

WHY PUBLIC LANDS?

By CHARLES H. STODDARD, Director, Bureau of Land Management

10917

Successive generations of Americans have enjoyed a seemingly limitless abundance of publicly owned natural resources—land, minerals, timber, forage, and so on. This plethora of plenty has been so enduring that its continuance has been taken for granted as another of the components of the “American way of life”—past, present and future.

During the lifetime of the present generation “explosions” of knowledge, of science and technology and of population have brought on irreversible changes which require a careful consideration of expected future needs of lands and resources now in public ownership. Public Law 88-606 (78 Stat. 982), approved September 19, 1964, authorizes the Public Land Law Review Commission to make a determination as to whether such needs can best be supplied through continued public ownership of certain sources of supply now found on public lands.

In a pluralistic society—and mixed economy—in which privately owned means of production are a strong and recognized force, the role of publicly owned lands is often questioned. The publicly owned lands in the United States today are essentially of four major groups: (1) those which were withdrawn for particular Federal purposes from the public domain, e.g., National Parks and National Forests, reclamation development, National Wildlife Refuges, etc.; (2) those which have been reacquired from private owners for specific public purposes—local, State and Federal Parks and forests largely in the Eastern and Middle Western part of the United States; and (3) those which have not stood the tests of continuous economic productivity and have become tax delinquent and reverted to state and county ownership; and (4) those which are a residual of the original public domain acquired from foreign governments and which did not qualify for agriculture of other uses under the public land disposal laws.

This brief essay is an attempt to explore the last group. It is not intended either as a position for or against continued public ownership, but rather as a presentation of certain aspects of the nature of the ownership of lands and resources. Accordingly, it seems reasonable to expect that any thoughtful consideration of substantial changes in policies of public vis-a-vis private ownership of lands and resources now in public ownership must give serious attention to the factors set forth in the following paragraphs.

Time Preference Requirement for Private Ownership

To qualify for self-sustaining private ownership, a given endeavor must generate a sufficient income including a profit at periodic intervals.

Both the allocation of benefits and the profitmaking principle are perhaps the most fundamental of the inherent differences between private and public sectors as they operate in the United States.

To qualify for continued private ownership land must provide a regular income to the owner, carry all overhead costs (taxes, etc.) and maintain the capital base without depletion. Examples of failures to qualify for this minimum economic margin—together with their adverse effect—are legion: the unsuccessful homesteads, deserted small tracts, depleted timber lands, dredged out or otherwise worked out mining operations, denuded and eroding grazing lands, abandoned town-sites, etc.; and submarginal agricultural lands returned to public ownership (local governments) for nonpayment of taxes. Hard economic experience records that much of the land now in public ownership cannot be managed continuously and profitably in private ownership without capital exploitation. And subsequent experience shows that their rehabilitation often requires heavy long-term investments or long waiting periods before they return to marginal economic use. Furthermore, lands of low productivity seldom are able to yield sufficient additional revenue to cover all overhead costs plus the expenses of maintaining watershed, wildlife and other intangible benefits.

In short, public ownership of certain lands and resources is the only practical alternative when those lands and resources cannot be operated over the long run and used “successfully” under private ownership—that is, at a profit.

Single Use or Multiple Use

Traditionally, lands and resources in the United States which have attributes for multi-purpose use by large numbers of people, but which have been acquired by private owners, tend to be developed and used primarily for the economic or recreational benefit of the owner. Representative examples are seashore and other waterfront properties, select mountain and desert areas, valuable timber lands, Iowa corn farms, choice “development” sites in the path of growing urban areas, etc. Generally the private owner will concentrate on a single—the most profitable use or uses—according to its economic or psychic potential and in keeping with the rights and privileges of ownership of private property.

But often the general public has a variety of non-economic interests in the land—hunting or camping, rock hounding, watershed benefits, wildlife habitat, etc., which may be limited by intensive private single-purpose use. Even if not limited, it is often necessary to exclude the public because of possible conflicts. The fact that there is often an outcry when public land is proposed for sale is evidence of the deep public interest in retention of access to multiple uses.

Among the raw material users—timber, forage, minerals, etc.—there are competing interests. If land passes to one type of owner the others may be excluded

(over)

from opportunities to have access to resources. Certain privileges now attached to public domain lands (e.g., grazing permits, public hunting, etc.) are often lost when the land is sold into private ownership.

