corporation also took over the chattel mortgage and up to December 1936 had advanced \$1,522. His inventory at a conservative appraisal made by Resettlement Administration officers totaled \$3,480, his liabilities \$1,522, and his net worth was now \$1,958.

Some credit for such gains in net worth is due to the skill of the project staff in advising the client on land purchase and farm set-up. But a very large portion of the gains in net worth must be accredited

¹⁸ The ratings were made by Dr. Pinckney of the project staff. After years of observation of the crops on the different soil types in this northern region, he has worked out a rating scale for each soil type and gives numerical ratings to each 40-acre block based on proportion of area of each soil type. A rating of 100 would mean: "This forty acres is all land of the highest class (Spoooner loam), is all arable and comparatively easy clearing."

to the opportunity accorded the settler to capitalize his own labor. To those not familiar with building costs and conditions in such an area, it might be thought that an average loan of \$1,700 would be too small to allow for good housing. That flexibility of architecture to permit fullest utilization of local low-cost materials and whatever skill and labor is available to the settler can result in desirable housing is illustrated by the following case:

A resettlement client who was a renter in the forest area and hence had no property to sell, moved out and selected 160 acres of land six miles from Baudette. He was fairly well equipped with livestock and machinery. He bought his entirely unimproved land at \$7.50 per acre, for \$1,200. He had no buildings to move and was too conservative to assume a large amount of debt. He had a small amount of lumber and planned to build a cheap temporary house. The building supervisor urged him to begin a house that would have some permanent value and could later be added to or completed. They went to see several buildings under construction. Then he and his wife and the building supervisor worked over plans that seemed best to meet their requirements and decided upon a house 24x28x12 feet. The client, because of lack of funds, expected to build without a foundation. The supervisor showed him that he and his sons by doing their own work could get a foundation and full cement-wall basement for about \$75 in actual cash outlay. With the plans furnished and a little help from a son-in-law who is a mechanic, also a client, they built the house shown in Figure 14. The house as it stands, ready to live in, with full cement basement and shingle roof, had cost \$325.37 in actual cash outlay. During the following winter the owner spent stormy days in insulating the house thoroughly, fastening building felt and other materials between studdings and rafters, built a chimney, and then put on lath. The following summer he planned to stucco the outside and plaster the inside, and then he would have a really comfortable and attractive farm house. It is expected that in two or three years this family will have a home that even in this region of low-building costs will be worth \$1,200 to \$1,500 for a cash outlay of less than half that amount.¹⁹

The new farm homes resulting from this procedure, shown in Figure 15, should be compared with those in Figure 16, typical of forest area homes.

Another result of the moving has been the possibility of better school facilities and better roads. Since the area into which they are moving is already well settled, schools are larger and more stable. Some are consolidated. Figures 17 and 18 show two of the schools in the resettlement area and two in the forest area.

Figure 19 shows the extent to which the settlement has been made more compact in the resettlement area. This relocation area has thus also benefited. School district population and tax base both have been

¹⁹ A. D. Wilson, *Settler Relocation in Northern Minnesota*, pp. 46, 47.

increased, permitting better facilities. It has been necessary to build only two additional schools. The more compact nature of settlement has also lightened the road tax burden for those already in the area.

The main reason for the project from the public point of view was the state of the county finances. These have also been directly improved.²⁰ Since more data are available for Lake of the Woods County than for Roseau, detailed studies of county finances have been confined to the former. Since conditions in Eastern Roseau County are similar to those in Lake of the Woods County, it is believed that conclusions drawn from analysis of Lake of the Woods County data will be found sound when applied to adjoining counties.

According to United States Census reports, Lake of the Woods County had a population of 4,194 in 1930. The Federal Farm census of 1935 shows an increase of 234 farms during the period 1930-1935. Even with these increases, it is not likely that the population in 1936 exceeded 5,000. A county with so sparse a population must, of course, find it difficult to carry on financially. There are no provisions in the state law providing for the dissolution of counties, and, even if there were, such a move would be met by strong local opposition. Therefore, it is very probable that the county will continue to exist as such.

The effect of the purchase program on county costs may be outlined as follows:

Value of land purchased or optioned by Resettlement Administration as of August 1, 1936	\$41,347
1934 assessed valuation of these lands (tax rate of 75.25 mills)	37,959
Total amount taxes due on above lands, including delinquent taxes, interest, and penalties	98,741
(Note that taxes due were 2.16 times the assessed value of the tracts involved.)	
Amount accepted by county commissioners in full payment of taxes on above tracts	34,237
(Note that amount paid after adjustment was 90 per cent of the assessed valuation.)	

