f 4a] Larger firms, less output/land. Conc. assets > conc. output

Poli & Engstrand.

p.64 p. 356. Jap. spec. in "intensive crops w. hi returns pr acre".

Interplanting, double cropp'g, & much hand labor, "evacuees got production & incomes on these small farms often comparable to those of other farmers w. larger acreages of similar crops." (& of course much more than those grow'g less intensive crops.)

Evacs had c. 20% of veg. acreage, probly a higher % of the output.

---

s405 Millis, H.A. "Some of the Ec. Aspects of Jap. Immigration." AER 5(4): 787-804 (1915)

p. 800. Hi output/acre, hence pay hi rents.

Nat. Def. Mign-n US Cong, H. Hrgs bfore the Select ~~sub~~comm. invest-g nat. defense mign-n. HR, 77th, 2d, pursuant to H.Res. 113. (~~Part 30~~)

s406. Date?. p. 11341. Specified areas around Portland, Ore. 7ms op. by Japanese, citizens & nationals. These are all there are in Ore. w. of Cascades.

p. 64

No. of fms 304

No. of families 405

No. of people 1182

Acres 9,583 (owned & leased, mostly latter)

ave. fm. $\frac{9,583}{304} = 31$ acres

Value of crops, (1941) $2,711,836 ; per acre, $\frac{2.7m}{.009} = \frac{2,700}{9} =$ $300

% of crops raised by fms of this area 60%

p. 11313, & also 11341 ff.; comments on great skill of Japanese, raising tricky crops. Others haven't bothered – E.g., 11313, Ronald Jones of Brooks, Ore, says on good land can grow celery, tricky, or onions, easy. Caucasians content w. onions, get good enough hrs. Jap. raise celery. Evac. of Jap. wd. reduce celery output "materially".

p. 11824 re Cal. Japs grew $32.4m on 194,000 acres. or $\frac{32}{.2} = \frac{320}{2} =$ $160/acre. Quite a comedown from Ore. figure. How come?

Remember, these are prewar prices.

p. 11815 Truck crops, $\frac{\$30-35m}{200,000 \text{ acres}} = \frac{30}{.2} = \frac{300}{2} =$ $150/acre.

Large, mech. fmr gets less per acre: (from B. Brown) Jr)

Beets, machine harvester rips up greens so not used for pig feed, etc.

Cattle, use cow as harvester, tho he stomps down much. Instead of cutting hay & bringing it to him.

Japs gross several thousand $/acre from gladiolas, etc. Call in relatives etc. to do it.

Tomatoes.

Poli, Alden. "Japanese Farm Holdings on the Pac. Coast." BAE. Berkeley: '44 (mimeo)

s404 somewhere: Jap tnt fms ave. bigger than owners.

p.1 1940. Cal, Ore, Wash. Op. 6,118 fms, -84% in Cal. w. 258,074 acres, valued at $12.6m.

2.2% "of the number & value of all fms" — i.e., is same for both. So they have assets of ave. value? No, for they have only 0.4% area.

0.4% land in fms

1.5% cropland hvstd.

p.2 ave. 42 acres, cf. 231 a. state ave. "In gnrl, Jap fms op their land more intensively than other fms."

p.64 70% were tnts

p.10 More intensive. On Jap fms, 16% gross fm acreage was hvstd; on all fms, 20%.

1940, Cal. Ore. Wash.

p.20 2.2% of fms

0.4% land in fms

1.5% cropland hvstd

2.2% value of land & bldgs.

1.4% value of bldgs. (so they were land intensive) (less mobile tnts)

2.9% value of T&M

42.2 acres, ave size

32 acres cropland hvstd, cf. 47a. coast ave.

$12,000 ave. value, same as coast ave.

5339

Carpenter, E. Alvin. "Farm Size in Calif." BAE, Berkeley, '40, mimeo.

p. 30 Typical small acreage high output fm is poultry. Family labor. Intense cap, little space.

p.67) p. 42, Table 9, from '30 census Vol. III Pt. 3., for Calif., aves.

	acres/fm	Value of products sold, traded or used per fm.	Value/acre Land & bldgs.	output acre. (computed)
Cotton	167	$1.1 t	123	$42
Poultry	27	3.6 t	345	$137
Fruit	60	4.2 t	479	70
Truck	77	8.9 t	376	116
Stock ranch	2,920	10.5	18	

p. 31: This value is mostly coops & runs.

etc.

$$167\overline{)7{,}100.}\quad 42.$$
$$678$$
$$320$$

$$60\overline{)420.}\quad 70.$$

$$27\overline{)3{,}600.}\quad 137.$$
$$27$$
$$90$$
$$71$$
$$190$$
$$189$$

$$77\overline{)8{,}900}\quad 115$$
$$77$$
$$120$$
$$77$$
$$430$$
$$385$$
$$450$$

Stokdyk, E.A. "Corporation Farms." Ks. State Bd. of Ag, 27th Biennial Rept, 1929-30. pp 77-84 (n.d.)

S398

p. 80, Table I & II

Year	Inc. per corp. fm	Inc. that corp fms should have to be comparable to all fms. (based on all that corp. fms. ave. 20 x larger)
1919	7,670	11,300
'20	-713	-1,920
21	-3,913	180
22	24	3,540
23	3,767	4,100
24	-200	5,740
25	nd	6,960
26	1,347	5,500

Source: Crops & Mkts, July 1928; & BIR., stat of inc. rpts.

Adams:

25 acre cotton allotment

13 bales, 1955

Smith

1800 acres

700+ " allotment

150 bales

Delta Pine & Land

"Operates" 38,000 acres

1954, put 1,292,412 cotton undergoing

Wall Street Journal
Pac. Coast Edition
3/5/56
From Bob T.

er at Calif. 10 CENTS in U. S. Territories and Possessions

Cotton Contrast

Big Farms Fare Best, Small Units Struggle Under Price Supports

Deep in Debt, Farmer Adams Hunts a Job; The Smiths Buy Two New Tractors

"A Rock and a Hard Place"

BY JERRY BISHOP
Staff Reporter of THE WALL STREET JOURNAL

WAXAHACHIE, Texas — Cotton farmer Lloyd Adams was turned down the other day for a $1,200 loan by the Citzens National Bank here. It was the first time in 25 years the bank had refused Mr. Adams, who needs the money to pay farming expenses until his crop comes in next fall.

"You just wouldn't be able to raise enough cotton on 25 acres to pay it back, Lloyd," explained E. M. Wallace, the bank's vice president.

About the same time Mr. Adams was trying to get a loan against his next cotton crop, another Texas farmer some 400 miles to the west was watching seven tractors drag four-row plows through 1,800 acres of red sandy soil on Texas' high plains near Slaton. To that farmer, J. C. Smith, Jr, and his brother, Elton, the roaring tractors marked the start of another cotton crop—one they hope will bring in a profit at least equal to the $33,000 they netted in 1955.

Economic Contrast

The contrasting situations of Farmer Adams and the Brothers Smith point up a purely economic aspect of the "farm problem"—a problem which has historically gotten political "solutions." The Smith farm is big, mechanized, efficient and probably would be profitable whether there were price supports or no. The Adams farm is small, requires lots of hand labor because Mr. Adams can't afford machines, and is inefficient. Not even price supports have enabled Mr. Adams to make a decent living as a farmer.

The price-prop problem has been summed up this way by Dr. Arthur A. Smith, vice-president and economist of the First National Bank in Dallas:

"If the Government supports prices (directly or indirectly) so that the average or below-average farmers get 'what they should,' then the best and above-average farmers are going to benefit far out of proportion. If supports are keyed to costs of efficient operators, the 'problem' remains bad statistically, because the less efficient are in trouble."

Of course, even the 1,800-acre Smith farm is small besides some cotton operations. For example, Delta Pine & Land Co. of Scott, Miss., operates 38,000 acres. It won't say what profit it makes, but in 1954 this British-controlled company put $1,292,472 of cotton under Government loan.