Thus, so long as the rights and privileges of private property with respect to use of such property are essentially inviolable, lands and resources with attributes for multi-purpose use by large numbers of people would appear to be widely available only under public ownership.

National Security Requirements

Continuing effectiveness of the United States defense and retaliatory systems, and in turn, National and Free World security, depend upon adequate and assured supplies of resources needed to operate and maintain highly industrialized civil and military complexes.

Fissionable materials, scarce supplies of strategic minerals, oil and gas reserves, timber and other lands and resources which are required for defense purposes ordinarily could not be acquired and maintained in sufficient quantities needed for all possible emergencies under the private enterprise system and with the traditional rights vested in private property.

Thus, if an adequate margin of supplies of resources are to be maintained for all emergencies which might threaten the national security, a strong case can be made for continued public ownership of such lands and resources as the submerged offshore lands (OCS), Alaska petroleum reserves, National Forest, O&C lands, oil shale lands and mineral reservations in certain patented lands.

Open Economic Opportunity for Local Industries and Communities

Many local industries and communities in the Western States are dependent upon publicly owned lands and resources; their survival—literally and figuratively—is inextricably tied to a continuing supply of materials and services from publicly owned lands. These industries compete with others, usually larger concerns, which own substantial supplies of raw materials.

In certain portions of a number of the Western States public lands contain the only available supply of raw materials for continuing operations of local industries. In many instances the continuing existence of communities in turn depends upon continuing operations of such industries. Typically, a significant reduction in the supply of raw materials from the public lands is followed in swift succession by closing down of the dependent industries, collapse of the local economy and a "ghost town" where previously had been a viable community.

For example, the timber industry—and the local economy and dependent communities—in western Oregon owes its continued existence to timber supplies from public lands (BLM, National Forests and limited State and county holdings). No alternative sources of supply of any consequence will be available for many decades.

Less dramatic perhaps, but no less important in many locales, are the publicly owned grazing lands, mineral deposits, recreation areas, etc.

This is not to suggest that these local industries and communities should (or should not) have any preference right or special privileges with respect to the public lands and resources, but rather that the economic and social "facts of life" are that without public ownership of such lands and resources, these smaller industries and communities could not survive in competition with larger resource holding concerns.

In lieu of tax payments a portion (or all) of the revenues derived from the sale of timber, minerals, oil and gas and forage resources is allocated among the several public bodies on a formula basis. Study after study shows many of these to be greater than ad valorem property tax equivalents would be because the full revenue is paid into public treasuries (not a portion of revenue as the tax must be if private property is to yield an income to the owner and not become confiscatory).

This allocation process has led many local and state governments to depend so heavily upon regular revenues paid them from public lands that serious dislocations in local public finance would result if the allocations ended. Experience shows that county boards and State legislators are reluctant to exchange full receipts or definitely known receipts from an uncertain tax source.

Public Works and Investment for the Future

Public lands have been found to serve several purposes in relation to national fiscal policy. During periods of unemployment and low fluctuations in the business cycle, public works in conservation often become necessary (the C.C.C. and W.P.A. of the 1930's, the Area Redevelopment and Job Corps programs of the 1960's) to provide useful employment. Larger amounts of direct work, noncompetitive with private enterprises, can be started rapidly and ended quickly when other jobs become available. Reforestation, soil conservation, park recreation facilities, etc., are productive and provide employment for rural citizens.

Another aspect of importance is the potential for public investment in natural resources on public lands to provide for future needs of a growing population. The long waiting periods or the costliness of rehabilitating damaged resources often leaves no alternative but government investment because of long-delayed benefits.

Reserve for the Future

Space—open space—land for expansion of our cities and towns is a constant requirement for a growing society. Public lands provide the safety valve to fill needs for commercial, industrial, residential and outdoor recreation needs in the future. Present public lands may well be the "Lebensraum" for future Americans.

Article from **OUR PUBLIC LANDS**, Spring 1966, issued quarterly by U. S. Department of the Interior, Bureau of Land Management, Washington, D. C.

Reproduced by **HENRY GEORGE SCHOOL OF SOCIAL SCIENCE**
50 East 69th Street, New York, N. Y. 10021