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THE DRIFT AWAY FROM MEDIUM-SIZED FARMS IN AMERICA, by M. Mason Gaffney

Little heeded behind more sensational news events, a radical and portentous revolution has quietly been working its way over the American farm landscape. Many a field has changed hands these last decades, *many an old fence line given way to new.* ~~many a fence line moved over.~~ ^{individual} Although each/transaction has had its own ~~individual~~ motivations, persistent market forces have produced for the aggregate an unmistakable trend. The medium-sized American farm enterprise, whose type is the 160-acre homestead, is clearly on the wane. (It is yielding place to a few farms ranging from merely large up towards continental that now hold much of the good farm land, and many others ranging from moderate down to bite-size that support most of the farmers.)

delete From 1920 to 1950 the number of farms containing from 10 to 260 acres dwindled from 5.5 million to 4.1 million. (Almost one and a half million medium-sized independent farm enterprises disappeared from the American scene. What became of them? Many simply gave up the ghost)--- the number of American farms of all sizes fell in that thirty year interval by one million, (from 6.4 down to 5.4 million). (As to the other half million, they have moved mostly into the smaller brackets by losing land (or been replaced by new farms in these smaller brackets). Many of these smaller farms are miniature indeed. There *as much truth as fiction* ~~is truth as well as poetry~~ in the tale of the West Virginia angler whose morning was disturbed by a man splashing among the fish. Before he could remonstrate the man shouted: "Don't try me no further! This be the second time today I fell off my farm!")

2nd meeting The land yielded up by these disappearing enterprises has ^{*mainly*} been ~~by~~ ^{amassed} by the larger farms. The acreage held by farms 1,000 acres

and over increased swiftly from 221 million in 1920 to 495 million, or 43% of the farm acreage, by 1950. These giants are only 2.3% of *all* the farms. As they increased their acreage they also increased the average quality of their lands. (There never was a time when one could truly say that the large spreads were all sagebrush, although many of them were. Today it would be less true than ever.) Values per acre of the land in farms 1,000 acres and over have been rising noticeably relative to values in smaller farms. In several eastern states values per acre in farms 1,000 acres and over are now actually higher than values in smaller farms, although this is not true for the country as a whole.

What is the background of this striking trend? Professor C.V. Dominguez, Argentine student of land policies, ^{once} ~~has~~ observed that (equal partitions of the soil have usually proved impermanent.) In the wake of land reforms giant farm holdings "reconstitute themselves inexorably," (he wrote.) This does indeed seem to be the history of the many instances --- *two hyphens make a dash* (and it is remarkable how very many there have been, both recent and historical) --- when governments have undertaken to distribute land more equally among those who operated it. (Our American experience is perhaps another instance.) We had our land reform in the 19th century. We entered the 20th with a preponderance of medium-sized farms, the heritage of equalitarian policies of land distribution which, while often honored in the breach, still set us apart from, say, the long-suffering Latins. And where Federal policies failed our state and local governments often, by accident or design, broke up large neo-feudal or speculative holdings (in the process of financing public functions and improvements, through the property tax, on which they relied heavily.

But today the public domain is gone ~~and~~, while the income-yielding capacity of farm land has increased enormously, property taxes have receded to a minor place in the national tax structure. In these new circumstances farm land has become an attractive investment for the well-to-do with surplus funds seeking an outlet. Their spirited bidding has driven land prices up beyond the reach of many small farmers, and farm land, like most attractive investments, has tended to become concentrated in a few strong hands. Thus the middle class farmer is losing numbers, while the giant holdings "reconstitute themselves inexorably."

Some have interpreted this trend as a move toward greater "efficiency." (Their reasoning is based largely ~~on~~) the higher outputs per man and per machine that are possible when these have more good land to range over, --- for analysts of most persuasions agree that the larger farms in general use much less labor and ~~expensive~~ equipment per ~~unit of~~ dollar of land value. This narrow concept of "efficiency" has satisfied more influential people than from its merits one would expect. On one end of the ideological spectrum the largest landholders, and on the other the Marxists find it very persuasive to propagate their faith in agricultural gigantism. Its obvious weakness is in totally disregarding the good land that may be ~~wasted~~ ^{underused} to achieve high outputs per man and per machine.

An efficient use of all resources would seem to call for shifting some land from those who have more than they can contrive to work intensively to those ~~who are land starved~~, whose enterprise is cramped for lack of an adequate land base. This follows the good economic principle of transferring resources from where they are abundant to where they are scarce, from the land-glutted to the land-starved.