This adjusted tax payment of \$34,237 was allotted as follows:

Lake of the Woods (general fund)	\$13,957
Lake of the Woods (ditch tax)	9,406
State of Minnesota (general tax)	1,879
School District No. 119	8,210
Beaver Dam Township (old debt)	785
	\$34,237

The amount received by the county, \$23,363, may be considered nearly all clear gain, since most of the land involved would have reverted to the state and the county would have received nothing had not the Resettlement Administration purchased the lands.

²⁰ The authors are indebted to Roy M. Gilcreast of the Resettlement Administration for the analysis of county finances.

One important saving in the future will be on road construction and maintenance. During the period 1923-1935, inclusive, Lake of the Woods County spent for construction and maintenance of roads within the evacuation area a total of \$18,964, an average of \$1,458.77 per year. During the period 1931-1935, this average was reduced to \$1,317 a year. During the period 1923-1935, inclusive, the state spent a total of \$60,630 on roads within the area, an annual average of \$4,663.85.

School District No. 119 also will be an important beneficiary of the program. Five schools were operated in the evacuation area in 1934, the last year before the residents began moving out under the resettlement program. The average cost of operating each school in that year was about \$1,200, and the total for the five schools was slightly in excess of \$6,000. The amount of state aid expended on these five schools in 1934 was approximately \$4,900, and the amount paid by District 119 was \$1,100.

Therefore, the closing of these schools will effect a saving to District 119 of \$1,100. This, however, is offset by the fact that two other schools have been opened in the district to provide for children of clients who have moved. Since the cost to the district of maintaining each school is approximately \$200 a year, the saving will be made on but three schools and will amount to about \$600 a year for the school district.

The Lake of the Woods County debt structure has been improved. On December 31, 1935, the total net debt of Lake of the Woods County was \$342,566.49. On an assessed valuation of \$950,094, the valuation upon which the 1934 tax was levied, this was a net debt of \$371.09 per \$1,000 of assessed valuation. The net debt attributable to lands purchased or optioned is \$14,364. The income received by the county as tax payments on lands purchased was approximately \$23,363. It will be noted that the county debt was reduced by \$8,999 more than the amount attributable to the lands purchased. Thus the purchase program resulted in decreasing the county debt by \$23,363. The debt on \$1,000 of assessed valuation was decreased from \$371.09 to \$361.21.

In addition to the above, it is expected that marked savings will be made to the Department of Conservation in the evacuation area. The settlers were continually setting fires for purposes of land clearing, and their fires often spread to the forests with resultant great expense to the state for fighting them.

Retirement Homes

So far, attention has been paid only to those who could expect to become completely self-supporting. But mention has already been made of the approximately thirty families who must continue to depend on public assistance.

In most of these families the head of the family was too old to be able to earn his living any longer, and there was no one else employable at home. A few families were composed of widows with minor children

at home. In a few instances, the employable members of the family were disabled by chronic illness.

The counties involved definitely assumed responsibility for such support as these families would need and permitted their resettlement. In return, the State Emergency Relief Administration set up a trust fund to assure housing for those lacking sufficient equity to purchase a new home. An average of \$600 (to be compared with an average loan of \$1,700 to self-supporting families) was spent under the supervision of the project director to purchase land and homes in or near one of the villages in the area, the counties retaining the deeds to these homes. Later, if any of the people are able to purchase their places, they will be permitted to do so. Most of the plots purchased were small, but in a few cases, where growing boys were members of the family, small farms, twenty to forty acres, were obtained in order that these children might learn to farm as they grew up. Since the advent of the social security program, many of the older people are receiving old-age pensions which care for them comfortably in their new homes. Figure 20 shows some of these "retirement homes."

