Grazing Districts
Their Nature and Possibilities In Range Land Utilization

By
MONTANA EXTENSION SERVICE
STAFF MEMBERS

Montana Extension Service in Agriculture and Home Economics
J C Taylor, Director
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Grazing Districts
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PROCEDURE IN ORGANIZATION AND ADMINISTRATION
(Second edition, as revised by Montana Extension Service Staff Members)*

INTRODUCTION.

Objectives:

1. To set forth the principles of the grazing district association in cooperative land use planning.
2. To describe the organization and operation of similar agencies already in existence.
3. To show how these organizations can be used to advantage in the conservation and rehabilitation of range lands upon which the livestock industry depends.
4. To acquaint prospective users of such organizations of their problems and the detailed procedure in their formation.

NATURE OF GRAZING DISTRICTS

The organization of a grazing district is a cooperative undertaking on the part of interested stockmen in planning for the conservation, rehabilitation, and economic use of an area of range land which at present is used under a system of tenure not conducive to economic use.

The creation of such a district depends upon the organization of an association of interested parties, under the authority provided in Chapter 66 of the Session Laws of the 23rd Montana Legislative Assembly and/or in H. R. 6462 known as the Taylor Bill. (The provisions of these acts are summarized in the Appendix of this bulletin).

The principal functions of such associations will be:

1. The preparation of information basic to the laying of plans for the district.
2. Effecting such exchange of ownership (as provided in the state and Federal legislation above referred to) of lands within the proposed

*The first edition of this bulletin was prepared by R. B. Tootell, former land economist for the Montana Extension Service.
district as will facilitate a long-term lease contract between the association and the owners of these lands.

3. Entering into lease contracts with the owners of lands included, for as long a period as feasible, with proper stipulations as to lease values, privileges of re-leasing, options to purchase, and understanding as to equities of the association in reservoirs, wells, fences, and other improvements made by the association upon termination of lease contracts.

4. Layout the management plan for the use of the area as to development and improvements, numbers and kinds of livestock in the area to be grazed, length of time and seasonal uses of the range, grazing fees, individual allotments (if used on this basis) and improvements to be made by members as individuals.

5. Supervision of the carrying out of the plan (and the making of modifications in it when it appears desirable) with the help of interested public agencies.

These outlined functions of the association will be discussed in detail in a later phase of this publication.

There are two principal conditions of range land use in the state at present which afford valuable opportunities in the use of grazing districts: (1) Lands which are now "open" and not under any system of tenure, generally public domain and abandoned homesteads, which may be controlled cooperatively for more economic utilization. (2) Lands now leased in small units by individuals on a short term basis under competitive bidding, such as is tending toward destruction rather than improvement and rehabilitation of the range resources. It must be recognized that in some areas such deterioration has already proceeded to a point where the present rental value of lands is not equal to the tax load they now carry, and that such lands must be leased for a term of years and at such a price as will be conducive to an extensive use such as will permit restoration of their productivity.

These two situations affording an opportunity for service in the formation of grazing districts, exist in various combinations in different areas of the state.

Before proceeding with a discussion of the details in the procedure in the organization of associations, the formation of districts, and how they operate, the following sections are included as a review in some detail of the set-up, history, and operating practices of a successful district. The Mizpah-Pumpkin Creek District, located in Custer County, southeastern Montana, is the only one of its kind† in existence. Since it has met with distinct success, details of its organization and operation are here presented.

† Another district, also under the supervision of the Interior Department, but combining water-shed protection with grazing, was organized a few years ago in the Owens Valley of California. Stockmen in this association are given individual allotments, similar to the practice used by the U. S. Forest Service. This organization has also been highly successful.
GRAZING DISTRICTS

The Mizpah-Pumpkin Creek Grazing Association

History—A vivid picture of the events which lead up to the organization of this association is given in the following statement of Mr. Alva A. Simpson:*  

"This area was in the early days used largely for winter range. The broken topography supplied the shelter and the protected summer growth of forage furnished sufficient winter pasture. Adjoining valleys were unfenced and available for summer range, allowing the broken hills to grow and retain the grasses for winter use. Progressing settlement of the valleys gradually forced the use of these hills for summer pasture in addition to the winter use, until finally they represented the only remaining free and unrestricted range. Competition between stockmen had arrived at that point where the number of stock were in excess of the available forage. Severe over-grazing resulted in the practical disappearance of the highly palatable and greater volume producing wheat grasses and a change in the composition of the forage plants to a predominating short gamma grass range with associated less palatable species. This condition of over-stocking caused certain stockmen to attempt to secure private control of portions of the range, by entering into contract purchases of the Northern Pacific lands, with the hope of controlling the alternate government sections, and providing pastures that could be controlled and protected in sufficient area to provide pasture for their herds. Then came the 640-acre grazing homestead act, and these stockmen found themselves facing the necessity of purchasing the alternate sections as rapidly as title could be secured. This was followed by the deflation period, mounting taxes, increased holding charges and low prices for livestock products, with the result that the contract-purchased lands were thrown back upon the railroad company. Improvements depreciated, abandoned houses became numerous and the over-grazed condition of the land reduced the production of cattle from the above area from an estimate of 6,000 head, some 20 years ago, to 2,300 head in 1926.

"The stockmen take the attitude that they cannot afford to develop water or make any range improvements without a reasonable assurance that they may be protected in this. Too often they have seen migratory stockmen move in on their water holes that control the adjoining range and under present conditions they have no authority to prevent such encroachment. They are so dependent upon summer pasture that the present situation tends to prevent any material investment in improvements on their owned lands, since loss of the summer pasture would depreciate and make practically valueless the home ranches where the winter feed is produced. Their present hope is that by some form of assurance of permanent use of the necessary summer pasture they may confidently face the future, build

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*Mr. Simpson was Supervisor of the Custer National Forest at this time. He played an important part in the preliminary organization of the association.
up their private investments in ranch property, create a future for their
children and place their business upon a sound plane.

"This condition aroused the interest of remaining settlers and resulted
in the forming of a cooperative livestock association with the common hope
of legitimately, and at a price within their means of realizing a safe return
on livestock, acquiring control of the area of range land upon which their
ranches and farms are dependent."

Organization—The Mizpah-Pumpkin Creek Grazing Association was
organized in the spring of 1928, although preliminary work was begun in
1926. Because of the Public Domain land (24½ per cent of the total) in­
cluded in the area, it was necessary to secure passage of a special Act of
Congress to permit the inclusion of this land. Passage of the Act was ob­
tained on the grounds that it would serve as an experiment for determining
desirable means of administering land still in Federal ownership. The pre­
amble to the bill which made possible this area states that it is a bill
“authorizing the Secretary of the Interior to enter into a cooperative agree­
ment of agreements with the State of Montana and private owners of land
within the State of Montana for grazing and range development and other
purposes.”

This is a cooperative organization, managed* by its members for their
mutual benefit. There has been, since its inception, about fifteen members
in the association at all times. These ranchers all live on or adjacent to
the district, a qualification for membership which is set forth in the con­
stitution and by-laws.

Lands Included—A total of 108,000 acres is included in this district. The
ownership of this land was approximately as follows: The Northern Pacific
Railway Company, 41%; private owners, 29%; the State of Montana 5½%;
and the Federal Government, 24½%. Land belonging to the railroad was
leased on a ten-year contract at a very reasonable figure. The private land
was leased for various periods of time and for various amounts. The ten
sections of state land were not leased directly because the State of Montana
could not, according to law, lease its grazing land for less than $40.00 a
section annually, an amount in excess of its normal value for grazing pur­
poses. The intention was to trade for government land located elsewhere in
the state and lease the ten sections to the association on the same basis as
the Public Domain land. Lack of agreement as to comparable values has so
far prevented this trade between these two public agencies with the result
that the state land office has received no rental on these ten sections.

*Since the Federal Government owns considerable of the land included
in the district, the bill which made possible the inclusion of this land specifies
that a representative of the Department of the Interior shall cooperate with
the members of the association in the management of the district. However,
it is the policy of the Interior Department’s representative to leave the details
of management up to the ranchers themselves. It is only in case of dispute
or in regard to matters of major changes in policy that he attempts to serve
in other than an advisory capacity.
Under an agreement with the Department of the Interior, the government land was leased to the association for a period of ten years at $20.00 per section. In order to recompense the association for water development, increased carrying capacity of the range and other improvements, lease money was not collected from the association on the government land the first three years.

The privately owned land within the area placed a real problem before the group. With the exception of the Northern Pacific land, the private ownership was divided primarily into sections and half sections. This meant a large number of owners in a number of areas. Some of the land was owned by widows, estates and mortgage companies. Most of this privately owned land had not been leased for a number of years and the owners had of course received no income from it. The County had taken tax title to approximately 2600 acres and the taxes had been paid on the balance. The Association offered to lease this land for the taxes. Nearly all the privately owned land is leased for taxes under the present arrangement. No doubt this will be changed to a carrying capacity basis (or the usable vegetation produced on a given area) when a new lease is drawn up.