Import of Acreage Cuts

A good part of Mr. Adams' difficulty stems from acreage cutbacks he has had to make to qualify for price supports. Federal allotments for 1956 are 30% below 1953, the last year cotton was grown without acreage restrictions. The Smiths have had to curb their plantings, too, but the economic pinch has hurt less on their sprawling acres.

In addition to cutbacks, farmers like Mr Adams have been getting less for the cotton they did grow. In mid-December, prices received by cotton farmers averaged about 31 cents a pound, down nearly a cent and a half from a year earlier and only about three-quarters of the peak 1950 price.

The price decline, nowise limited to cotton farmers, is reflected in the skidding national farm income, which in 1955 dropped to an estimated $11 billion, down $1.3 billion from 1954 and off a whopping 26% from 1951.

The Big Surplus

Hovering over the cotton market is, of course, the 11-million-bale surplus stacked up in Government warehouses. This lofty pile is expected to rise even taller—to a record 14 million bales by next August.

Mr. Adams, 49 years old and graying, is typical of the small farmer who has cultivated much of the cotton-producing South since the end of the 19th century. His farm is the traditional "small family farm." In the 1920's, he and his father helped make their home county, Ellis, one of the top cotton producing counties in the nation.

But in 1954, Mr. Adams, which isn't his real name, turned up in the farm census as one of the 936 Ellis County farmers each of whom had total produce valued at less than $2,500. The number of such low-income farms in the county increased 50% from 1950 to 1954, mostly because of acreage cutbacks that left farmers with less cotton to sell.

Lubbock County Contrast

In sharp contrast are the Smith brothers, whose farm is fairly typical of the vast irrigated and highly mechanized cotton operations in parts of the Southwest and West. Lubbock County, where the Smith farm is, has become the top cotton producing county in the country in less than 15 years.

The Smith place was among the 615 farms in Lubbock County which sold $25,000 or more off the land in 1954. These 615 were about a third of the county's commercial farms and represented a 25% increase over 1950.

Mr. Adams lives with his wife and two sons in a four-room house on his 65-acre farm near Waxahachie. The farm was bought by Mr. Adams' father, who migrated from Tennessee in the late 1800's. The black land has proved fertile, producing 250 to 300 pounds of cotton to the acre year after year.

Last October, Mr. Adams brought in his 1955 crop—13 bales of cotton off a 25-acre allotment and several busheis of grain sorghum and corn grown on the least productive acres. The cotton brought a ~~gross~~ net profit of a little more than $1,200, after Mr. Adams paid such costs as hoeing ($5 an acre) and picking (about $35 for each 500-pound bale). The $1,200 was less than half Mr. Adams' cotton return in 1953, when he was able to plant his entire farm in the fibre.

The day after Mr. Adams sold his cotton,

Please Turn to Page 9, Column 1

Cotton Contrast: Big Farms Prosper, While Smaller Units Have Struggle

Continued from First Page

he handed over almost all his $1,200 of cotton money to the bank. This was to pay off the loan he had made at the beginning of 1955 to meet that year's planting and growing expenses.

Since October, Mr. Adams has run up another debt to the bank of $525, money borrowed to meet grocery bills and other living expenses while he seeks a job in town. Although Mr. Adams was refused a $1,200 cotton loan, the bank did extend him $200 cash to pay taxes and insurance now due and seven cashiers checks for $85 each, one to be cashed each month to carry Mr. Adams' farm until picking time.

"I'm just too small," sighs Mr. Adams. "You've got to have machinery to get by the way these cotton allotments are today and I don't grow enough cotton to buy machinery." His only equipment is a small tractor, barely large enough to plow two rows at a time. When he needs a larger tractor for spring planting, he borrows one from a neighbor.

Mr. Adams is caught, as he puts it, "between a rock and a hard place." In order to buy machinery and use it efficiently, he would need more land. The only way he can expand is to rent land. But, as he explains, no landlord will rent land unless the tenant has the machinery to farm it.

Farm economists say Mr. Adams has pretty well pegged the reason for his difficulties — smallness.

All Farmer Could Handle

"Before 1940, a 65-acre farm, using horse-drawn two-row equipment, was about all one man and his family could handle," says A. C. McGee, associate professor of agricultural economics at Texas A. & M. College and the school's specialist in farm management. "At that time a man could make a good living on a farm that size"

"But now, with the shift from horse power to tractor power, Mr. Adams' farm should be at least three to four times as large as it is in order to make efficient use of the land," Mr. McGee explains. "His farm right now is too small to keep him or any modern farming equipment fully occupied."

The Smith brothers, in the arid southern end of the Great Plains, are in almost complete contrast to Mr. Adams. They farm 1,800 acres of land their father began building up in 1926 when he moved to the plains from a 100-acre farm in the Texas "Blacklands." The brothers and their families live in two separate six-room houses, both recently remodeled. Their wives enjoy such modern conveniences as home freezers and automatic washers and dryers, appliances not found in the Adams home.

A fraction over 700 acres of the Smith farm is allotted to cotton this year, the remainder is usually sown in grain sorghum.

Last October, the gins at Slaton processed 750 bales of cotton for the Smith brothers. Their yields ran as high as 1,000 pounds an acre in some sections.

By the time the cotton was sold, the two brothers had a gross income of $112,000, about 90% of which came from cotton. After expenses and $28,000 paid to their father for rent on the lands (one-fourth of the cotton income and one-third of the grain income), J. C. and Elton netted $33,000.

A big advantage the Smiths have over Adams is their $50,000 worth of farm machinery—seven tractors with accompanying plowing and cultivating equipment, 15 irrigation wells, a self-propelled combination harvester and thresher for grain, five trucks and, most important, three mechanical cotton harvesters, known as "strippers." These machines, costing $1,200 to $1,400 each, strip a matured cotton plant of its cotton, bolls and leaves in seconds.

"We had a little less than half the cotton handpicked this year by Mexican contract labor," recalls J. C. "The handpicking costs us about $32.50 a bale. The other half was stripped. That costs us about $5 a bale, including maintenance and depreciation on the machine."

The irrigation wells, for which a pump and motor alone cost more than Mr. Adams' tractor, provide the life blood of the farm. Rainfall here averages slightly less than 19 inches a year compared with over 34 inches in Dallas at the north end of the Texas blacklands and nearly 31 inches at Des Moines, Iowa, in the Corn Belt.

"On irrigated land we make one and a half to two bales to the acre" J. C. notes. "On the 180 acres of dry land cotton we have, we make about a half bale to the acre."

With the exception of two new tractors bought in December, the Smiths' latest capital outlay was for three-quarters of a mile of aluminum pipe, costing about $1 a foot. The light, portable pipe is used to carry water from irrigation wells to the fields. Previously, open ditches were used.

"In the ditches we used to lose 30% to 40% of the water through evaporation and seepage," J. C. explains. "We should save that with the pipe, and the water we save is worth more than the $1 a foot the pipe cost."

Such labor-saving and cost-cutting innovations are out of the reach of Mr. Adams. Consequently, he can't produce cotton nearly as cheaply as the Smith brothers.

Cotton prices now are at a break-even point for Mr. Adams; income from his small crop is just enough to meet expenses of the next crop.

"I certainly couldn't break even if the price goes below 30 cents a pound," he says.

For the Smiths, the break-even price for cotton is 20 or 21 cents a pound.

"You couldn't make a living off 21-cent cotton, but it would be enough to pay farming expenses," says Elton Smith.

The fact that Government price supports have kept U. S. cotton prices as high as they are has been of dubious advantage to such small farmers as Mr. Adams, some economists argue.

"Prolonging the Agony"

"You might say the relatively high prices have prolonged his agony," comments one bank economist. "The prices are just high enough to keep him on the farm but not high enough to provide a living. He probably would have left the farm long ago if it hadn't been for the price supports."

Declining income of farmers like Mr. Adams is dragging down other businesses, too.

"About two years ago we lost six concerns inside of 18 months and another one, a drug store, is going out now," says Russell Bryant, editor and publisher of the weekly News-Herald in Italy, a town of 2,500 people 10 miles south of Waxahachie. "There hasn't been a new business started here for three years."