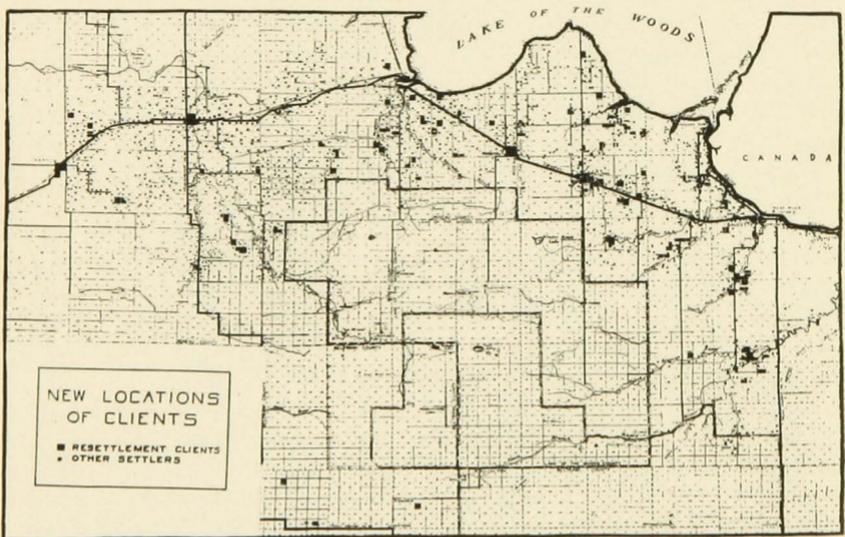


FIG. 19. NEW LOCATION OF CLIENTS

That the area in which these resettlement clients have been living is unsuited for agriculture is hardly sufficient justification for moving them. The area to which they are moved must be sufficiently desirable as to soil, roads, schools, markets, and social advantages to make it reasonably certain that good productive farm units of permanent value can be developed and maintained at reasonable costs. It was the belief of those who planned the Beltrami Island project that the area immediately adjacent to the area evacuated offered such opportunities. Since most of

the people being resettled did choose to move into this adjacent area, it is pertinent to inquire as to what advantages it offered, other than proximity.

One major advantage of the move was the fact that resettlement took place in a community already well settled. It has been pointed out that so far as food was concerned, the people were reasonably well off in their forest homes, but the sparseness of settlement provided an inadequate economic base for the support of roads, churches, and schools. To these should be added medical service, dental service, and trade and market facilities which cannot be made available in a cross-roads hamlet. The area into which these people moved was already adequately served with these facilities.

The new area is well served with good all-year roads. The road map in Figure 21 shows an interesting contrast between the amount of improved road in the evacuation area and the amount where these people are resettling. In their new homes, very few settlers are as far as 10 miles from town over a good road; in the forest, many had to go 30 miles over a road often impassable.

The centers to which these roads lead already had a sufficient population base to enable the development of needed economic services. In the new area, there are sufficient churches so that those who desire to attend religious services will find them within convenient driving distance.

No longer will the location of a school and its opening or closing depend upon the mobility or stability of a few large families. These schools not only serve a sufficiently large group of families to insure school stability, but the population is large enough to insure relatively adequate tax support.

Some people have suggested that on such projects as this the group

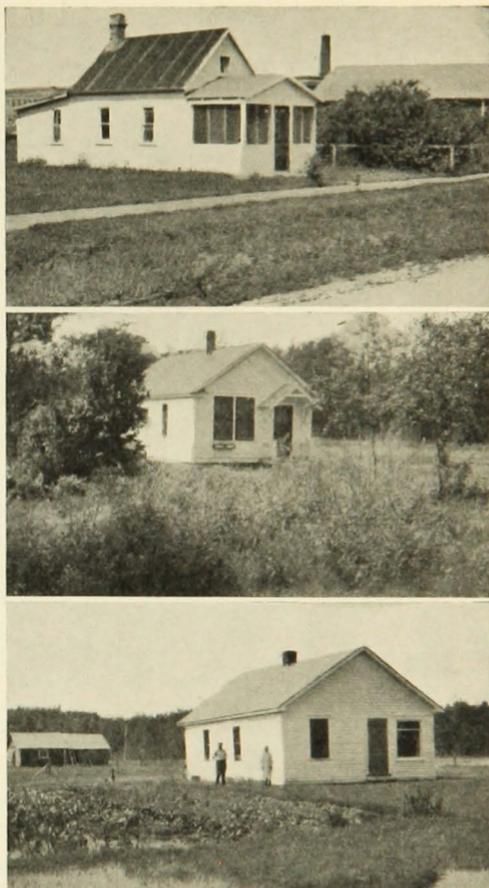


FIG. 20. TYPICAL RETIREMENT HOMES



FIG. 22A. TYPICAL, FULLY DEVELOPED FARM IN THE RELOCATION AREA

and alsike clover which form the basic crops of this region are common. Due to climatic and soil peculiarities, this region is well suited to production of hardy alfalfa seed. In a good seed year, the income from this crop is, paradoxically, too good. By this, it is not meant that the people