Since the organization of the district, several parcels of land within the area belonging to private parties have been taken by Custer county for tax delinquency. To meet this situation, the association has formed a holding company within its own membership which has purchased such land from the county on funds borrowed from the association, and has in turn leased this land to the association.

**Allotment of Range**—In the beginning, a grazing specialist of the Forest Service was secured to make a survey of the range and determine the amount of feed available and hence the rate of stocking. Because of the depleted condition of the range, this figure was made on a conservative basis so that improvement in the range could be effected. Having decided on the total number of stock to be grazed in the area, this number was then prorated among the various members. Ranchers living on or adjacent to the area were allotted range on the basis of the number of head they had been running in the past and the number of head for which their ranches could produce winter feed. Since a committee of the ranchers themselves allotted the range and since they were so pleased with the prospect of having permanent summer feed, there was little or no bickering about the amount of range to which each was entitled.

In determining the original number and allotment of cattle to be run on the range by each member, the commensurability-method, used by the Forest Service was applied. The carrying capacity of the area was determined as accurately as possible. The winter range and feed of each member was surveyed. It was found that the members could winter more cattle than the range would supply grass for during the summer grazing season of eight months. Therefore, it was necessary to make an equal percentage reduction on all members. Members having more cattle than their permit allowed found it necessary to locate other range outside the area.
Permits are modeled after Forest Service permits but the allowances under these permits lay in the hands of a board of directors composed of three members, including the president.

Early in the spring each member applies for a permit to graze certain stock in the district. If his application is not in excess of his pro rata share of the grazing, and if he has fulfilled all the requirements of the association, his application is granted. Payment for the grazing fee must be made before the grazing season begins or other applicants may be allotted the range.

Grazing Period and Cost—Since the beginning, the association has permitted a grazing period of eight months. This extends from April first to December first. The first year of operation, 1929, a grazing fee of $1.50 per head for eight months was charged. The next two years the fee was $1.25 per head, while in 1932 it was raised to $1.40. The increase in 1932 was to provide funds for the purchase of the tax deed land. As the range is improved under proper management and the area can be made to carry more livestock, it is believed that this fee may be reduced. This, of course will be determined largely by the cost of leased land in the future. It appears probable that this is a lower grazing cost than can generally be realized by most proposed grazing districts at their inception. Associations which have to lease a large proportion of privately owned land will probably approach $3.00 a head for 8 months grazing for cattle. This is somewhere near a normal historical use value for Montana range land, and a lower lease rate tends to be reflected in the values of adjoining ranch properties. See appendix, page 29.

Management and Policy—Except for the slight supervision which is given by the representative of the Interior Department,* management of the Mizpah-Pumpkin Creek grazing district is entirely by the ranchers who are members. A president, vice-president, secretary-treasurer and an executive committee of three members in addition to the president, who is chairman of the committee, are the officers of the association. These officers are elected annually. Authority to dispose of all business matters is vested in these officers.

Much of the success of this grazing area is due to high type of leadership and membership in the association, their willingness to submerge the cattleman’s traditional individualism in favor of group benefits, and to make use of various existing cooperating agencies. In addition to the Department of the Interior representative and the local office of the Forest Service, the Custer County Agent has contributed much to the success of the organization and management of the area. His efforts in tracing out the original land ownership of the various parcels of land in bringing about cooperative action by all of the parties interested has been invaluable. The association has made constant use of the County Agent in connection with

*This supervision would be exercised over grazing districts organized in the future, only where government lands are included.
correspondence, clerical work, meetings, prairie dog poisoning, bull selection, marketing and other activities.

Most of the land in the district is grazed in common, rather than allotting specific tracts to each rancher and then requiring that he keep his stock on this tract. A few of the members prefer and are using what amounts to an individual allotment. The entire area is fenced. The major part of the fence was already constructed before the association was organized, although eighteen miles of four-wire fence on steel posts was put up by the association to complete the enclosure. The only cross fencing which has been done is the building of a drift fence to facilitate keeping the stock properly distributed on the range. A rider is employed during the entire grazing season to keep up the fences, look out for trespassers, keep the bulls evenly distributed and to keep all stock distributed so that some areas will not be over-grazed while others are not completely utilized. Assistance is also given cows during the calving season. The rider carries prairie dog poison with him and has cleaned out all the "dog towns" in the area. The total cost of this rodent control work has been about $900 in the last four years.

The association has a committee which passes on the quality of the bulls, requiring that a purebred animal of satisfactory type be furnished for every 33 or less cows grazed in the area. These bulls are purchased cooperatively in carload lots by the committee. The expense is then prorated to the members on the basis of the number of cows they have in the district. The cost of bulls is reduced considerably by this practice, and at the same time a uniformity of calves is obtained. This facilitates the marketing problem, since buyers are usually willing to pay a slight premium for a large lot of uniform feeder stock.

Cooperative purchases also are made of salt and cottonseed cake with some saving of money to individual ranchers. This cooperative arrangement also obtains during branding, roundup, in the fall when stock are shipped and again when they are removed from the range in the fall. The association plans to construct one or two dipping vats so that members who desire to dip their stock may cooperate in this.

At the time the district was organized there was a scarcity of stock water in the area. Some sections of land were several miles from water with the result that they were grazed only during the early part of the season. Later, as the small water holes dried up, the stock gathered in the vicinity of the permanent water holes and consequently over-grazed the range near such places. A definite program of water development has been under way from the beginning. At first a reservoir committee decided where watering places should be constructed and designated which member should develop each place. In March, 1931 a change in the supervision of reservoir construction was made, eliminating the divided responsibility of the committee by the appointment of one member as a reservoir supervisor to have power to designate reservoir sites and supervise their construction.
This arrangement has been satisfactory. It has been the policy of the association to require a member to develop one water hole a year for each 100 head of stock run in the district. This policy will be maintained until there is an adequate supply of water available at all times. To date, over 60 water holes have been developed. Some of these are reservoirs, some are springs and some have been developed by simply digging out "seeps." Because of the permanency of tenure assured, these stockmen feel justified in spending time and money in the making of improvements such as these, which enhance the value of their range.

The value of adequate water development and proper range management was evident in 1931, the driest year in southeastern Montana since weather records have been kept. Because of water shortage and depleted range, stock was started moving out of this part of the state before the first of August. No stock, except that normally shipped in the fall, was removed from the Mizpah-Pumpkin Creek grazing area until December first. These cattle were in good condition and calves were at about the normal weight.

The association started with seven members on the Board of Directors.* This proved to be rather cumbersome, as it took four members to transact any business. With three directors any two of them do business for the association. It is significant to know that the Association has found the actions of three men are as satisfactory as seven.

Value of Mizpah-Pumpkin Creek Grazing Association—This organization has been of great value not only to the association members, but to the owners of land in the district and to Custer county.

Permanency—The livestock business of the members has been stabilized through their cooperation in the association. Through water development and controlled use of range, the carrying capacity of the area can be maintained even during dry years like 1931. Each rancher knows the number of stock for which he can secure summer grazing over a period of years and can plan his operations accordingly.

Decreased Investment—Unless a stockman is in an organization of this kind, the only way he can be assured of permanent range is by owning all his range. Ranchers in the Mizpah-Pumpkin Creek district have this security without a heavy investment in land. More of their capital can, therefore, be invested in productive livestock.

Benefit to Small Operators—The small operator is usually at a disadvantage under a system of competitive bidding for range. By being in this district, he is assured of range over a period of years at the same cost as his neighbors who are operating on a large scale.

*To serve as a guide in the formation of other associations, the Agricultural Economics Department at Montana State College, will furnish on request, copies of the Mizpah-Pumpkin Creek Grazing Association's constitution, by-laws, land purchase contract, land lease, notice of grazing applicant, letter of withdrawal, and grazing permit.
Cost—The cost of this range is very reasonable. This is not necessarily because the land owners (whether the county or private parties) receive a very low rent, but because the range is being improved so that it can be made to carry more livestock than formerly.

Revenue to Owners of Land—Owners of land who might otherwise not have been able to lease their property, have received an income from this land each year. This has undoubtedly kept some of the privately owned land from going to the county for tax title during the last three years.

Increased County Revenue—Custer county receives taxes, or money in lieu of taxes, from every acre of assessable* land in the district. As the carrying capacity of the area is increased, through proper range management, more livestock can be kept and the tax base thereby broadened.

Greenfields Pasture Association

The Greenfields Pasture Association is a somewhat different type of organization than the Mizpah-Pumpkin Creek Association. This district is located on the eastern slope of the Rocky Mountains in Teton and Lewis & Clark counties. Its purpose is to supply a permanent range, not for large ranch outfits, but for small individual farmers who live on the Greenfields Irrigation District of the Sun River Project. There are about 450 such farmers who are eligible for membership.

County Agent Dan Thurber who has assisted in the organization and management of this grazing area makes the following comment in his 1931 annual report:

"Adjoining the farming land on the project there are approximately 63,000 acres of good grazing land which belongs to the government and which has been leased out to stockmen in the past. In line with our program of increased livestock production comes the need for outside grazing land for sheep and cattle.