Windows of empty red-brick buildings stare out on the four-block-long main street, built in the 1920's. In one block alone, three of eight buildings are vacant. White enameled and glass meat cases still sit in one abandoned grocery store.

"The small farmer is dropping out mighty fast around here," observes George Couch, president of Italy's First National Bank. "We've actually got fewer people than we had 25 years ago." Mr. Couch's deposits have sunk to $1,190,000, down about $500,000 from 1953.

C, BI

CP sold much to smaller speculators, too. Their lands did not turn over nearly as fast as those of big ones. p. 164 (why? Were they the extremist-miscalculators? Were they waiting for effect of advertising to seep into their lands?)

(Why didn't these speculators themselves arrange some use of land while waiting? Was it too costly to arrange for some use that would last just a few years? Did they want to prevent prospective buyers from seeing it in use & hence losing some illusions?)

W

Poser:

Chap III, Fig. 4: ~~does~~ is AP of land is net of depreciation & turnover?

"Output" is value added, on site, usually, I imagine. But in fig 4, does it matter? Have fixed complements, only land varies.

AP & MP of land there cd. refer either to value added, or gross. In either case, wd. still hold true that if MP of land was as hi on less intensive, AP wd. be higher there. So choose whichever more convenient for data. Gross is. Ok? But this implies 2 diff. concepts of MP.

Simile: take a ~~tunnel or~~ bridge, trains pass over. Figure input & output as train goes by.

January, 5

p 186 Phillipine Census gives farm area controlled by, tilled by, diff. tenure groups. Marked contrasts. For 5 provinces. Below is typical, for Pampanga. Ha.

ch 3

	Owners	Mgrs	Part Owners	Tnts	Total
area controlled	18,000	~~21,000~~ 21,900	17,000	63,000	~~121,000~~ 120,700
area cultivated	~~13,000~~ 12,600	1,300	15,400	59,400	88,700

Note mgrs worst of all. Tnts & Pt owners use to hilt. Full owners not too hot.

5151

Lafollette pt. 62, cont. 5323

Exhibit ~~22850~~ 9592, pp. 22850—85.

Fnel data on many large fm corps, show's immense range of gross sales to l.v.

But figs probly not reliable, source not clear.

But cf. in gnrl vs smaller fms.

1940 Census, Special Cotton rep't, p. 2-3

Classify fms by bales of output. Give yield per acre for fms so classified. It rises greatly & consistently as bales rise from smallest to largest.

Is the 'fm' the pl-n or the cropper's 40 a.

Output (bales) of fm	Yield/acre (bales)
1 or less	0.1646
$40\frac{1}{8}$ - 45	0.5927
Over 500	1.1276

~~Absentees larger,~~ ~~Private~~ less used
c ~~Private~~

p. 28 roughly. Private residents ind.s had more small hold.s, corps & absentees the large. [S92, p2, corroborates] S93

Large
c) ~~Absentees~~ less intensive

p. 31 'Permanent crops' & ~~garden~~ are concentrated on smaller hold.s, 'field crops' on larger. 'Garden crops' pretty evenly distrib. S93

Ch. 3

(not syn. w. absentees)
Corps have poorer land, tend toward livestock. (probly better land more residentially desirable, affects)

Big op.s do more spec. crops, shift rapidly. So flexibility is one of their advantages. Or ~~instability~~ instability, as Pol calls it. S93

[redacted]

There is certainly a place in agric for this type, who can move in & out quickly, giving supply more flexibility than family farms do. Diseconomies of big specs probly are matched by this big ec. I wd never predict that Ivt wd drive them from existence.

595

Chap 7, pp. 91-96, cfson of farms over & under 40 acres. The group was all the farms under the Montrose & Delta canals, they were intermingled.

The small group, ave. size was 23.7 acres; large, 91 acres.

He says land was all same quality. Two conflicting tendencies to reconcile, re this: poorer land, used less intensively, would go to bigger units; better land, requiring more capital to buy, would go to bigger units. How to know which prevailed?

c smaller better

On small farms, much higher % land was irrigated & cropped.

pay more taxes

Small farms are assessed & taxed about twice as much per acre. He recognizes this may be because they have more improvements. They go in more for fruit, which of course takes more capital per acre. Critics of small farms also stress that they take more unnecessary capital per acre, items of large opt. size, due to being so small. But this may be just another way of saying that the land is used more intensively. The machinery may not be so productive on the small farm, because working down to lower margin. But this is not to say the total use of resources is less good.

Get quote (after using to show large unused)

Melcher, 2

Large farms go more for potatoes, row crops.

Alfalfa, with dairying, also small farm specialty.

more resid. sat values

Largerfarms go more for crops producing high m returns; smaller farms go less for these -- I presume because they are so much more for residential satisfactions, they choose types of crops they enjoy producing more. Fewer row crops esp., whi h are the ones producing more income per acre.

In result of this, crop values, in terms of explicit money yields, are slightly larger per acre cropped on large farms -- altho m smaller per acre in the farm, as much of large farms not cropped. Also smaller per irrigable acre, as much irrigable not irrigated on larger farms.

The smaller farms have more capital per acre in farm.

1. Class I fms, ave. 2,422 a.,
400 a. cropland harvested
$56,000 per farm, annual output. (or more than ~~almost~~ 50% the declared value. Unlikely. Even if net is ½ gross.)

Understate lv on larger fms?

Declared vlu, $46/a. That is $110,412. per fm.

2. 8% Cl. I fms op by ~~tnts~~. } tells nothing of area or value.
75% " " " " owners, full & pt.
9% " " " mgrs. (I presume by subtraction).

Large fms not tnts

3. Ave. vlu/fm surely high where are hi % fms in & hi classes.
Belying my hyp. that ~~they~~ ave. hi in w. just bcs few very small there.

~~4. Not clear that hi value/acre = hi vlu/fm. Except e. of Miss.~~

$15\overline{)6.0}$ .4

$64\overline{)42.0}$ .65
384
360

$42\overline{)32.0}$ .76
294
260
252

55 Kern Cty land, ~~it~~ owns 49,000 acres out of 58,000 in the

c) 'North Kern WSD'. 'Most of this land is still undeveloped. The 590

Undeveloped KCLC corp. is in a favorable position, so far as water supply is concerned...'

It owns the water rights - Posa Creek, & Kern R. Etcheverry cited

that N. Kern WSD 'has three existing rights nearly an adequate supply from

the Kern R., w/o acquiring CVP water, to meet its full ultimate

water requirements.'. Packard observes KCLC then has plenty of water for its own

land, as it doesn't own all land in NKWSD, but owns all water, & not bound to serve other lands.

O'Neil hldg is Santa Margarita ranch (now camp Pendleton, I presume)

Irvine Ranch formed by consolidating several Mex. grants (as if they weren't already too big) S104

Malibu Ranch, held by Rindge family, nw of Santa Monica. c. 16,000 a., also an increase over the Sp. grant.

p14 "The dominant form of the lrg hldg is the tract which has held the greater part of its boundaries undisturbed ~~since~~ from Mex times.

d Conc. not just due to original pattern

Nevertheless, there has been enough 'loose land' ---fragments broken off from th orgnl estts & lesser indep areas--- to frnsh nt only mst of th sml hldgs but also new consoldiations into large hldgs. In modern tms thr hs bn bth conc & div, ea on a considerable scl." S104

Sta B. cty, grtst persistence of old estates; LA Cty, grtst dismemberment & also reconsolidation.