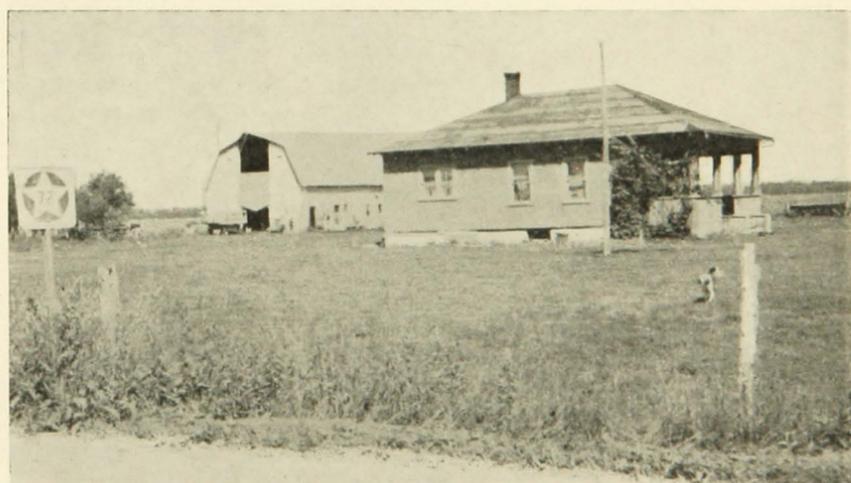


FIG. 22B. TYPICAL, FULLY DEVELOPED FARM IN THE RELOCATION AREA

get more money than is good for them, but that it becomes such a large portion of the income as to render insignificant by comparison the more dependable income from dairy and beef cattle, and from sheep. In the raising of mutton-type sheep, especially, the Rainy River Valley has an

economic advantage over many producing areas of the United States due to the high quality of the forage and, therefore, of the product.

No definite figures are available for farm incomes in the resettlement area, but the United States census permits the making of an estimate. The average value of crops, except legume seed income, appears to be about \$500 or somewhat more per farm, and in 1936 the alfalfa and alsike seed crop averaged about \$1,200 per farm with some individual incomes as high as \$6,000. Since the livestock income would increase the total, it appears that \$1,000 per year is a conservative estimate of the average cash income per farm in the resettlement area. This should be compared with \$320 in the evacuation area.

The appearance of the farmsteads is also useful evidence of the economic soundness of the new area. With incomes dependent entirely upon agriculture, in the three decades of settlement many farms have been built entirely out of the labor of the settlers and the productivity of the soil to a point where the farmsteads evidence substantial prosperity. Since settlement is young, many farms still use the original semi-permanent buildings. Many other farms have passed the first stage of development and are now equipped with substantial barns as well as comfortable homes such as can be seen in Figure 22. A few places can be found where owners with exceptional ability and little capital have built up farms as prosperous in appearance as any farms in the state.

No matter how productive the soil, if it were difficult or slow to clear, there still would exist no economic justification for the settlement of undeveloped land. This is especially true if the employable portion of the population, like that of the Beltrami Island area, was already past the prime of life. But the land in the resettlement area, as has been shown, is easy to clear, and the clearing is done by methods already familiar to the settlers.

Thus, not only socially, but economically, the area adjacent to Beltrami Island offered many advantages for resettlement.

Future of the Area Evacuated

It is unfortunate in more ways than one that such a program as the Beltrami Island project is usually entitled a land retirement program. On the one hand, the primary object concerns not the land, but the rehabilitation of the people. On the other hand, it is not correct to consider the land as being retired from production. In the economic sense, under agriculture the land has never produced anything, for the labor that entered into the farm products created was never sufficiently repaid. Rather, the purpose of the land part of the program is to remove the land from an unproductive use and place it into the type of production to which it is suited, in this case, the propagation of forests and wild life.

By the terms of an agreement between the Resettlement Administration and the Minnesota Department of Conservation, the latter will assume management of all the land which has been purchased from the settlers as a part of the Beltrami Island State Forest. Before turning

the management of the area over to the state, the Resettlement Administration is carrying out an extensive program of investigative work to determine and classify the forest resources of the areas and improve them.