"The problem of securing this land for the use of the project farmers was taken up through the reclamation office at Fairfield. An organization known as the Greenfields Pasture Association was formed, and this association with the help of local district commissioners, was able to secure from the United States a lease on all of this grazing land at a very reasonable price. It is felt that this is one of the most valuable assets to this irrigation project as it enables the farmer to increase the size of his livestock enterprise to a point where he can operate most economically."

Organization and Management—Only farmers living in the Greenfields

*To serve as a guide in the formation of other associations, the Agriculture ever received any. The Taylor Bill, referred to on Page 23 in the appendix, provides that 50 per cent of the revenue derived from Federal land in grazing districts which might be created under the provisions of this Act, shall go to the state for the benefit of counties in which such districts are located, in lieu of taxes.
Each forty-acre tract entitles the owner to one share in the association. Each share in turn entitles the holder to one vote and to one equal share of the pasture privileges. Management of the association is vested in a board of fifteen directors who are elected by the membership of the association. This Board of Control elects a president and vice-president who also becomes the respective officers of the association. The Board also elects or employs a secretary and treasurer.

Each year members are asked to submit to the Board in writing a statement of their pasture requirements for the year. If preference is desired for a particular range, that preference is stated in the application. On a certain specified date in the spring the Board tabulates the various applications and prorates allotments to individuals on the basis of the shares which they hold and the total range available. It is required that permits pay in advance to the Association on or before March first, the total of their permit costs.

Lands Included—There are a total of approximately 63,000 acres in this district. The land, located in several units, is the property of the Federal Government and is reserved in connection with the storage reservoirs and possible future irrigation requirements of the Sun River Reclamation Project. This land was formerly leased for the most part to large ranch outfits in the vicinity. When the Greenfields Pasture Association was organized in December, 1930, to obtain grazing on the government land for farmers on the irrigation project, the Bureau of Reclamation adopted a very fair policy with respect to their former lessees. Instead of refusing at once to renew their leases, the Bureau gave notice that they would be excluded from the area at the end of three years. This gave ample time for the ranchers to hunt new leases and replan their organizations. Some of the land in the district is still grazed by these large operators, but at the end of 1933 all will be available for the association members.

Grazing Period and Cost—The Greenfields Association leases the available grazing land from the government at a price agreed upon by a representative of the Association and the Reclamation Project Manager. This price varies from five to ten cents an acre, depending upon the quality of range. The grazing period, which also is established each year by a committee appointed by the association, varies with the season and quality of range. In 1932 the grazing period was from May 1 to November 1. During that season 12 acres per mature animal was required. It is the opinion of the association that this rate of stocking can be maintained without impairing the quality of the range. The actual grazing cost for cattle for the season was about $1.00 per head. Sheep, which are also grazed in the district, require one-fourth to one-fifth the acreage of cattle. The average actual grazing cost for sheep was 19\% cents in 1932.

It is the policy of this association to allot certain blocks of land to individuals. Each must do his own fencing where this is necessary, al-
though certain groups of farmers usually cooperate in fencing and jointly using their allotments. Members running sheep in the area merge their allotments and cooperatively hire herders, the expense of this being prorated among the cooperators. In 1932 the total cost, including administration and other expense as well as actual grass cost, was $2.62½ per head of cattle.

An interesting arrangement was made between the allotees of one pasture and an independent stockman owning range adjoining this pasture. In order to eliminate the necessity of fencing between the two ownerships, a plan was worked out whereby the lands could be grazed in common. This was done by making an appraisal of the carrying capacity of lands belonging to each and prorating the cattle to be allowed, in proportion to the relative carrying capacity of each ownership. It would seem that this system might be used to advantage in many localities where only private parties are involved.

Possible Enlargement of Area—There is a considerable acreage of land near this area to which the county has taken tax title. It is proposed that the association secure a long-time lease* on this land and extend the boundaries of their district to include it. It is felt that the intervening sections of privately owned or state land also could be leased and included. This extension could be effected as farmers on the irrigation project developed a need for additional grazing land.

Value of the Greenfields Pasture Association—This organization is of inestimable value to the farmers of the Greenfields Irrigation District. Lack of available grazing land usually limits the stock which a farmer on an irrigated place can keep. Although he is constantly advised to keep livestock and feed what crop he produces, he often cannot keep sufficient stock cattle or sheep on a small irrigated farm to make a satisfactory business of it. It is generally conceded that the cheapest feed for livestock is good prairie range. By being able to combine this with their production of irrigated feed crops, the farmers of the Greenfields District have enhanced the value of their farms considerably. Furthermore, the system is permanent so that their operations are stabilized from year to year.

OPPORTUNITIES FOR CREATING ADDITIONAL DISTRICTS

In considering the possibilities for organizing other grazing districts, it would seem that these possibilities might best be classified as to type of district.

District Similar to Mizpah-Pumpkin Creek—The possibility for organ-

*Chapter 65 of the laws of the 23rd legislative assembly of Montana vests authority in county boards of commissioners to exchange and lease county lands subject to certain provisions. Chapt. 66 of the same session provides for the incorporation and administration of cooperative grazing associations. Chapt. 66 of this assembly provides further for the organization and administration of such grazing associations thru the creation of a "county land advisory board." See appendix, page 30.
izing districts of this type calls for the use of recently enacted Federal legislation. A special act of Congress was required to permit inclusion of the Federal land in the Mizpah-Pumpkin Creek District. The inclusion of unreserved and unappropriated Federal lands in any district which might be organized is now provided for by the Taylor bill (H. R. 6462), which vests authority in the Secretary of the Interior to create districts or reserves for the administration of public lands, and for leasing them to associations. Section 15 of this act also gives the Secretary of the Interior the power of leasing public domain lands to individual users (see explanation of Taylor bill in appendix).

There are about 6½ million acres of unreserved and unappropriated public Domain lands in Montana. In addition, there are several million acres of Federal land, reserved at present, but which may in the future be eligible for inclusion in such districts. A great deal of this land is in isolated tracts or in localities which would not make it feasible for inclusion in grazing districts. However, there probably are several million acres in Montana which might be incorporated in grazing areas.

Almost without exception the remaining government land is of poor quality. This accounts for the fact that it has not been homesteaded. It has been the policy of the Federal government to get all its unreserved land into private ownership through the medium of homesteading. Since its remaining unreserved lands are too poor to justify homesteading, at least in 640-acre tracts, it is evident that some other means will have to be found for disposing of it, or at least making use of it. Because of the feeling that all this land ultimately would be taken up by private parties, no system for use and control of it has been adopted. Not only have the Public Domain lands yielded no tax revenue to either the Federal government, the states or the counties in which they are located, but they have been badly misused. They have constituted a great “free range” which has been used by those who got there first. The result has been serious over-grazing in most cases and consequent depletion of carrying capacity.

Districts Similar to Greenfields Pasture Association—The possibility of such districts as this, where the area is essentially all reserved government land, is very restricted. However, this type of organization embodies many principles which could be adopted in the organization of districts which would include land of other than Federal ownership. Other irrigation projects in the state have adjoining grazing lands that could be used to good advantage as enlarged community pastures if control were possible.

Districts Including Other Than Government Land—By far the greatest opportunity for the creation of grazing districts lies in the inclusion of land not owned by the Federal government. In every Montana county east of the Rocky Mountains, and probably in some of the western counties, there are opportunities for this development. The legal procedure necessary for this is now provided in the state legislation noted above.

There is in Montana over 60 million acres of land, exclusive of forest
GRAZING DISTRICTS

land, which is suitable only for grazing even when farm crop prices are relatively high. If this land were owned largely by resident stockmen who had units of economic size, there would be no need for grazing districts. The fact is, a considerable part of this land has a “checker-board” type of ownership, and the most serious problem lies in the fact that these “checks” are far too small for economical use. Within this pattern of ownership we have private resident owners, mortgage and investment companies, non-resident private owners, counties (through tax delinquency), the state, and the Federal Government. Although operator ownership would seem to be the ideal means of controlling these grazing lands, the opinion of stockmen generally is that they cannot afford to own all their range. Therefore, in order to gain control of his range, a stockman must deal with many parties. This often works to the disadvantage of the stockman as well as to the land owners who wish to lease their properties.

In this hodge-podge of ownership, some tracts have stock water, while some do not. The tracts with water usually are leased, while the tracts without water often are not but are used anyway unless the owner lives in the vicinity or has them under fence. Some tracts can be leased for a five-year period, while some can be leased for only one. In any event, the stockman ordinarily leases subject to sale. Competitive bidding for leases on the more desirable parcels often results in the paying of a price far in excess of their grazing value. With the uncertain tenure which accompanies this type of leasing, there is no incentive for a stockman to practice desirable range management. Not knowing whether he will have a given tract the following year, he makes no attempt to build up its carrying capacity. Certainly he cannot afford to invest time and money in water development when he does not know if he will be the one to profit by such development. This situation makes for a very unsuitable type of ranching operations both for the small and for the large operator.