Conc. Types of big hldgs. Underused

p15 "Some tracts, of which the hldg of the Orena fmly in S Barb cty is perhaps typical --- (sic) are the ancestral inheritance of the old Cal families. S104 On the assessor's books vs ea of the fmly hds is ass. 'the undivided 1/5' or 'the undvdd 1/8' of many prcls of lnd whch together make a grt area. Some of the land is cult, but not to the best advantage, & the estate is held together thru family sentiment. Another extensive hldg, like that of the Rindge fmly, in LA Cty, reps an Am succession to a Sp-Mex ownership & the est of a manorial estate. This instance is, however, extreme; it is the instance of a little principality, defiant of law & of public sentiment, det to live its indep life regardless of the demands & the interests of a society with which it is in perpetual discord. Its conflict with the outside world is an ever-recurring issue in the courts. It holds to its land, of which it makes small use, merely thru an obstinate pride of possession.

d

cf. WPA, Cal, p. 416, on May K. Rindge

Thr is the highly centralized co which carries on fmg op-s by modern methods. Sometimes it is overcap-ed & oversystematized, & its ops are carried on at a loss, as ws th case of the Timken Ranch Co, of Imp Cty, whose absentee owner, a wealthy mfr, has finally decided to partition his hldgs. In other cases, as in the instance of the T.B. Bishop Co, of Sta B Cty, it is conducted under practical & efficient methods at a profit."

Other types: stock raising, Mendenhall Cattle Co of SD cty

Tract offered for subd sale, meantime farmed: Patterson Ranch Co, Ventura Cty

Tract bt solely for subd & sale, w/o dev other than of wtr res.s, common type in San Bern, Riverside, & LA cties.

Tracts developed by planting trees, then offered for sale, Orange & Riverside cties.

Conc & underuse

S104

p29 "Of ld nt dvtd to its mst prdctv use thr ar also extensv areas. Lrg hldgs do nt ~~knx~~ lend thmslvs to intnsv cltvtn. Whr th sml hldr is thrfty w his opps th lrg hldr is prdgl; & wht is tlbl under th mst modern cndtns to th mn who owns 20 a.s is either untlbl or unirrgbl to th mn who owns 10,000 a. An expert on lnd cndtns asserts tht 18,000 a.s on th grt SJoaquin ranch, in Orange Cty, now dry fmd, cd be wtrd frm wells alrdy in exstnc & cnvrtd into th mst vlubl lnd; & this est ws rsd to 25,000 a.s by the fld agnts of th ag inquiry of Apr, 1917. .....One may fnd these insncs, tho in varyg degree, in every cty. Lrg areas wch wd sprt in cmfrt a grtly incrsd rrl pop & add enormsly to th riches of th cmmnwlth are withheld frm thr best use or frm any bnfcl use whatever."

p7 "6. That a considerable part of this tillable land lies idle, & tht another cons pt of it is not dvtd to its mst bnfcl use; tht tho thr are mny 1,000s of persons eager to get access to this lnd, much of it is not for sl under any circumstances, & tht sch prtns as are fr sl ar hld under ps usly beyond th prdctv vlu & on tms of pymnt whch mn grt hzrd or ruin to the prchsr."

Idle, & conc.

Diff mns → idle

5104

pt 6 above rfrs to 2,295,140 acres in SC, non-r.r. & non public, held by 250 owners about, comprising ½ the census "land in farms" in the 8 cties of SC. 5104

32 of these holdgs exceed 15,000 acres; largest is 183,399 a.

Besides this, SP holds 2,598,775 a

More esp., it refers to 666,886 a.s, or 29% of the 2,295,140, which are "now or potentially tillable".

Figures for 1917.

Not presented clearly enuff to be sure of seeming conclusion that just ¼ land held by owners with under 2,000 acres. Maybe SP gob mentioned is much desert?

p 11, they break down by cties. & 1.37m a.s they include are in San B ernardino Cty. So take all with salt.

p12, list 32 largest nonr.r. hldgs., give cty & acreage.
Jerome O'Neil (Inc James Flood) 183,399 a, SD & Orange
James Irvine, 101,000, Orange
etc

p12 Make it clear that they mean 50% of land in farms is in these c. 155 large hldgs over 2,000 a.

Write Corvallis, ~~or~~ Dept. of Soils; or Supt Doc.; for local Soil Survey Rep't.

Hicks, John R & Ursula K, 'The Incidence of Local Rates in GB' Cambridge, U. Pa., '45

d

Conc. & non-intensive use

p30:
"It frthr apprs tht a consid pt of the lnd in these lrg hldgs lies idle, tht another considerable pt of it is not dvtd to its bst use, & tht much of tht pt of it which is for sl is p-d far abov its prdctv vlu & offrd under cndtns which mk its purch by th ave landseeker hzrds & by the poor man imposs.

S104

d

Concentr. & idle land

p4 36% Siskiyou Cty held by CPr.r. ½ Kern Cty by 4 owners: KCLC, M & L, Tejon Ranch, SP. "There does seem to be ample evidence, however, that today the large landholders find it to their advantage 'to hold on' to the vast acreage of unimproved lands in their possession."
"That it wd be to the grt advntg of our stt to brk up ths lrg hdlgs thr cn be no dbt."

S104

Stigler, AER Suppl. June '42, pp 8-13

Summary of TNEC

Says Interna study of USS showed constms, short run. But how about the extra land used? If left that out of cost, as probly did, then real costs are dg w scale.

If MC are const., must be in decr. costs. Shows underuse of land and/or empty.

Michaelson, Leon C., Some size, income & organization characteristics of the ranches of 46 Montana Cties, 1938, Bozeman

Simpson, H.D; "The Incidence of R.E. Taxes"; AER June '32 – dist.s land & impr.s.

J S Mill, Principles of Pol. Ec. ^ Book I Chap IX, ¶ 4, (pp 144-54, Londan, Longmans Green, 1926 ed) S165

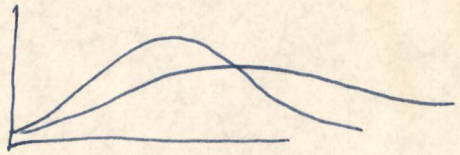
Asserts small farms produce more gross, no one denies, per acre. He thinks also very likely more net.

More net per acre he says. Some have stressed net per gross, he shows error, p. 150.

(But says 0 of disproportion of factors.)

p. 149 appeals to "the immense amount of gross produce which ..... Eng. laborers gently obtain from their little allotments; a produce beyond ofson greater than a large farmer extracts... from the same piece of land."

p 150. Large farm, by employing less labor, gets a "greater return in α to the outlay."



5173 p. 304: Cites Bachman, KL, & Jones, RW, "Sizes of Farms in the U.S." BAE Tech Bul 1019, July 1950, Tables 2, 19

Class	No. of farms	Investment per man equivalent
Large scale farms	102,000	$13,400
Commercial family		
Large	409,000	13,500
Medium	1,173,000	8,300
Small	1,662,000	4,560
Small-scale farms	923,000	2,320

p. 133 of 5168 Cites tables 28 19, ~~But 1019~~ 5169

	Investment per Worker 1944 (n.e. & pers. prop)	Value of Products per worker 1944
Large-scale	$13,381	5,447
comm. farm:	~~5,451~~	
large	13,457 ~~4,330~~	4,019
Med.	8,330 ~~4,330~~	2,588
small	4,562	1,249
Small Scale	2,324	635

~~Bye~~ ~~630.0~~ ~~U93t~~ ~~K. L. Buchanan & Ronald W. Jones, 1950~~

WLC

p. 124 Cites ~~USDA Tech Bul 1019, Tables 2 & 3.~~ S169, → Tfigs for 1944

Total Value of Products	No. of Fms	% of all Fms	% of all cropland	% of total value of products sold	
>$20,000 " Large-scale"		1.7	11.1	24.1	53 (384/7.2)
" Commercial-family:					
" Large					
$8,000 - 19,999		7.0	22.3	25.3	77 = 193/2.5
$3,000 - 7,499 " Medium		20.0	34.4	30.6	
$1,200 - 2,999 " Small		28.4	21.7	15.4	31 (= 46/1.5)
500 - 1,199 Small-scale		15.8	5.7	3.0	17 (= 22/1.3)
250 - 1,199 (sic) Part-time units (100 days work off farm)		10.3	1.7	0.9	
<$250 Nominal Units		16.8	3.1	0.7	
Total	5,858,889	100	100	100	

Ave. acres of crops hvstd per worker (computed from data in text, p. 125)

On p. 62, Table 25, S169, shows large scale fms, msred by gross output, have better land. So acreage msre of land, above, understates what "large" have.