The smaller farmers, lacking enough land fully to employ themselves, or their equipment, (or larger items of equipment which they might have if they had more ~~x~~ land ~~x~~ over which to spread their use, clearly need additional land more and) could put it to more productive use than those already oversupplied. In 1940 on farms 1,000 acres and over only 45% of the land available for crops was used for crops. An efficient use of all resources would seem to call for shifting some land from those who have more contrive to than they can/work intensively to those whose enterprise is cramped for lack of an adequate land base. This follows the basic economic principle of transferring resources from where they are abundant to where they are scarce, in this instance from the land-glutted to the land-starved.

X The smaller farmers, lacking enough land fully to employ themselves, or their equipment, or larger items of equipment which they might have if they had more land to use it on, ^{clearly need additional land more,} and could put it to more productive use, ^{comma (to match)} than those already so over-supplied that in 1940 only 45% of the land available for crops ~~on farms 1,000 acres and over~~ was used for crops.

But the trend in America has been the opposite. Those who have been laying field to field are, on the whole, exactly those with enough and more than enough land to complement their labor and capital. The trend has been (further) to separate most of the farm proprietors and improvements from most of the farm land. (It is quite striking how unevenly our farm labor force is now distributed over the land.) Various studies by farm economists have shown ten and twenty times more men per dollar of land value on small farms in such areas as the Ozarks, Appalachians, and marginal ^{zones} ~~areas~~ in Utah and New Mexico ^{Thom for example,} as on, the vast and fertile farms of Iowa, ~~for example.~~

The larger farms, it is true, have more capital equipment. It is often overlooked that they have less per dollar of land value. The 1940 Census, last to give this information, reported that there were sixteen times more dollars of building value per dollar of land value on farms 3 acres and under than on farms 1,000 acres and over (and between these extremes the proportion of building to land value became steadily less as the farms became larger). As to implements and machinery, a much smaller item than buildings, the contrast was less marked and regular, but in the same direction.

A great deal has been said about farms expanding to accommodate new forms of large scale machinery. There are many small farms which

could doubtless have benefited a great deal by expanding, but these are not on the whole the ones that have expanded. They have tended to grow smaller, or be replaced with smaller farms. The expanding farms have in general been those already large enough to achieve (any demonstrable) savings from large scale operation.

The Census reports the number of farms falling within various size brackets, as well as the total acreage held by the farms in each bracket. From these figures one can compute the average size of the farms in each bracket. Comparing 1920 with 1950 again, in ~~the upper~~ each of the upper brackets the average has risen toward the top limit of the bracket, while in each of the lowest it has descended. (It is striking to note that, above 260 acres, the higher the bracket the swifter the ascent, both absolutely and percentagewise. Below 100 acres the lower the bracket the swifter is the fall, percentagewise.) On top of the heap the average size of farms 1,000 acres and over increased from about 3300 up almost to 4100 acres. At the bottom the average farm under 3 acres fell from 1.7 to 1.4 acres.

This pattern of change is hard to reconcile with the idea of a mechanical revolution as the prime mover. If a technological imperative determined farm sizes it would make them cluster, one would think, about some central optimum prescribed by operating economies. The fact is they are racing away from each other toward the two extremes, the large getting larger and the small smaller.

(What might explain such perverse behavior? The problem has arisen to bemuse social philosophers and confound socially-minded citizens in age before age, and there are those who blame it with destroying many civilizations. Evidently a prime cause is financial.) Today, as population has increased, as new demands, improved techniques

and farm price supports have enhanced the income-producing capacity of farm land, as interest rates have declined absolutely and land taxes relatively, farm land titles have become a much more attractive investment than once they were. Prices of these titles, while they have their ~~ups~~ downs as well as their ups, have stood in this century on the whole much higher than in the last. This means that those who buy land with surplus funds (more) as an investment, an income, a hedge against inflation, a provision for grandchildren, a good speculation, or what you will, have a new advantage over the impecunious young farmer trying to (round out an optimal operating unit.) In the (market's) competition for land titles today, good husbandry counts for less, financial power for more. And in the arena of finance, more than any other, "him that has gets." A large debt free landholding provides a surplus of funds for additional investments, collateral security for loans, and ~~any other~~ social position to facilitate advantageous alliances. {And so the race for land titles goes more and more to ~~the~~ those who already have.

(Of course there are other causes.) One might mention the superior ability of larger landholders to secure political favors such as low tax assessments, forgiveness of delinquent taxes, access to cheap foreign labor and government price supports for their products.

X ambiguity (To the) many sincere citizens (who) have regretfully accept^{ed} for agriculture the economic philosophy of scarcity that they condemn in other industries the present trend has its compensations. To lock up much of our good land underused in large holdings, while much ~~of~~ labor and capital hibernate (on lands too narrow fully to occupy them,) is a most effective means to hold down production. It also tends to choke off investment opportunities, flood the labor

market and raise the price of necessities. To those who agree with Tawney that "A society is rich when material goods are cheap and . . . human beings dear" the trend is not so welcome.