Where land suited only for grazing and owned by non-residents is in comparatively large tracts, groups of ranchers could be organized which would lease these on a cooperative basis. Their organization could be set up and they could be managed in somewhat the same way as either of the districts previously discussed. This would work to the advantage of both the stockmen and the land owners.

Under a long-time lease agreement the stockmen, except in unusual cases, would manage the land with a view of range improvement. If there were any question about this being done, the owners might specify in the lease agreement the maximum number of stock that would be permitted in the area. In order to recompense stockmen for water development and other improvements the owners might well afford to accept a low lease rental the first few years or else refund a part of the rental as improvements are made. This well might be the case where fencing has to be done to enclose the area. Although some tracts may be so poor as never to have warranted fencing, usually there would be sufficient fencing material on the land.
to enclose the area. The cost of completing the enclosure, therefore, would be largely a labor cost. This might be met by allowing some individual to work out their grazing fee or a part of it the first year.

THE LEASE BLOCK SYSTEM

Another type of arrangement which might be used is what the writer calls a “lease block” system. This is adapted to smaller units than would be feasible for most grazing districts or could be used where other conditions make a grazing district impracticable. Instead of the ranchers forming an organization and cooperatively leasing land as under the grazing district system the land owners would take the initiative. They would either trade lands among themselves in order to block out desirable size units or they would enter into cooperative agreements among themselves to lease jointly the lands in a “block.” These leases could be made to one stockman, to several, or to a grazing association. In any event, the small isolated tracts would be combined and leased jointly.

Carrying Capacity—Carrying capacity of a grazing area or of the individual tracts going to make up a “lease block” might cause some confusion. This would be true particularly in determining what share of the total lease rental should go to each owner in a “lease block.” This is a very important thing, not only from the standpoint of an equitable return to the individual owners, but from the range management standpoint. Unless the range is conservatively stocked in the beginning there can be no hope of increasing the forage production. A certain per cent of the palatable grasses must be allowed to set seed each year if the stand of grass is to thicken. Furthermore, continued close grazing saps the plant vitality and reduces the volume growth which can be obtained. Where possible, it is advisable that the services of a range specialist be secured in the beginning. The cost of this service will be nominal and will repay itself many times. In addition, the county agent’s advice and assistance in connection with organization and management of grazing areas so as to increase carrying capacity will be found worth while.

The future sale value of grazing lands will be enhanced by having them consolidated. This will be true not only because they are in units which are more economical for the stockmen, but because their forage production will be increased and other improvements made on them. As grazing associations become established, they may purchase cooperatively the land included in their districts. With an improvement in economic conditions, individual ranchers will undoubtedly want to buy many of the consolidated tracts.

The Problem of County Lands—Either the district system or the “lease block” plan should be of particular interest to counties which have a large amount of delinquent land. At present our Montana counties either have title to or could take title to several million acres of land. Nearly all of this and had defaulted in tax payment prior to 1929. Because of the low
farm prices which have prevailed the past three years there will be a tremendous amount of additional county tax title land unless something unexpected happens. The greater part of this land cannot be returned to the tax roll under present economic conditions. Furthermore, only a minor part of it is leased. In order to meet necessary obligations, and also to keep the tax burden of the remaining taxpayers from becoming prohibitive, many counties will have to find some way to secure revenue in lieu of taxes from these lands. A system of grazing districts or "lease blocks" would seem to offer one possibility.

HOW TO FORM A GRAZING ASSOCIATION

I. The preparation of necessary basic information.

A. Interested parties outline tentatively the boundaries of the proposed district, based upon their general knowledge of the present ownership, leasing, and use of the proposed area. This should take into account natural boundaries, location of roads, the natural adaptability as to type of range, water, and size of the area to a sound range management plan, and the location of the area in relation to the ranches that will make use of the range.

B. Prepare a "base map" for the area (on a scale of not less than 1 inch per mile and preferably 2 inches) showing:
   1. Topography and drainage.
   2. Name and address of present owners.
   3. Location of water (present and possible development).
   4. Location of roads, buildings, and fences.

C. Prepare a list of names of parties now using the area, by lease or otherwise, and the available data as to numbers, kinds, and breeds of livestock using the area and the usual season of use. See information form request, page 38 of appendix.

D. Survey the area as to the normal carrying capacity that will permit the maintenance and/or improvement of the range, the desirable season of its use to permit rehabilitation, and the seasonal adaptabilities of different parts of the area. (Call on public agencies such as The Department of the Interior, The Montana Extension Service, or The Montana Relief Commission, for the services of a specialist in the preparation of this information.

E. Obtain from the State College a map which has been prepared showing the present tax status (number of years of delinquency) for all land in the county or counties in which the proposed district is located.
F. Prepare an “overlay” for the base map on tracing paper or cloth showing the proposed management plan for the area. This will show the location of the outside fences, cross-fencing, or drift fences, proposed water development, the seasonal use and rate of stocking of different parts and units of the area.

II. Organization.

A. Call a meeting of all interested parties to examine the plan, suggest possible modifications in it, and reconcile points of view. Also take the first steps toward the formation of an association at this meeting if possible by electing temporary officers and appointing temporary committees.

B. Organize the association as soon as it appears the plan can be made to function. The necessary steps in this are:

1. File articles of incorporation with the Secretary of State, as provided in Chapter 66 of the session of the 23rd Montana legislative assembly (See appendix page 30).

2. After approval of articles of incorporation, prepare and adopt by-laws consistent with sections 3 to 14, inclusive, of Chapter 66 of the 23rd Montana session laws (See appendix page 30 for suggested outline). Consult a competent attorney in finally drawing up such by-laws for the association.

3. If public lands are to be included within the area file an application signed by all interested parties, with the district (public) land office, requesting the formation of a grazing district including public domain lands, as provided by the Taylor bill. There are no formal blanks for this request. As indicated by Section 2 of the Taylor bill, the Secretary of the Interior is to promulgate rules and regulations concerning the administration of grazing lands under this act.

C. File a plat or map of the grazing district as proposed to be created with the county clerk of the county or counties in which the included lands are located (Sec. 5, chapter 66, 23rd Montana assembly session laws).

D. After organization is completed association officers proceed with the execution of the plans first by carrying out necessary business arrangements in the leasing and other contract arrangements in connection with lands in the area.

E. Consult your county attorney for legal information as to the relationship of the association to land within the boundaries of the
GRAZING DISTRICTS

districts upon which a lease contract cannot be effected. This is a matter upon which rulings from the state attorney general's office will probably soon be available.

F. Association makes arrangements as to lease fees and grazing allotments with members. Allotments may be made on basis of individual use of a certain range to a member or on the basis of the common use of the area. This should be clearly understood. The allotment to a member should be upon the basis of his commensurability rating, which will be determined by the number of livestock he is prepared to winter safely, as indicated by his deeded hay land and winter range outside the association district. Members who are not commensurate but who are using (by lease) range within or outside the proposed boundaries of the association in excess of their winter range and feed capacity, should be given an opportunity to become commensurate within a reasonable period of time by a reduction of numbers and/or acquiring a larger assured winter range and feed production.

Make all possible uses of your County Extension Agent and his office in all steps of the above procedure. He knows the livestock production and land use problems of your area and is in a position to give valuable technical assistance and afford the facilities of the extension office in making contacts and business arrangements.

QUESTIONS AND ANSWERS

Without going into a prohibitive amount of detail, it is impossible to cover all the points in connection with grazing districts. In order to cover the subject more fully, there is presented here a set of questions which might be asked about grazing districts and such answers to these questions as the writer is able to give:

Q. 1—Who should be eligible to membership in a grazing district?

Ans.—It would seem that the policy of the Mizpah-Pumpkin Creek Association in restricting membership to those living on or adjacent to the area was a wise one. The line must be drawn somewhere. Those not eligible in one may be able to organize another district in which they can be included.

Q. 2—Can both sheep and cattle be run successfully in the same district?

Ans.—This can be done, although it would seem best not to do so unless unavoidable. At its inception the Mizpah-Pumpkin Creek Association had one or two sheep outfits in its membership. A ratio of 1:5 was used in converting sheep to cattle units for allotment purposes. The sheep were assigned to a certain part of the range and were herded. Because the cattle grazed
at large over the area and encroached somewhat on the sheep range an allowance of 20 per cent extra in acreage was given the sheepmen. Within the past two years these sheep ranches have changed to cattle.

Q. 3—Isn't there serious difficulty where more than one breed of cattle is run in the same area?

Ans.—This is likely to cause trouble. If possible members should be encouraged to agree upon the same breed of bulls at least. If there is no agreement on this, it would seem best to organize separate districts if at all feasible. Cross fencing and thus dividing the range between breeds might be practiced, although there would still be some trouble with bulls. Breed prejudice among members in the same association might be a source of trouble in the future.

Q. 4—Should horses be permitted to run with other livestock in grazing areas?

Ans.—Probably not. If horses are allowed it would seem best to fence off a part of the area for their exclusive use. Their damage to watering places, worrying of other stock, etc. is a serious objection where many horses are included.