Recheck labor densities from original source ... I suspect an error. Or else the large ones had much labor work'g on pasture land & other land not "cropland hvstd". Or did they account nothing for family labor? Or were the large scale men seasonal?

No — this is just natural result of choosing gross output as msre of size — include intensively used medium sized fms as 'large-scale'. Also, result of tak'g just cropland — for these data include graz'g units.

Also on small fms, men probly worked just part time.

Heady et al S461

p. 428, costs per acre. For 7 machinery combos. Envelope curve, they tend to fall, but flatten out at c. $15/acre after 640 a.

(These based on what fmrs can do, not nec. what do do.)

p. 431, At last, recognizes output/acre falls. Hence get Δg costs after a pt. His figs based on techn. possibilities, not actual experience. Gets LRC/output virtually flat from 320 - 1440 acres, at c. $30/$100 of output, "crop product"

(Note, incid, this means is c. $50/acre gross crop product. $50 output & $15 costs! What a spread! Of course these are just machine costs. Other inputs must be added to give full picture) (Heady doesn't adequately acknowledge what a small part of total picture he is covering.) (Rising cost of owner-mgmt at margin, esp.)

pp. 434 - 42, appear to contradict above, w. ~~regard~~ scale returns from some small samples. No effort to reconcile. But summary, p. 442, only mention first conclusion. "... the characteristic U-shaped ATC curve is obtained."

Berle & Means

Book I, Ch. 3

Concentration of Ec Power

1927, 2/3 corps < 5000/annum inc. 22,000 are inc, $.f00,000 gross asset are. 3½% return?

$100,000,000 gross assets approximate division of large from small corp. Most of the 200 are ~~over~~ it. ~~But~~ Use of 'gross' probly permissable, for they control the assets, even tho they be partly covered by debts.

But, of nat'l nat debt, the $81b gross of 200 largest is not so impressive. $165b total of all corp assets, c. 300,000 corps. How do corp assets of nat'l all assets? Doubtless roops & ptnrsps have another $80 b or more. Financial corps probly own much small-unit assets, which they rent out, but in general less solid assets.

Th. '29, the 200 had 43% corp inc, smaller than their assets warrant; perhaps ? because of depr. stability, etc. - more because this is net inc, bond int subtracted, & grants have more bonds.

These figures understate somewhat, for controlled co.s file separate returns. Pac., NE & Mountain Tel are later acquisitions of AT&T. - It owns majority stock.

c. 78% bus. assets are corp, est. This excludes farms, probly.

'28 nat wealth est $360b, 22% 'controlled' by 200. This from adding farms, residences, govt prop, pers. prop.

So: 200 have: 50% corp assets
38% bus "
22% nat "

Larger co.s also lead in pricing etc, influence beyond control even.

2000 individuals in control.

✓ Rapid growth of investment trusts, 20s.

200 have been growing about 5/3 as fast as average., 2½ as fast as all others. - & this in boom, when small grew well.

1920-9, inc of 200 from 33-43% total corp inc, next 600 stayed at 19%. In 1921, 200's inc. fell far less than others, rose to 37%.

F 200 est. increasing 3x faster than nat wealth.

Big corps save more of their inc.s. - c. 38%, '22-'27, of 28% ave.

F 29 some Stamson notes (¼ growth was from earnings. ½ growth from new sec., for 200) Not that small corps pay more div. dividends, but that net losses are included in net inc. figure, it is for all co.s. When small corps make profits they pay no more dividends than large.

'22-7, 2/3 new issues were by 200 or subsid. Which makes them be nice to stockholders incidentally.

B & Means, ch 3 bk 1, cont.

F ¼ growth by merger. Is this is different, ⅔ real exp. is by new sec, ⅓ by reinv. Of course it is the earnings which allow reinv. that promote new sec.

F '19-'29, 49 ~~of~~ corps who were on 200 once, were merged, disappeared.

Appendix II, income from property: & M, value of prop. It hardly jibes with the idea one gets from tables of inc. distr., which indicate upper 10% get ½ inc, & it is presumably mostly from prop, but property gets c. $6.3b in '22, 8.6 in '27.

1922

2.6	corp stock	All figures for those reporting inc. only, what was exemption?
.7	" bonds	
1.0	'other' } 3 'real estate'	
1.2	rent & royalty }	
1.0	int on pub'lic debt	
.3	" " local "	

This grossly understates prop inc of course. Implicit resid inc is great. Non corp 'entrepreneurial withdrawals' are great. Farm income. Undivided profits. Probly more if I looked. If nat wealth was 360b then, & int c. 4-5%, this is very low. This is only those reporting inc anyway.

Anyway, This is the property income which is said to be so significant; even tho a small %. To prove the size of rents one need only show that land is an appreciable portion of land-impr ratio in general, for these are source of prop. income.

Ratio of corp sec/total, 54% '22, 62% '27

r. e	34	28
govts	11	8

1922

Agric re & impr	53
res	48
"bus"	24
book value of corps	102
all govt debts	29

I doubt accuracy. Source not given.

corps 'engaged in trade' hold 3b
financial corps 12

Leg.

369 cites Dewing, QJE V 36 pp 84 ff, Nov '21, showing results of 35 mergers, earnings less by 1/5 after consolidation for 10 years.

36 "..owing to the profit in merely holding timber, many of the largest holders in the country manufacture either no lumber or an amount in no way commensurate with the amount of timber they own." 549

Sutter Buttes Land Co. 2000 a. ag. land, $250/acre.

152 gross rev. $219t; op., gnl & adm. 148,000

p. 63

$$2{,}000 \overline{)\,219{,}000} \quad 109.$$

$109./acre, gross.

Bob Kleberg, of Napoleonic energy & ambition, is dissipated over 1¼ m acres. Di Giorgio grosses c. $100/acre; ~~H~~ Kleberg, 56¢

Di Giorgio's land is worth? at $200/acre, wd be c. 4,000,000. & that is generous. Kleberg's worth c. twice that, conservative.

(~~recheck value of di G. stock?~~ no.

$$1{,}250 \overline{)\,70{,}000} \quad .56$$

$$125 \overline{)\,70.0}$$

625

750

✓ 9. Old Censi, note areas of largest fms by value of total fm assets are areas of land-intensive fms.

→ also, old 1900 Census msres fms by value of gross output — then probly has data on % that is land. So it does. 1900 census bg 5(1): lix-lxvi, l 230-47. Larger are more land intensive, ~~Correlation~~ ~~Analysis~~ ~~Cobb-Douglas production functions, technique.~~ ~~Correlation~~ ~~Analysis~~ as to labor, data are clearly just for hired labor, ~~but labor~~ ~~most variable of all, so these hi output fms tend to be labor intensive~~ illustry so natch very small seem to have very little, so is ~~illustry~~ ~~most variable of all, so these hi output fms tend to be labor intensive~~ Ave. value per acre of land tends to rise until very top group, over $2,500, then over falls a little. Probly very large brings in west, cattle, & other areas where control of good land brings control of all land.

What does this do to my conclusions in ch. 3 that
firms remain by gross sales, large are land intensive? Better
check!!

~~That tells as you can A output much by adding labor, intensive cult~~.
~~Thus MP labor hi, check 1950 Census.~~

Brady, in Bus. as System of Power, cites rept of Commissioner of Internal Rev. on Corp. Inc. & Excess Profit Tax Returns for '39

Corps ranked by "assets," are 395 w. over $100m.

Had 47% assets

" 37% ~~total~~ "net profits"

Paid 27.5% of all corp. taxes, & only c. $\frac{1}{15}$ ep.t.

Paid 39% of dividends

Cited in P.L.B. 13(5) : 5 ('43).