In order to create an area to serve as a wild life feeder for the surrounding territory and a sanctuary for those species on which there is no open season, the Red Lake Wild Life Refuge has been created. Approximately four townships in the evacuation area are included, and several other small areas have been set aside for wild fowl sanctuaries and other similar special purposes. Because of its adaptation to our major game animals and birds, as well as fur-bearing animals, this area will serve as a valuable experimental laboratory in game management.

The ditches, constructed at great cost some twenty years ago, are being tightly plugged, and other larger dams are creating numerous ponds and lakes within the area. These small bodies of water will not only provide breeding places for waterfowl and aquatic fur bearers, but will be of benefit to larger animals as well. Although nearly two-thirds of the area is covered with bog, the combined effects of drainage ditches and drouth often cause actual water shortages. Moose and caribou, especially, require water to stand in during "fly time," when they suffer intensely from the dense clouds of insects.

The system of dams will convert the old ditches from dry firetraps into effective firebreaks and will provide an abundance of water for use in fighting any fires which occur. The entire area will be practically surrounded with flowages of varying widths, thus decreasing the likelihood of encroachment of fires from outside. Furthermore, the entire water table within the area will be raised, eventually rendering the peat areas almost fireproof.

CONCLUSIONS

The ultimate test of any national land policy must be whether or not the families living on the land are able to reach and maintain a desirable standard of life as a result of their labors. Drouths and low prices in recent years have revealed that in several large areas of the United States the land policies of our government have not achieved this purpose. One of the most important of these "problem areas" is the Lake States cut-over region in Minnesota, Wisconsin, and Michigan.²¹

Approximately 40,000 farms in Minnesota alone lie within the Lake States cut-over region, and there are thousands more in Wisconsin and Michigan. This study has shown that there is sufficient social justification of settler relocation in the inadequacy and instability of the schools, churches, roads, and other institutions and services of a public nature in the poorer parts of this area. It has been pointed out that the cost of such relocation has proved to be no more than the capitalized value of the present cost to the public outside the area of maintaining these inadequate public services. Moreover, the study has shown how the resettlement process can aid the area into which the people are being moved. Infiltration of these settlers into a somewhat sparsely settled neighborhood located on better soil increases the density of population

and the tax base in such a neighborhood without a proportionate increase in the cost of maintaining the public services and institutions.

The Beltrami Island project makes its claim to consideration from the standpoint of its social significance as a pioneer experiment in settler relocation in the important problem area of the cut-over region. As such it has involved the development of principles of organization and administration which should be of value in the planning of similar projects. The problem of isolated settlement in the cut-over region can be met only by the complete depopulation of the poorer sections; therefore, the project had to be flexible enough to suit the varying abilities and resources of all the people affected. For the same reason, and also because of the magnitude of the problem, it was necessary that the economic cost and the social readjustment be kept to a minimum by moving the families just a few miles to better soil among neighbors of their choice. By keeping the move short and suiting the plan to the family, it was possible to keep loans to families well within the possibility of repayment.

Time alone, with the ultimate human adjustments it will bring, will be the final test of the methods followed. For the present it is clear that the public has reaped a definite economic benefit through the permanent depopulation of an area unsuited to agriculture. The settlers have been relocated on better land, with an improved economic outlook. The principles which have governed the organization and administration of the project are:

1. Carefully selected administrative personnel, composed of people with an intimate knowledge of the area in which they must work, well trained in technical agriculture and agricultural economics, with a real understanding of people, and equipped with the tact so necessary in an adviser.
2. A high degree of local control of administration and finance, permitting quick adaptation to local needs, resources, and emergency situations, thereby avoiding the delays which centralization usually entails, and which often causes real hardships to the settler.
3. Preservation of settler initiative in the making and carrying out of plans for his rehabilitation by permitting the widest feasible freedom of choice in planning and execution.
4. Conformance to the pioneer pattern of development, permitting use of local materials, flexibility of architectural plans, and the capitalization of the settler's labor.
5. Infiltration of the clients among people already well established, in order that these clients might have the advantages of community life and neighbors experienced in local conditions.
6. A short-distance move, to minimize readjustments.
7. Keeping the debt load low in order that repayment in full may be reasonably expected.

²¹ See Beck, P. G., and Forster, M. C., *Six Problem Areas*, Research Monograph I, FERA. For a discussion of the Wisconsin experience see Wehrwein, G. S., and Baker, J. A., "Cost of Isolated Settlement," *Rural Sociology*, Vol. 2, September, 1937, pp. 253-265.