Q. 5—Will grazing districts work to the disadvantage of the small stockman?

Ans.—Decidedly not, if they are properly organized. The small operator will enjoy a competitive position much more desirable than under a system of private leases. It is quite likely that many districts could be organized which would include only small ranch outfits.

Q. 6—Would the larger operators have more power than the small operators in a district and be in a position to use this to the disadvantage of the smaller?

Ans.—This would depend entirely upon the matter of voting power as defined in the constitution and by-laws. In the Mizpah-Pumpkin Creek Association each member has but one vote.

Q. 7—What is the largest and what is the smallest average permit in the Mizpah-Pumpkin Association?

Ans.—The largest permittee runs 350 head, while the smallest runs an average of 40 head in this district.

Q. 8—Are calves and yearlings charged the same grazing fee as mature cattle in the Mizpah-Pumpkin Association?

Ans.—All stock over six months old are charged the full fee. Calves under six months are grazed free.

Q. 9—How could an outsider become a permittee in an established district?
GRAZING DISTRICTS

Ans.—By purchasing land on or adjacent to the area. Ordinarily by purchasing the ranch of one of the original members.

Q. 10—Should officers of the association receive pay?

Ans.—Only the secretary-treasurer is required to spend a great deal of time once the association is under way. It would seem only fair that he be paid a reasonable amount for his time. The Mizpar-Pumpkin Creek Association uses the county agents office in order to eliminate to a large extent the payment of officers.

Q. 11—What is the arrangement when a member owns land within the district?

Ans.—The member has one of two alternatives. He can either fence out all stock and reserve his range for himself, in addition to having a pro-rata share of the leased land, or he can allow the stock in the district to graze at large over his property. In the latter case he is given a free permit for the number of stock which it is determined his land can carry.

Q. 12—Suppose an individual living within the boundaries of a proposed area refuses to join the district?

Ans.—If possible, the boundaries should be changed to exclude him. However, if not feasible, this should not prevent the organization from taking place. The rancher would have to fence his property to protect it or at least do his proportionate part of the fencing.

Q. 13—What if a member does not make the water development or do certain other work which is assigned to him?

Ans.—In the Mizpah area the work is done by the association and charged to the member. He must pay this charge before a permit is issued to him for the ensuing year.

Q. 14—What will be the procedure in the Mizpah-Pumpkin Association at the end of ten years when their lease contracts expire?

Ans.—This is a difficult one to answer. Without doubt the lease can be renewed on the Public Domain land and on some of the private land. The association may purchase private land which could not again be leased. The association has already purchased some county land through its holding company. This policy may be pursued with reference to some private land in the future.

Q. 15—Can the party which leases land to the district sell within the lease period?

Ans.—This will depend upon the particular lease. To stabilize the area land which is leased should not be subject to sale. The organization might protect itself by securing an option to buy at the time of leasing.

Q. 16—How small an acreage might it be feasible to organize a grazing district to include?
Ans.—This depends upon the carrying capacity of the land and other factors. It would seem that three or four or perhaps even two individuals might benefit by forming an association and leasing cooperatively.

Q. 17—Can grazing districts be increased in size once they are finally organized?

Ans.—There should be nothing to prevent this if the members so desire. Not only could additional lands be included, but by changing the boundaries, additional stockmen not living on or adjacent to the original area might be included.

Q. 18—Should grazing districts be formed which will include land lying in more than one county?

Ans.—County boundaries should not be a barrier.

Q. 19—Could the state or a county government create grazing districts?

Ans.—This might be done but it would seem more desirable, where a substantial acreage and several users are involved, to have the ranchers form an association and lease the county and state lands. In this event the county has only one lease agreement rather than several. Furthermore, there should be less conflict between permittees where they have an organization in which they formulate their own rules and regulations.

Q. 20—Would the state be given its proportional share of revenue, in lieu of taxes, from county lands which are included in a district?

Ans.—Yes. The state gets its proportional share of the lease rental as well as its proportional share of the sale price in case the land is sold.

Q. 21—Would a classification of grazing lands on the basis of carrying capacity be of benefit in organizing grazing areas and in their management?

Ans.—A classification of this kind would make possible a truer valuation of the land and would be a scientific basis upon which to determine rate of stocking.

Q. 22—Should a grazing district organization be incorporated under one of the corporation laws of the state or should it not incorporate?

Ans.—This question involves a good many controversial points. In view of the unlimited financial liability which attaches to each member under a non-incorporated type of organization, it would seem that incorporation would be advisable. This disadvantage may be overbalanced, however, by certain points in favor of the unincorporated type of organization. Since space here does not permit going into detail, the Extension Service will prepare a mimeographed discussion on this point which may be obtained by writing the Bozeman office or through your local county extension agent.
SECTION 1

Creation of Grazing Districts.—The Secretary of the Interior is authorized to create grazing districts from any part of the vacant and unappropriated public domain which, in his opinion, is chiefly valuable for grazing. The Secretary of the Interior may not, however, place more than 80,000,000 acres of the public domain in grazing districts. Lands in national forests, national parks and monuments, or Indian Reservations may not be included in such districts.

A grazing district is created by the issuance of an order which establishes the boundaries of the grazing district. Additions may be made to any district or its boundaries changed from time to time.

Hearings Required.—Before grazing districts may be established in any State, a hearing must be held in the State (after a public notice of the hearing has been given), at a location fixed by the Secretary of the Interior, convenient for the attendance of State officials and the settlers, residents and livestock owners of the vicinity where the district is proposed to be established. A district may not be established until the expiration of ninety days after such notice has been given nor until twenty days after such hearing is held.

Withdrawal of Public Lands Within Proposed Grazing District from Entry.—The publication of a notice of hearing has the effect of withdrawing all public lands within the exterior boundaries of a proposed grazing district from all forms of homestead entry or settlement.

Rights-of-way Over Grazing District Lands.—The Secretary is required to grant any owner of lands adjacent to a district, upon application of any such owner, a right-of-way over the land included in such district, for stock-driving purposes, where necessary for convenient access to marketing facilities or to grazing lands not within such district.

Construction of Act.—Nothing in the Act is to be construed to impair any rights initiated under public land laws, except as required by other provisions of the Act. The creation of a grazing district will not defeat the grant, to a State, of lands heretofore or hereafter surveyed. The Act is not to be construed as limiting or restricting the power or authority of any State as to matters within its jurisdiction. The Act is not to be construed as alternating or restricting the right to hunt or fish within a grazing district, or as vesting in any permittee any right to interfere with hunting or fishing within a district.
Powers of the Secretary of the Interior.—The Secretary of the Interior is empowered to do any and all things necessary for the protection, administration, regulation and improvement of such grazing districts as may be created, including, among other things, power to regulate their occupancy and use, to preserve the land and its resources from destruction or unnecessary injury, and to provide for the orderly use, improvement, and development of the public range.

Rules and Regulations.—The Secretary of the Interior is authorized to make rules and regulations and establish a suitable service to carry out the purpose of the Act.

Rehabilitation of Ranges.—The Secretary is authorized to study erosion and flood control and perform such work as is necessary to rehabilitate public land areas subject to the provisions of the Act.

Penalty.—Any willful violation of the Act, or of the rules and regulations after actual notice thereof, is punishable by a fine of not more than $500.

Issuance of Grazing Permits.—The Secretary is authorized to issue permits to graze livestock within a district to such bona fide settlers, residents, and other stock owners as under his rules and regulations are entitled to participate in the use of the range. Permits may be issued only to citizens of the United States or to those who have filed the necessary declaration of intention to become such, and to groups, associations, or corporations authorized to do business under the laws of the States in which the grazing district is located.

Number of Livestock to Graze Within District. Seasons of Use.—The Secretary is also authorized to specify from time to time the number of livestock that shall graze within a district, and the seasons when a district shall be used for grazing.

Preferences to Grazing Privileges Within Districts.—Preferences is to be given in the issuance of grazing permits to those within or near a district who are land owners engaged in the livestock business, bona fide occupants or settlers, or owners of water or water rights.

After a permit has been issued, its renewal may not be refused for the purpose of allowing a preference application if the permittee is complying with all rules and regulations of the Secretary of the Interior, where such refusal will impair the value of a livestock unit that has been pledged by the permittee as security for a loan. The number of livestock which such permittee may graze within a district may be increased or reduced, however, in the discretion of the Secretary of the Interior.

Each preference will be measured by the amount of grazing which is
necessary for the permit applicant to make proper use of the lands, water or water rights owned, occupied, or leased by him. Until July 1, 1935, no preference is to be given in the issuance of such permits to any owner, occupant or settler whose rights were acquired between January 1, 1934 and December 31, 1934.

After the allowance of the preferences hereinafter provided for, persons recognized and acknowledged by the Secretary of the Interior as enjoying the use of the public range at the time of its inclusion within a district, will be given a preference in the balance of the grazing privileges of the district. Such preference will be measured by the amount of the permit applicant's past use of such range.

**Duration of Permit**—Permits will be issued for a period of not more than ten years.

**Renewal of Permit.**—The permittee has a preference to renew the permit at the discretion of the Secretary of the Interior.