5324

The World's Biggest Ranch. 8(6) Fortune 49 et seq. (1933)

1,250,000 acres, 125,000 head (which spend 3 mo.s in Okla)

"annual op. "profit" $400,000. (300,000 more honest)

Rumors of 7m a. ranch in Brazil, 8m in Rhodesia, 2m in Patagonia.

p. 49 Recently Klebergs found ruins of a village in a pasture corner. Hadn't known it was there.

p. 50 In droughts, Mex. invade ranch, eat mesquite beans & prickly pear fruit. Ranch "feeds" them, in exch. they clear land.

About 500 pop of 1,250,000 a. -- 350 Mex. Cowboys, $1/day plus rm & bd. $5\overline{)12,500}^{2,500}$ 2500 acres per man.

p. 51 Most great ranch holders live in San Antonio, hire mgrs.

Klebergs stay on ranch.

p. 54 1500 miles of fence, divide ranch into 135 pastures.

p. 58 Parts of the year all is green, cooled from gulf.

Part of the land is very good – Novias West Ranch.

p. 60-1 abounds in game. Let in hunters, & they support us. Who so wd break it up.

p. 74. Very meaningful. Take total "invested capital" -- i.e. some estimate of assets -- divide into gross sales or receipts. Find that larger corps turn their capital over much slower than small. He vaguely says c. once a year for largest, up to 4 for smaller.

Now this tells us that larger have assets which turn over slower. That means land of course. If you have $1,000, and put it into inventories, your gross sales are $1,000 or so, and you net say 5% of that. But put it into land, and your gross sales are just say 5% of $1,000 each year, all of which you can keep.

So if sales are high, relative to total assets, that means a corp. or farm with much capital.

Incidentally, there is a big reason why the retired man puts his m into land. $1,000 in land involves only a small gross sales each year, much less mgmt involved than $1,000 put into vegetables. To get your 5% from the vegetables you must sell them all

, do $1,000 worth of business. To get your 5% from the land, do $50 of business.

Fortune, 2

Est. value $19m. 2% return, $400,000.

Direct op. expenses $300,000. (Labor, $150,000; food, supplies. No feed)

Taxes 100,000

Total expenses $400,000 (no depreciation?)

p63 ✓ Gross receipts $100,000. per acre, that is 1,250 | 700 (56¢ per acre.)
750
625
750

Cap-gain in livestock 100,000

$800,000

p. 90 Hi inheritance taxes. $1.7m when Mrs King died

p. 92. 10 acres/cow is very good. U.S. ave. near 50. (On comparable land?)

Discr. of scale ✓ Each acre has diff. capacity, & varies w. rain. Man must know ea. acre.

345 wells, (80 artesian), others wind pumped.

✓ Immense xptn problem, tending windmills.

p. 95 "Little Pasture" is 6,000 acres. (not much control over cattle there)

p. 96 How much is ranch worth? (w/o mineral rts)

In n., includes black land, richest in Tex. Such land, improved, once brought $150-200/acre. But they figure $23.75/acre, 90,000 acres., $2,137,500.

They once (1919) sold 35,000 of this to Chapman Ranch, unimproved prairie, @ $22.50/acre. Ch. put in $48/acre improv's (grubbing, cultivat'g) & in '33 figs value of $100/acre.

Of the 90,000 a. black land it kept, King R. has grubbed & cult. 10,000.

also: other land less valuable. Total, $8.8 m ~~$4/acre~~

Improvem'ts: maybe $4 m (in last 8 yrs, only $2 m spent) (& that was a big improvement campaign! less before)

Cattle " 5.6 m

Kleberg figs cattle are 1/3 assets, land 2/3, to any rancher.

p. 106 Kleberg's recent improvements have doubled carry'g capacity of ranch. (think what more cd. do)

$\frac{2 \times 4}{5} = 5\overline{)8.0}^{1.6}$

Eng., Idle. (might strain this in. Marthy, tho, is ferch. 3)

S 207, p. 155-56 (Geary)

cites "The Land" (my S 183) passim, 1913, of "undercultivation".

Cites R. E. Prothero, "Eng. Fmg", p. 401, 1912, re "underfmg".

Actually he never says "unused". but "underused," & assocs w size. May use in ch. 3.

s202

p. 294 Denmark, Small holders much more labor intensive than large, and accordingly choose labor intensive crops, which give much higher yields per acre. Root crops, winter feed for dairy herds.
p. 295 Also buy much food concentrates off farm (higher turnover hence); concentrates and feed grain. "The large amount of livestock on small farms also entails heavier investment in buildings per unit of land. The larger number of horses, however, is a disadvantage due to the fact that the horsepower cannot be adjusted so as to be fully utilized as on larger farms." (so this problem is nothing new with mechanization)

p. 296, Tables 13 & 14

Small more capital intensive

Table 13. Livestock per 100 ha., 1923 (on 9 islands)

Agric. land (ha.)	Horses, 2 yrs old & over	Cows	Pigs	Chickens
3-5	33	76	167	1,878
5-10	25	62	141	1,236
10-15	19	56	128	863
15-30	17	49	109	569
30-60	15	44	92	388
60-120	11	39	65	214
120-240	11	43	43	120
240 & over	9	44	25	56

From Danmarks Statistik. Statistiske Meddelelser 4, 78, 2

Table 14: re 1923-24

Size of farm (acres)	Family's return for work & mgmt, $s per acre
Under 25	$44.0
25-	18.7
50-	13.5
75-	10.5
125-	7.4
250 & over	3.5

p. 297 Large farms specialize in cereals, to economize on labor, mechanize. (Now why should they want to economize on labor when there is labor so much more crowded elsewhere? Must be due to diseconomies of using hired labor)

Large farms have grain surplus, sell to smaller farms, for feed.

p. 305: eastern coast sections, which have fertile soils, have higher % of land in grain.

Large holdings less used

c) ~~5~~ Much of the irrigable land now unirrigated is held in ownerships larger than 160 a. Refuting idea large farms are used more intensively. S115

So pasture grossly indicates low use, low output

Intensive livestock output is compatible w. hvy much land cultivated – does not nec. mean much pasture. Denmk, 83% fm land underplough, p. 145. Of course they import feed, but that comes fr from plowed land, too.

5201

Gay, 2

~~Leg. Soule, Efron & Ness, Latin Am. in Future World, p 63 on bot. 66, 70, 352.~~

p.260 Export g, led to single cropp'g, encourages bigness. Govts encouraged, setting most sales from export duties. S148

265 Large units, poorly farmed, much idle.

Chile Only 2 3% arable is cultivated.

Brazil, 5% landarea " "

Peru 1.2 " " "

Urug. 6 arable " "

Costa R., 10 " "

Is good pattern.

Lee, p. ~~12~~ 10.

70% water supply in area comes from pumps. (but cost of pumps may differ from place to place)

p. 8. Study area: Madera, Kern, Tulare, Fresno, Kings Cties.

Table 41, p 98., Index of Intensity of land use by Type & Size of fm & Land class, 1940. (from AAA data, developed by BAE)

Shows. those over 100 acres less intense, all land classes & all types of fms.

Table 42, p. 99 Index of Intensity of land Use by type of fm & land class, 1940. Generally, better land used more intensively. But not much. & with some striking exceptions. But Lee, p 96, text, ignores exceptions.

Expos. All stat. on output/acre by size of fm ambiguous: might show bigger have better land; might show bigger use land better. Hence need theory.

p. 108-9. Shows large fms get more "per hour returns to labor" & "rate earned on inv." But that is just to say they spread them thinner. - yet he allows as of some importance.

Combine this with data on intensity, conclusively shows contrast of big & small — bigness on similar land, & thus allowing higher 'returns on inv.' & to labor.

Table 48.

Water costs. In each kind of fm — specialized fruit, major fruit, Summer-field crop, & Dairy, — the larger the farm, the less the cost of water per acre foot; & the less water they used per acre. By cost of water they mean depre., mntnce, int. & taxes on pumps, only. (taxes included as cost of land)

Meaning either they neglected P.D.s; or just stuck to costs per pump, which seems likely. Not a satisfactory study, ∴ But this does suggest all land they dealt with was presently irrigable.

Lee, p 114.