**Grazing Fees.**—The Secretary is authorized to make a reasonable annual charge for the privilege of grazing livestock within a district. During periods of range depletion due to severe drought or other natural causes, or in case of a general epidemic of disease, during the life of the permit, the Secretary of the Interior is given authority, in his discretion, to remit, reduce or refund in whole or in part, or authorize postponement of payment, of grazing fees for the period of such emergency.

**Water Rights.**—It is provided that nothing in the Act shall be construed to impair and right to the possession and use of water, which has vested or accrued under existing public land laws, or which may be hereafter initiated or acquired and maintained in accordance with such laws. This provision protects vested rights to the use of water which may be situated within a grazing district, and also provides for the continued acquisition of rights to the possession and use of unappropriated water located within districts.

**Creation of Grazing District or Issuance of Permit not to Create Any Rights in Lands.**—The creation of a grazing district or the issuance of a permit pursuant to the provisions of the Act will not create any right, title, interest or estate in or to the lands. The permittee has a revocable privilege, only, of grazing on public domain included within a district.

**SECTION 4**

**Permit to Construct Improvements on Public Lands within Districts Required.**—Fences, wells, reservoirs and other improvements necessary to the care and management of permitted livestock may be constructed on public lands within the grazing districts under a permit issued by the Secretary.

**Partition Fences.**—The Act provides that the Secretary of the Interior shall require permittees to comply with the provisions of the law of the
State within which the grazing district is located as regards the cost and maintenance of partition fences.

Use of Improvements in Districts by Subsequent Occupants.—Where improvements have been constructed within a district by a permittee, no permit shall be issued which will entitle a subsequent permittee to the use of such improvements until he has paid for the reasonable value thereof as determined under the rules and regulations of the Secretary of the Interior.

SECTION 5

Free Grazing Within Districts for Livestock Kept for Domestic Purposes.—Free grazing for domestic livestock within districts is to be allowed.

Use of Timber, Stone, Gravel, Clay, Coal and Other Deposits.—Nothing in the Act is to prevent the use of timber, stone, gravel, clay, coal and other deposits by miners, prospectors for minerals, settlers and residents for fire-wood, fences, buildings, mining, prospecting, and other domestic purposes.

SECTION 6

Rights of way Within Grazing Districts.—The Act does not restrict the acquisition, granting or use of rights-of-way within grazing districts under existing law; or ingress or egress over the public lands in grazing districts for all proper and lawful purposes.

Mining.—The Act does not operate to restrict prospecting, locating, developing, mining, leasing or the patenting of mineral resources within such districts under applicable law.

SECTION 7

Homesteading of Public Lands Within Grazing Districts.—The Secretary is authorized, in his discretion, to classify lands within grazing districts which are more valuable and suitable for the production of agricultural crops than forage plants, and to open such agricultural lands to homestead entry in tracts not exceeding 320 acres in area. No lands within a grazing district are subject to settlement or occupancy, however, until such classification is made and the lands found to be more valuable for agricultural crops are opened to entry after notice thereof has been given to the grazing permittees. Lands homesteaded remain a part of the grazing district until patents are issued therefor. After entry is allowed the homesteader is entitled to the possession and use of the land.

When any qualified person files an application in the Land Office of the proper district to make a homestead entry to any tract not exceeding 320 acres, the Secretary is directed to make a classification of such land. If the Secretary classifies such land as agricultural, the applicant therefor has a preference right to enter such lands when they are opened to entry.
SECTION 8

The United States May Be Given Title to Lands Within District.—The Secretary of the Interior on behalf of the United States may accept title to any lands within the exterior boundaries of a grazing district as a gift when he believes such action will promote the purposes of the district.

Exchange of Privately Owned Lands Situated within District for Lands of the United States.—When, in the opinion of the Secretary, the public interest will be benefited thereby, he is authorized to accept title to any privately owned lands within the exterior boundaries of a grazing district and in exchange therefor to issue a patent for not to exceed an equal value of public land in the same State or within a distance of not more than fifty miles within the adjoining State nearest the base lands. Public lands given in exchange must be surveyed and may be situated either within or without a grazing district.

Notice of Exchange.—Before any exchange can be effected, notice thereof must be published by the Secretary once each week for four successive weeks in some newspaper of general circulation in the county or counties in which the lands to be accepted are situated, and also in some newspaper published in the county in which the lands to be given in such exchange are situated. Lands conveyed to the United States under this section become a part of the grazing district within whose exterior boundaries they are located. Either party to an exchange may make reservations of mineral, easements, etc.

Exchange of State Owned Lands.—Upon application of any State, the Secretary is directed to exchange Federally owned lands for State owned lands. The base lands to be taken by the United States from a State in any such exchange may be located either within or without a grazing district. Such exchanges are to be made in the manner that is provided for the exchange of public lands for those in private ownership.

SECTION 9

Cooperation with Local Stockmen and State Land and Conservation Officials.—The Secretary is directed to provide by suitable rules and regulations for cooperation with local organizations of stockmen, State land officials and official State agencies engaged in the conservation of wild life.

Appeals from Decisions of Officer in Charge of Grazing District.—The Secretary is directed to provide for local hearings on appeals from the decisions of administrative officers in charge of grazing districts, in a manner similar to the procedure in the General Land Office.

Contributions.—The Secretary is authorized to accept contributions toward the administration and improvement of the district.

SECTION 10

Disposition of Grazing Fees.—One-fourth of all the moneys received
from each grazing district, when appropriated by Congress, for the construction and maintenance of range improvements in the district where collected; and one-half of the moneys received from each grazing district during any fiscal year is to be paid at the end thereof by the Secretary of the Treasury to the State where collected, to be expended as the State Legislature may prescribe for the benefit of the county or counties in which the grazing district is situated.

SECTION 11

Ceded Indian Lands—Disposition of Grazing Fees.—One-fourth of all moneys received during any fiscal year from a grazing district composed of lands ceded by Indians to the United States for disposition under the public land laws, is to be used for the construction and maintenance of range improvements in such district; and one-fourth of all such moneys is to be paid at the end of each fiscal year by the Secretary of the Treasury to the State in which said lands are situated to be used as the State Legislature may prescribe for the benefit of the public schools and public roads of the county or counties in which such grazing lands are situated; and the remaining one-half of all such money received from such grazing lands is to be deposited to the credit of the proper Indians pending final disposition of such lands under applicable laws, treaties or agreements.

Disposition of Ceded Indian Lands.—Applicable public land laws continue in operation as to ceded Indian lands placed within a grazing district. If the Secretary of the Interior decides that an application for non-mineral title to any ceded Indian lands situated within a district will adversely affect the best public interest, or that the land is of a character not suited to disposal through the Act under which the application is made, he may refuse to allow it.

In no event, however, is settlement or occupation of such lands to be permitted until ninety days after the allowance of an application.

SECTION 12

Cooperation with Other Departments of the Government.—The Secretary is authorized to cooperate with other Departments of the Government in carrying out the purposes of the Act, and in coordinating range administration.

SECTION 13

Transfers of National Forest and Grazing Lands.—The President of the United States is given authority to place under National Forest administration, in any State where national forests may be created or enlarged by Executive order, any unappropriated public lands lying within water-sheds forming a part of the national forest, which, in his opinion, can best be administered in connection with existing national forest administration units.

The President is also authorized to place under the Interior Department
administration any lands within national forests principally valuable for grazing, which, in his opinion, can best be administered under the provisions of this Act.

SECTION 14

Sale of Isolated Tracts of the Public Domain.—This section is an amendment of the present isolated tract law and authorizes the Secretary of the Interior, in his discretion, to order the sale of isolated tracts of the public domain which do not exceed 760 acres in area. Such land may not be sold for less than the appraised value nor until after thirty days’ notice of the proposed sale has been given by the Land Office of the district in which the land is situated. After the highest bid has been determined, any owner of contiguous land has a preference right to buy the offered lands at such highest bid price for a period of thirty days. In no case is an adjacent land owner to be required to pay more than three times the appraised value.

SECTION 15

Leasing if Isolated Tracts of the Public Domain.—The Secretary is authorized, in his discretion, to lease isolated tracts of 640 acres or more of vacant and unappropriated public domain, to contiguous land owners for grazing purposes, upon such terms and conditions as he may prescribe.

SECTION 16

Construction of Act.—This section is declaratory of the States’ power to enact and enforce statutes for police regulation as regards public health or public welfare. The States on the other hand, are declared to have no power to restrict or impair the power and authority of the United States to regulate grazing on the public domain.

Montana Laws Relating to the Organization of Community Grazing Districts

CHAPTER 65

This is an Act providing for the Sale, Leasing, Exchanging, and for quieting title of lands acquired by any county by tax deed, the chief provisions of which appear here in condensed form.

The Board of County Commissioners shall offer for sale at public auction at the court house, all land acquired by tax deed within six months after acquiring title. Thirty days notice of sale shall be given in a county newspaper and by posting. Notice must describe land, give appraised value, time and place of sale and market value, below which it cannot be sold. The commissioners also must appraise, order and advertise for sale all lands previously acquired by tax deed within 90 days after this Act goes into effect (March 7, 1933).
When such lands are not sold at public sale, the commissioners may either appraise again and offer for sale as before, or sell privately for the best price obtainable, but for not less than 90 percent of the last appraised value. Rate of interest on deferred payments shall not exceed four percent. Terms, other than price, must be uniform for the county and for the class of land.

If the sale is made on terms a contract will be executed by the Chairman of the Board of County Commissioners. When paid in full, with interest and taxes, a deed shall be executed to the purchaser or his assignee.

The purchaser or assignee shall be taxed for the land on the first Monday in March following the execution of the contract. If taxes are not paid the contract shall be cancelled and all payments regarded as rent.

The Commissioners may lease land not sold at public auction. Such leases shall be the best obtainable and for not longer than five years except lands in a legally created grazing district which can be leased for not longer than 10 years.

Land not sold may be exchanged for land of equal value if advantageous.

Money received for sale or leasing of land shall be paid to the county treasurer and credited the same as taxes.

Exchanged lands may be sold or leased the same as lands exchanged.

Any county may commence action to quiet title to tax deed land in accordance with the laws of the state. Action will be started promptly by the county attorney upon request of the Board of County Commissioners.

CHAPTER 66

Section 1

Purpose of "Cooperative Grazing Association"—A corporation, mutually operated, for the purpose of aiding in the conservation of natural forage resources within a designated area to be jointly used by its members, and for aiding in the restoration and improvement of lands which may be acquired by lease or purchase from political subdivision or from others, shall be known in this Act as a “Cooperative Grazing Association.”

Cooperative Grazing Districts—Lands acquired by such an association and utilized by its members for grazing purposes under such definite restrictions and limitations as shall contribute to the conservation, restoration, and improvement of the forage resources of such lands, shall be known as a “Cooperative Grazing District.”

Three or more persons residing within the State of Montana may incorporate under this Act.

Section 2

Articles of Incorporation: Who may and how to incorporate. Whenever three or more qualified persons shall desire to incorporate a Cooperative
Grazing District, having for its object the utilization, conservation, restoration, and improvement of forage resources on their land or upon lands to be acquired by such association by purchase or lease, they shall prepare and file articles of incorporation to that effect in the office of the Secretary of State in the manner in this Act specified; such articles shall be signed, sealed and acknowledged in the form now provided by the statutes of this state for the conveyance of real estate, and shall include the following:

1. The name of the association.
2. The purpose for which it is formed.
3. The county or counties in which such district is located and the principal office or place of business in the state.
4. The membership fee, which shall in no case be more than Five Dollars.
5. The term for which such association is incorporated, not exceeding forty years.
6. The names and residences of the persons who subscribed to and acknowledged such articles of incorporation, together with the legal description of the lands owned by them.
7. Names and residences of those who have subscribed for membership with a description of the lands of each.

Section 3

Powers of the Association

1. To lease or acquire, by purchase or otherwise, lands for grazing purposes or for raising forage crops and to dispose of such lands purchased by trade, sale or otherwise.
2. To construct or acquire fences, reservoirs, or other facilities for the care of livestock.
3. To lease from the county or counties in which the Cooperative Grazing District is located, land acquired by such county or counties through tax sale or otherwise, which is located in or contiguous thereto and not already under lease.
4. To apportion to members grazing rights within such district on such terms, conditions and limitations as may be specified by the directors thereof, or in accordance with the terms and limitations imposed for the purpose of conservation, restoration and improvement of forage resources in the leasing of county, state or federal land.

Section 4

Members—Any person owning land within or contiguous to the proposed boundaries of any Cooperative Grazing District, set up by any association
incorporated under this Act, shall be entitled to become a member thereof by paying the membership fee and by subscribing to the by-laws and by complying with the regulations and limitations determined by the directors thereof or by the terms of lease of leased lands included therein. The membership fee, which shall be fixed and determined by the directors of such associations, shall in no case exceed Five Dollars.

When Member Loses His Right—When any member shall dispose of lands owned by him within or contiguous to the Cooperative Grazing District so that he is no longer the owner of lands so within or contiguous, then he shall cease to be a member of such association and his rights and interests in the association shall be determined by the directors thereof. When any member shall dispose of a part of the lands owned by him so that another individual or other individuals shall by the purchase and ownership of such lands acquire right to membership, then the rights and interests involved shall be determined by the Board of Directors.

Vote.—Each member shall have one vote.

Section 5

Filing Map of District.—Cooperative Grazing Associations organized under this Act shall, upon completion of organization and incorporation, file with the County Clerk of the county of counties in which such lands lie, a map or plat of the Grazing District proposed to be created. If such district shall contain land situated in more than one county, then a map or plat of such Grazing District shall be filed with the County Clerk of each county. Whenever any Incorporated Grazing Association shall enlarge or reduce the area included within its district, or change or modify its boundaries, it shall file with the County Clerk or Clerks, a map or plat to indicate such changed boundaries.

Section 6

Leasing and/or Purchase of County Lands.—Any Incorporated Grazing Association may purchase or lease any and all lands owned by the county not already leased, and located within the proposed district; such lease to be for a period of five years, with the land thus leased not subject to sale to other parties, but with the privilege of purchase by the Incorporated Grazing District at any time during the term of the lease at such appraised price as shall be determined at or prior to the origination of the lease; provided, however, no such lease shall be entered into until the Board of County Commissioners, in order to conserve and protect the existing forage resources on such county land and to restore the maximum carrying capacity of such land, shall reserve the right to regulate and limit the amount of grazing thereon and the limitations and restrictions imposed shall be made a part of such lease. Annual rentals for county lands included in Incorporated Grazing Districts shall be payable annually in advance. Failure to comply with regulations prescribed in the lease relating to protection,
administration, or improvement of such Grazing Districts or to make payments of annual rentals within the time prescribed shall be grounds for forfeiture and cancellation of such leases. Provided, however, that where county lands are included in Grazing Districts, which include also lands belonging to the Federal Government, then the provisions for the protection, administration, regulation, and improvement of such Grazing Districts, as shall be laid down by the Secretary of the Interior, shall be designated in each lease to apply to the county lands included therein. In negotiating the terms of any lease with a Cooperative Grazing District, the County Commissioners may provide for a variable scale of rental charges, based on market prices for livestock and/or livestock products, or on the number and character of stock to be grazed in said district.

Section 7

Adoption of By-Laws.—Each association incorporated under this Act shall, within thirty days after its incorporation, adopt, by majority vote of its members, for its government and management, a code of by-laws, not inconsistent with the powers granted under this Act. Such association may also under its by-laws provide for any or all of the following:

1. The time, place and manner of calling its meetings.
2. The number of members constituting a quorum. In voting at meetings no proxies shall be allowed.
3. The number of directors of the association, their tenure of office and the time and manner of their election; the officers, their tenure of office, the manner of their election and their duties.
4. Penalties for violation of these by-laws or of any regulation, limitations or restrictions imposed for the conservation of forage within the district.
5. The manner of filling vacancies in the Board of Directors or of any office.

Section 8

Directors, Powers and Duties

1. To exercise the full corporate power as authorized in this Act.
2. To make such regulations for the management and control of the affairs of the association and of the manner of utilization of grazing within their district not inconsistent with the terms, conditions and limitations of leases of land contained therein.
3. To apportion grazing rights within their districts to members on a commensurate basis.
4. To grant to non-members grazing permits within such districts when the amount of forage within the district is greater than the need of the members, but no such permits shall be granted when
such use shall be inconsistent with the terms of leases of county, state or Federal land within the district or with a safe policy of forage conservation within such district.

5. To determine grazing fees to be imposed on members or nonmembers on a per head basis for grazing rights or to determine assessments on members on a per head grazing basis for the purchase of lands situated within, contiguous to or adjacent to such districts.

6. On behalf of the association, to enter into leases with persons, corporations, partnerships or with the county or counties in which the district is located or with the State or the Federal Government for tracts of land within, contiguous to or adjacent to such districts.

7. To specify the breed, quality and number of male breeding animals which each member must furnish when stock are grazed in a common pasture within the Grazing District.

Section 9

Reserves—The association, after paying all costs, lease rentals, or other expenses, may set up such reserve for contingencies as in their judgment be advisable.

Section 10

Distribution of Interests Upon Dissolution.—Whenever any Cooperative Grazing District is dissolved by act of its Board of Directors or otherwise, then the rights and interests therein shall be distributed among the members in proportion to the amounts paid in by the various members as assessments, as nearly as the Board of Directors may determine.

Section 11

Vote Necessary to Alter or Amend By-Laws.—Such by-laws may be altered or amended by any meeting of the members, regularly called, by a two-thirds vote of the members present.

Section 12

District Judge Final Arbiter.—That at no time shall this Act be construed as allowing the constitution of a monopoly which shall in any way react to the harm or great disadvantage of any person or persons owning lands contiguous to such Cooperative Grazing Association, provided that such persons shall own both land and livestock wherein the assessed valuation shall not be less than $2500.00, and further provided that the District Judge of the district in which such lands are located shall be the final arbiter.