In costs, by cost of land they mean int. & taxes on land. Seem to Assume same int. & taxes for all sizes, & ass. same l.v. — thus get identical land costs/acre, all size groups. If so, shd get big land cost for big fms. Where is catch?

That is better than taking historical cost.

So they wd then be including l.v., in figuring 'returns on inv.'? L.V. at about present level — or at least same for all in one kind of fmg.

p 54-75 on cost of water. Gravity, no size advantage. Pumping, no adv. over c. 230a. He surely implies water available to whole area by pumping. But never really gets into relation of size to water cost.

p. 105-7, defs.

Net farm inc: Gross fm inc. (including livestock products consumed on fm. Nothing said of psychic inc.) minus all costs external to owner. ? e.g. income of the op-n. (doesn't say if subtracts rent)

Returns on inv. Subtract arbitrary value ($1,000 per farm) for op's labor. Remainder is income of "capital & mgmt". (incl. land, I suppose)

Don't say how "the investmt" is det.

p. 128

Net farm income per acre, from summer field crop fms. (cotton, mostly)

Large:	$32.64
Medium large:	36.34
Medium	53.68

Medium had expenses/acre 40% higher than large, 29% higher than medium large. But intensity, gross output, larger yet, allowed greater net fm inc.

They only had sufficient data on summer-field crop fms, he observes. So these more reliable.

p. 130. To show how they fail to account for land property:

They subtracted int. on inv. from net fm inc. Remainder should be labor inc. But they got labor inc. per acre 77% higher on medium than large. (maybe it was!)

p. 144 says large fms in area are assoc. w deep lifts & high cost of water. Contradicts earlier figs., table 48, that big get water cheaper.

(Maybe he assumed same lifts for all then)

S166
Phil.p.

p. A8 & A7 Distribution of farm area classified by use & farm size

(op-gunits)

Size of Farm(ha.)	% of farms	% ~~land~~ cultivated land	% idle land	% all land in farms
Under .2	2.3	0.1	--	1.9 - Impossible
.2 -	4.0	0.5	0.1	0.4
.4 -	6.1	1.2	0.2	1.1
.6 -	10.1	3.1	0.8	2.5
1.0 -	19.0	8.6	1.9	7.0
1.5 -	10.9	7.0	2.4	5.5
2.0 -	18.7	16.4	5.5	13.1
3.0 -	10.1	12.2	5.6	9.9
4.0 -	5.8	8.7	5.4	7.4
5.0 -	8.7	18.3	19.1	17.8
10.0 -	3.0	9.7	23.0	12.0
20.0 - and over	1.3	14.4	35.9	21.3
		100.2	~~99.9~~ 99.9	99.9

Existence of idle land in hldj shows MP land has reached 0.

elsein intro?

Ch. 13: ~~XX~~ e. Gy. Gerschenkron.

Morgenthau, "Gy is our Problem", 1945, p. 60, says the Junkers "have shown themselves unworthy cultivators of their land." Because about 2/3 their estates were uncultivated. Gersh. amends figures so about 1/2 was uncultivated., p. 335.

Too big, & ordinary

Then continues to say even less of it should be cultivated, due to protective tariffs. But of coursethat is irrelevant to land economics. The tariffs were there; why didn't they use the land?

5/5-2

c) - whole

b) →

Opt size

p. 1-3 - substantially all economies in the use of machinery were attained at approximately 100 acres, regardless of type of farm.

But larger farms used less farm machinery per acre, especially summer field crop & dairy farms. (indicating underuse of larger units)

Distinguishes "machinery" from tractors, pumps, labor hiring, managerial ability.

Tractors: 100 a. big enough to fully use one general purpose tractor, larger farms cd. use more specialized ones.

Power cost
~~Pumps~~ -- most economies at 100 a., all at 500.

Pumps & power 160-70

Hand jobs, small farms have advantage. Using machines, larger ones take less labor per machine. (So higher wages mean what effect on scale? ...)

Buildings: The larger, the cheaper per unit. (But is it good to have bldgs all in one place, even on large farm? Xport costs -- & these are less where community provides good roads.)

589

Per acre → 4 Net farm income per acre, operators labor earning per acre, & returns to all workers per acre, decreased as size of farm Δd. [But return on investment Δd w. scale. (Meaning? Lower i.r. to big? Less cap/a. for big?)

?

589

5-6 Attributes large farms, some, to AAA payments. 589

Medium set most net inc/acre 6 Medium summer-field crop & dairy, & medium-large fruit farms, had highest net farm inc/acre, ~~ear~~ gross output/a, employment/a. 589

Efficiency measures. Large farms produced most per unit of capital invested (including land purchase price? If so, means cheaper to buy land in large units. Suppose small scale is more productive, then when land subdivided, advantage capitalized into value, probly more than capitalized speculatively ... concealing advantage.

? If count land, opt. size concealed by capitalization.

Lee, 2

Or may mean they use capital less intensively/acre, thus getting higher yields per unit of capital, but less/acre.

"The large & medium-large farms have a slight advantage over the medium sized farms in output per unit of capital employed." But medium produce more, hire more, etc. .. more extended benefits, he stresses.

Lee ambiguous.

p. 37, unambiguous, is less farm machinery used/acre, the larger the farm.

589

p 29 Small farms on somewhat better land. (because 'land' here is all made?)

So here is what makes some say large farms 'more efficient': they use fewer men & machines per acre, hence get more ave & mgnl product/man & machine. But less from land --- which they can afford because they buy it cheaper, because cheaper to handle cap. -- & land shyster shenanigans -- in large blocs. Less trouble with small land types, too.

Illustrating the paradox: the more capital one has, the less capital per acre he uses .. because he uses the cap. to buy more land.

Ch. 3

Undersused
Di Giorgio land

[Sampling understates conc.]

p 17481

Di Giorgio Fruit Corp & subsidiaries, Internat. Fruit & Earl Fruit.

owns 15,855 a. in Cal, & 13,833 outside Cal, of which 4,500 is 'bare land'. (the bigger the owner, the more likely to own in many places -- so sampling distorts) Ida. & Wash.

Di G. Corp land & improvements, Dec 31 '38, $11 m

$5.8 m for lands

1.6 m improvements, incl. irr. works.

Earl Fruit

Mainly operates own lands.

Owns 10 packing sheds, op. 7, 95% Klamath Lumber & Box, some Wineries

Some Hearings on Labor, migr., Cal.

S412

Taylor, Frank J. "The People Nobody Wants." Sat. Eve Post.

214(45): 24+ (1942)

p. 25 On 2,000 acres, Takeo Yuchi, big Jap farmer of Salinas valley, has 50 tractors, 18 trucks, 6 pickups. Over 200 families make a living "from this op-n."

$\frac{50 \text{ tractors}}{2000 \text{ acres}} \quad \frac{2000 \text{ a.}}{50 \text{ tr}} = 40 \text{ acres/tractor}$

$18 \overline{)2000.}$ 111 111 acres/truck

~~95 Lockheed.~~

~~254~~

~~Sat. Eve Post 214(45): 24~~

~~Country Gent. 112(41): 7~~

5 V 1
C 7

~~Research subsequent to thesis.~~

~~1. Latest Census results, latest figures available.~~

~~2. Thesis legenda file.~~

less extreme

Cites study by Stanley Hamilton, of Rural Life ~~in~~ Association, "Employing the latest official information", cfd 2 Indiana cties, Benton & Elkhart. Each has c. 250,000 acres in farms. Benton, hi l.v., $209/acre ave. Elkhart, land valued at $160/acre. (is it really land alone value?) Benton, 1,138 farms, ave. 223 acres. Elkhart, more diversified & intensive farming, small farmers, ave. 86 acres. 5161

Benton:	Elkhart:
Ave. value, $209/acre	$160/acre
Ave farm, 223 8 acres	86.8 acres
No. of fms, 1138	
Cash income $14.8 million ~~xxxxxxxxx~~	20.7m$
Rural churches 37	91

Alaska

Hi output/man, but low wages. Freemen, 6-40 pp 183-5

(Minerals, fish, etc)

Large use less/acre

p 31 Summer-field crop farms, $69/crop acre for medium sized farm, invested in farm machinery; cf. $22/a. for large farms. or 10% less.

For dairy, 65% less. Fruit, less reduction, because small fruit growers hire much machinery, custom work. (all kinds of small growers will tend to hire more machinery -- so above figures understate actual difference in use intensity)

Size of farm is major factor affecting investment in machinery.

just because large ✓ Type of farm matters less.

Labor intensity, how vary w. gross sales

ch. 3, pp. 37-9, show 1950 gross sales rankings, larger more land intensive.

But land is by acres, & I shd concede that acre values fall.

Also, that "cap" is msred by individ. items, & on class I firms they may be better autos, trucks.

1900 Census strengthens this by showing same for bldgs - get that.

Recheck 1950 figs, be sure I included all items, didn't select those favoring me. v 2, ch. 12 Table I

→ On p. 32, 1950 figs show Class I much more land/labor

Check source - v. 5, pt. 6 p. 51

Having shown that land is more conc. than income, even among landowners:

Conc. Land > Inc. & rich have higher ratio, land/improvmts. & ½ have no land.

Is very clear, land more conc. than income.

ification of our results. But if we wait for all the facts to be discovered, the kind of work so ably represented in this volume would never be produced.

D. GALE JOHNSON
The University of Chicago

Agrarian structure and productivity in developing countries. By. R. ALBERT BERRY AND WILLIAM R. CLINE. A Study Prepared for the International Labour Office within the Framework of the World Employment Programme. Baltimore and London: Johns Hopkins University Press, 1979. Pp. x, 248. $17.50. *JEL 79–1094*

This is an important book. It is more outstanding as a useful contribution to a "consensus of informed opinion" than as a scintillating or original treatise. In fact, very useful portions of the book consist of concise summaries of previous work by Berry and Cline on Colombia and Brazil respectively. The issues examined are so important and still so embroiled in controversy that this systematic marshaling and analysis of a great deal of pertinent evidence is to be applauded as a major contribution to the literature on agricultural policy in less developed countries.

Chapters dealing in turn with "Theories on the Relationship of Farm Size to Productivity and Technical Change," "Cross-Country Tests: Extensive Data," and "Intensive Hypothesis Tests for Selected Countries" constitute the core of the book. The first of these chapters provides a good review of the relevant literature as well as a concise analysis of the issues of returns to scale, farm size and factor utilization, and the dynamic effects of farm size on technical change and savings.

The short chapter on cross-country tests is mainly devoted to a series of statistical tests of some of the hypotheses. The regression analyses in the chapter are based on data for 30 developing countries; interesting summary information about those countries is also presented, including estimated Gini coefficients for the distribution of farmland based on data from the Food and Agriculture Organization's *Report on the 1960 Census of Agriculture.* (In an effort to make the analysis of evidence meaningful to administrators and political leaders, there is a concise and clear explanation of regression analysis.) The various tests confirm the familiar hypothesis that the intensity of land use is higher on small farms than on large. Another set of tests suggests that there is no evidence of faster growth in agricultural output in countries with large average farm size, thus "casting doubt on the proposition that an agrarian structure based on large farms will be more dynamic . . ." (p. 43).

The "intensive" tests of some of the authors' hypotheses is based on more detailed data for Brazil, Colombia, the Philippines, Pakistan, the Muda River Area of Malaysia, and India. In a number of instances the authors are able to consider changes over time because of the availability of survey data for two or more periods. A great many data sets are utilized; more than 50 text tables are included in the chapter, which makes it a bit tedious to read—but a rich source of statistical information about the six countries.

The statistical tests applied to data for the six countries mentioned provide further confirmation of the negative relationship between farm size and output per hectare. The evidence concerning changes over time in this inverse relationship is especially interesting. In Brazil, there appears to have been little if any change; that conclusion is based on a comparison of findings from Cline's earlier study based on survey data for 1962/63 and data for a survey of approximately 8,000 farmers in the Northeast carried out jointly by the World Bank and SUDENE (the Superintendencia para o Desenvolvimento do Nordeste). In Colombia, large farms increased their intensity of land use more rapidly than small farms during the 1960s; but the evidence suggests that the net farm income per hectare and labor utilization are still much greater on small than large farms (pp. 67–69). The evidence for India suggests that the Green Revolution has moderately reduced the inverse relationship between output per hectare and farm size; but it still seems clear that yield per hectare, total factor productivity, and labor inputs decline as farm size rises (pp. 111–14). The evidence for India summarized in this chapter draws heavily on an appendix to the book. This is an essay of 50 pages prepared by Surjit Bhalla, which makes skillful use of All-India data (mainly for 1970/71) from a survey carried out

by the National Council of Applied Economic Research.

Another important finding is that evidence from Brazil, the Philippines, and India fails to show any support for the hypothesis that sharecropping reduces land productivity. On the contrary, the authors note that their evidence appears to support S. Cheung's theoretical analysis, which suggests that sharecropping does not reduce allocative efficiency (p. 115).

It is not possible to do justice to the summary of conclusions and the discussion of policy implications set forth in the final chapter of the book. The major conclusion, which is of course suggested by the inverse relationship between productivity and farm size, is that redistributive land reform is likely to have a positive effect on agricultural production as well as contributing to more equal distribution of income and fuller utilization of the farm labor force. The authors even offer some interesting estimates of the increases in output that might result from land redistribution. Increases of 20 to 30 percent are suggested by their analysis of survey data for Colombia, India, the Philippines, the Muda River Area of Malaysia, and Brazil, although their interpretation of the 1973 survey data for Brazil's Northeast implies a potential for an 80 percent increase in output.

The authors rightly point out that "when a country is developed to the point where the opportunity cost of labor is relatively high, the special efficiency advantages of small farms tend to disappear" (p. 134). It might have been added that the structural and demographic characteristics of most of today's low-income countries seem to make it inevitable that the opportunity cost of labor in the agricultural sector will continue to be low for another two or three decades at least (see B. F. Johnston and Peter Kilby, 1975; Johnston and W. C. Clark, forthcoming). Berry and Cline are no doubt being realistic when they state that "large-scale redistribution of land usually has severely limited political likelihood" (p. 137). It is well to bear in mind, however, that the political climate that determines the prospects for adoption and effective implementation of redistributive land reform can change rather abruptly.

An important conclusion of the study is that even in the absence of a redistributive land reform, "governments can still work effectively toward the joint objectives of production and equity through measures aimed at the small-farm sector" (p. 137). Given the common tendency to regard land tenure reform—attempts to legislate ceilings on rental rates—as a perfectly satisfactory substitute for a redistributive land reform, it is also noteworthy that they emphasize that it is "especially important to preserve for small farmers and landless workers at least that degree of access to land which they already have through land rental" (p. 137). All too often the condemnation of tenancy, especially share tenancy, has led critics to ignore the fact that for the landless and marginal farmers in developing countries, rented land is better than no land at all.

BRUCE F. JOHNSTON
Food Research Institute
Stanford University

REFERENCES

JOHNSTON, BRUCE F. AND KILBY, PETER. *Agriculture and structural transformation: Economic strategies in late-developing countries.* New York: Oxford University Press, 1975.

——— AND CLARK, W. C. *Redesigning rural development: A strategic perspective.* Baltimore: Johns Hopkins University Press, forthcoming.

800 Manpower; Labor; Population

810 Manpower Training and Allocation; Labor Force and Supply

Employing the unemployed. Edited by ELI GINZBERG. New York: Basic Books, 1980. Pp. x, 209. $15.00. ISBN 0–465–01957–9.

JEL 80–1134

For the seasoned researcher into manpower policy, *Employing the Unemployed* provides a well-written, compact summary of the vast array of thinking in his field. For the less intensely interested student of manpower policy and research, it provides thought provoking analysis generally not found in review anthologies.

The first and last chapters provide the editor's introduction to this massive policy area and his conclusions regarding its current status and future fate. The intervening nine chapters are almost equally divided between the "micro" concerns for the efficiency and effective-