Section 13

Repealing Clause.—All Acts and parts of Acts in conflict herewith are hereby repealed.
Section 14

This Act shall be in full force and effect from and after its passage and approval.

Approved March 7, 1933.

CHAPTER 67

This chapter has to do with "The County Land Advisory Board" and its duties, the major points of which follow:

The Board will consist of five members, one State Senator and one representative and three qualified taxpayers and residents who will serve without pay. The members will serve six-year terms after the first, and will be appointed by the District Judge.

The Board's general task will be to further the land policy of the State of Montana. This policy is, "To Promote the conservation of the natural resources of the state; to provide for the conservation, protection, and development of forage plants, and for the beneficial utilization thereof for grazing by livestock under such regulations as may be considered necessary; to put into crop production only such lands as are properly fitted therefor; to encourage the storage and conservation of water for livestock and irrigation; to place the farming and livestock industries upon a permanent and solid foundation; to extend preference in sales and leases of lands to resident farmers, stockmen and taxpayers; to gradually restore to private ownership the immense areas of lands, which have passed into county ownership because of tax delinquencies."

In performing this function the Board will elect its own chairman and the clerk shall be the County Clerk charged with keeping all records. Its field will be all county land. It will hold regular monthly meetings to advise with the Board of County Commissioners regarding matters dealing with or affecting lands.

Some of the specific duties of the Land Advisory Board are: Recommend reexamination, classification and appraisal of lands; cooperate with the Board of County Commissioners in establishing grazing districts; may be called upon to assist in the exchange of lands, advise in fixing fees, terms and conditions of grazing and agricultural leases.

COOPERATIVE GRAZING ASSOCIATION

Articles of Incorporation

Know all men by these Presents: That we, the undersigned residents and citizens of Montana, desiring to become incorporated under Chapter 66, Laws of the Twenty-third Legislative Assembly, State of Montana, for the purpose of organizing a cooperative grazing district association, do hereby
make the following statement to the Secretary of the State of Montana in accordance with said law:

1. The name of this association shall be: “................................. Cooperative Grazing Association.”

2. This is a cooperative organization without capital stock and is not operated for profit. The purpose for which it is formed is to make possible the acquisition, control, conservation and beneficial use by its members of certain grazing lands lying in ................................................ County, Montana, to the end that the members of the association may stabilize their farming and ranching operations.

3. The ........................................ Cooperative Grazing District shall be situated wholly within the boundaries of ....................... County, Montana, and the office of the Association shall be located in ........................................ County, Montana.

4. The membership fee of this Association shall be $5.00.

5. This Association shall have a duration of forty (40) years.

6. The individuals who subscribe to membership and acknowledge these Articles of Incorporation, together with their residence and the legal description of their lands, follow:

<table>
<thead>
<tr>
<th>Name</th>
<th>Address</th>
<th>Description of Land</th>
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IN WITNESS WHEREOF, the said parties of the first part have hereunto set their hands and seals the day and year first above written.

Signed, Sealed and Delivered in ...................................................
the Presence of

..........................................................................................

..........................................................................................

 County of ........................................  } ss.
STATE OF MONTANA } ss.

On this ................ day of .......................... 19......, before me, a Notary Public for the State of Montana,
personally appeared ........................................................,...
known to me personally to be the persons whose names are subscribed to
the within instrument, and acknowledge to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year in this certificate first above written.

..........................................................................................
Notary Public for the State of Montana.

My commission expires............... residing at............... Montana

AN OUTLINE OF PROVISIONS TO BE COVERED IN THE CORPORATE
BY-LAWS OF A GRAZING DISTRICT ASSOCIATION*

I. Name of association.

II. Purpose of association—State these and accompany with enabling
clause, “To do any and all things just, lawful, and necessary in
carrying out the purposes of this association.”

III. Membership. Who may be members and their qualifications.

IV. Officers, Number and Qualifications. Powers, duties, salaries, method
of filling vacancies, and tenure of office.

V. Directors, Number and Qualifications. Powers, duties and method
of filling vacancies.

*To serve as a guide in the formation of other associations, the Agricul-
tural Economics Department at Montana State College, Bozeman, will
furnish on request, copies of the Mizpah-Pumpkin Creek Grazing Associa-
tion's constitution, by-laws, land purchase contract, land lease, notice of
grazing applicant, letter of withdrawal and grazing permit.
VI. Time, place and method of elections of officers and directors.

VII. Meetings of members. Provision for time and place of annual meeting and order of business procedure. Provisions for other meetings, as to method of calling, etc.

VIII. Meetings of directors. Provisions for regular meetings and method of calling special meetings.

IX. Voting. Provisions regarding (use of proxy, quorums, etc.)

X. Provisions for dues, fees, assessments, liens on livestock for unpaid grazing fees, bonds for treasurer, and other fiscal arrangements. Penalties for violation of by-laws and regulations of association.

XI. Dates of fiscal year for association.

XII. Provisions for accounts and audit.

SIGNATURES

<table>
<thead>
<tr>
<th>Name</th>
<th>Post Office</th>
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INFORMATION REQUEST

I hereby certify that the following is true to the best of my knowledge and belief:

Years I have run stock in this area

Average number of stock for these years: Cattle

Sheep

Horses

Stock at present: Cattle Breed

Sheep Breed

Horses

Months of the year these livestock generally run on this area

Acres of land owned

Acres of land leased

Acres of land in cultivation, including tame hay

Average amount of hay put up (tons)

Number of stock I would like to graze in the district:

Cattle

Sheep

Horses

Signature:
## I. LEASE VALUES OF RANGE LANDS IN THE GREAT PLAINS AREAS OF MONTANA*

<table>
<thead>
<tr>
<th>Land Grades</th>
<th>1. Based on 1890-1930 average Montana Ranch prices for livestock 7c beef, 6½c feeder lambs, 23c wool, 2c old ewes.</th>
<th>2. Based on a low price condition — Montana Ranch prices, 5c beef, 5c feeder lambs, 1c old ewes, 17c wool.</th>
<th>3. Based on high price conditions — Montana Ranch prices, 9½c beef, 9c feeder lambs, 5c old ewes, 35c wool.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forage Acre</td>
<td>annual lease value per acre</td>
<td>annual lease value per acre</td>
<td>annual lease value per acre</td>
</tr>
<tr>
<td>First Grade Range</td>
<td>&quot;</td>
<td>17c</td>
<td>&quot;</td>
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<tr>
<td>Second Grade Range</td>
<td>&quot;</td>
<td>11½c</td>
<td>&quot;</td>
</tr>
<tr>
<td>Third Grade Range</td>
<td>&quot;</td>
<td>8½c</td>
<td>&quot;</td>
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<tr>
<td>Fourth Grade Range</td>
<td>&quot;</td>
<td>6½c</td>
<td>&quot;</td>
</tr>
<tr>
<td>Fifth Grade Range</td>
<td>&quot;</td>
<td>3¾c</td>
<td>&quot;</td>
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</table>

*Based upon material taken from unpublished studies of the Department of Agricultural Economics of the Montana Experiment Station. Forage acre allowances of one forage acre per cow per month and .25 of a forage acre per ewe per month have been used as standards. The income available to pay lease rentals has been determined under these different price conditions from studies of operating costs and income from these price conditions of some 200 cattle and sheep ranch records kept through a series of years. The land grades upon which this table is based are explained by Table II. Computations are first made for the forage acre and this is translated into surface acre lease values for different land grades.
II. GRADES OF MONTANA GREAT PLAINS RANGE LANDS BASED UPON CARRYING CAPACITY

<table>
<thead>
<tr>
<th>Grade of Range Land</th>
<th>Forage Acres per Section</th>
<th>Forage Acre Factors</th>
<th>Cattle (cows or their equivalent) per section for a 10 months grazing period*</th>
<th>Ewes per section for a 10 months grazing period*</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>256 or more (average of 288)</td>
<td>.400 or higher (average of .450)</td>
<td>25 head or more (average of 29)</td>
<td>100 head or more (average of 116)</td>
</tr>
<tr>
<td>Second</td>
<td>168 to 240 (average of 200)</td>
<td>.262 to .375 (average of .310)</td>
<td>17 to 24 (average of 20)</td>
<td>68 to 96 (average of 80)</td>
</tr>
<tr>
<td>Third</td>
<td>128 to 160 (average of 145)</td>
<td>.200 to .250 (average of .230)</td>
<td>13 to 16 (average of 15)</td>
<td>52 to 64 (average of 60)</td>
</tr>
<tr>
<td>Fourth</td>
<td>96 to 120 (average of 108)</td>
<td>.150 to .190 (average of .170)</td>
<td>10 to 12 (average of 11)</td>
<td>40 to 48 (average of 44)</td>
</tr>
<tr>
<td>Fifth</td>
<td>88 or less (average of 64)</td>
<td>.140 or less (average of .100)</td>
<td>9 or less (average of 6)</td>
<td>36 or less (average of 24)</td>
</tr>
</tbody>
</table>

*Based upon a forage acre allowance of one forage acre per cow per month and .25 of a forage acre per ewe per month.